



FINO PAYTECH LIMITED

Annual Report for the F.Y. 2022-2023

BOARDS' REPORT

Dear Shareholders,

Your Board of Directors is pleased to present the Seventeenth (17th) Annual Report of Fino PayTech Limited (“Company”) together with the Audited Standalone and Consolidated Financial Statements for the Financial Year ended March 31, 2023.

FINANCIAL HIGHLIGHTS & PERFORMANCE

The highlights of the financial performance of the Company for the financial year ended March 31, 2023 as compared to the previous financial year are as under:

(Rs.in Lakhs)

PARTICULARS	STANDALONE		CONSOLIDATED	
	2022-23	2021-22	2022-23	2021-22
Net Sales and other income	5,973.11	84,163.56	129,130.12	1,05,063.02
Profit/(Loss) before Interest, Depreciation and Tax	(4,193.31)	60,906.87	16,689.69	2,200.28
Finance Charges	133.23	156.78	5,415.37	3,009.70
Depreciation	203.51	195.14	5,044.06	4,374.68
Profit/(Loss) before Tax and prior period items	(4,530.04)	60,554.95	6,230.26	(5,184.10)
Prior period items	-	-	-	-
Profit/(Loss) before Tax	(4,530.04)	60,554.95	6,230.26	(5,184.10)
<u>Tax expenses:</u>				
Current tax	-	8,191.09	37.26	130.59
Tax provision for earlier years	-	-	-	-
Deferred	1,181.80	-	1,181.80	-
Mat Credit entitlement	-	-	-	-
Net Profit/(Loss) after Tax	(5,711.85)	52,363.86	5,011.20	(5,314.68)
Other Comprehensive Income	1.22	13.93	(136.79)	98.09
Balance of Profit /(Loss) carried forward to next year	(5,710.61)	52,377.78	4,874.41	(5,216.60)

The net revenue of the Company was Rs. 5973.11 lakhs for the year ended March 31, 2023 as compared to Rs. 84,163.56 lakhs in previous year. The Company's Loss before tax was Rs. 4,530.04 lakhs as against Rs. 60,554.95 lakhs profit in the previous year.

FINO PAYTECH LIMITED

PAYMENT OF DIVIDEND

During the year under review, your Board of Directors in accordance with the provisions of Section 123 of the Companies Act, 2013 read with Companies (Declaration and Payment of Dividend) Rules, 2014 and the Memorandum and Articles of Associations of the Company, declared and paid an Interim Dividend of Rs. 37.71/- (Rupees thirty seven and seventy one paise only) each on equity & preference shares of face value of Rs. 10/- (Rupees ten) each of the Company.

The allocation of an Interim Dividend was as follows:

Sr. No.	Type of Shares	Total Number of Shares	Dividend per Share	Amount of Dividend
1	Equity	10,94,07,156	37.71	4,12,57,43,853
2	Preference	2,38,31,215	37.71	89,86,75,118
TOTAL				5,02,44,18,970

BUYBACK OF EQUITY AND PREFERENCE SHARES

During the year under review, your Company has bought back 47,86,754 (Forty seven lakh eighty-six thousand seven hundred and fifty four) fully paid up equity shares and 10,42,654 (Ten lakh forty two thousand six hundred and fifty four) fully paid up preference shares of face value of Rs.10 (Rupees ten only) each, aggregating to 58,29,408 (Fifty eight lakhs twenty nine thousand four hundred and eight) Shares from the existing shareholders/beneficial owners of the Company as on record date i.e. August 26, 2022 on a proportionate basis through tender offer mechanism at a price of Rs. 214.43/- (Rupees two hundred and fourteen and forty three paise only) per share consisting of face value of Rs. 10/- (Rupees ten only) each including at a premium of Rs. 204.43/- (Rupees two hundred and four and forty three paise only) for an aggregate amount upto Rs. 1,24,99,99,959/- (Rupees one hundred and twenty four crores ninety nine lakhs ninety nine thousand nine hundred and fifty nine only).

The Buyback represented 21.92% of the total paid up share capital and free reserves as per the audited standalone financial statements of the Company for the financial year ended March 31, 2022.

The payments have been made to all the eligible shareholders on October 31, 2022, subsequently the bought back shares have been extinguished resulting in reduction of paid up share capital to Rs. 1,04,62,04,020 (Rupees one hundred and four crores sixty two lakhs four thousand and twenty only) divided into 10,46,20,402 (Ten crores forty six lakhs twenty thousand four hundred and two) equity shares of Rs. 10/- (Rupees ten only) each and Rs. 22,78,85,610/- (Rupees twenty two crores seventy eight lakhs eighty five thousand six hundred and ten only) divided into 2,27,88,561 (Two crores twenty seven lakhs eighty eight thousand five hundred and sixty one) fully compulsory convertible preference shares of Rs. 10/- (Rupees ten only) each.

In accordance with Section 69 of the Companies Act, 2013, during the year ended March 31, 2023, the Company has created a Capital Redemption Reserve of Rs. 5,82,94,080/- (Five crores eighty two lakhs ninety four thousand eighty only) equal to the nominal value of Shares bought back as an appropriation from General Reserves.

FINO PAYTECH LIMITED

SHARE CAPITAL

During the year under review the Company has not changed its Authorised Share Capital, the Authorised Share Capital of the Company is Rs. 1,70,00,00,000/- (Rupees one hundred and seventy crores only), divided into 12,00,00,000 (Twelve crores) Equity Shares of Rs. 10/- (Rupees ten only) each aggregating to Rs. 120,00,00,000/- (Rupees one hundred and twenty crores only) and 5,00,00,000 (Five crore) Fully Compulsorily Convertible Preference Shares of Rs. 10/- (Rupees ten) each aggregating to Rs.50,00,00,000/- (Rupees fifty crores only).

The Paid up Share Capital of the Company as on March 31, 2023 was Rs.1,27,40,89,630 (Rupees one hundred and twenty seven crores forty lakhs eighty nine thousand six hundred and thirty only) divided into 10,46,20,402 (Ten crores forty six lakhs twenty thousand four hundred and two) Equity Shares of Rs. 10/- (Rupees ten only) each aggregating to Rs. 1,04,62,04,020/- (Rupees one hundred and four crores sixty two lakhs four thousand and twenty only) and 2,27,88,561 (Two crores twenty seven lakhs eighty eight thousand five hundred and sixty one) Fully Compulsorily Convertible Preference Shares of Rs. 10/- (Rupees ten only) each aggregating to Rs. 22,78,85,610/- (Rupees twenty two crores seventy eight lakhs eighty five thousand six hundred and ten only) (Previous Year Rs. 1,33,23,83,710 (Rupees one hundred and thirty three crores twenty three lakhs eighty three thousand seven hundred and ten only) divided into 10,94,07,156 (Ten crores ninety four lakhs seven thousand one hundred and fifty six) Equity Shares of Rs. 10/- (Rupees ten only) each aggregating to Rs. 1,09,40,71,560/- (Rupees one hundred and nine crores forty lakhs seventy one thousand five hundred and sixty only), and 2,38,31,215 (Two crores thirty eight lakhs thirty one thousand two hundred and fifteen) Fully Compulsorily Convertible Preference Shares of Rs. 10/- (Rupees ten only) each aggregating to Rs. 23,83,12,150/- (Rupees twenty three crores eight three lakhs twelve thousand one hundred and fifty only). Consequent to buy back of 58,29,408 (Fifty eight lakhs twenty nine thousand four hundred and eight) Equity and Preference Shares of Rs. 10/- (Rupees ten only) each, the paid up Share Capital of the Company has been reduced during the Financial year ended March 31, 2023 to that extent. During the year under review, the Company has neither issued any shares with differential voting rights nor granted stock options or sweat equity shares.

MATERIAL CHANGES AND COMMITMENTS

Except, as disclosed elsewhere in the report, there were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year i.e March 31, 2023 and up to the date of this report.

BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR/STATE OF COMPANY'S AFFAIRS

The Company is engaged in the business of providing technology solutions to various banks, insurance companies, government and non-government institutions and body corporates.

FINO PAYTECH LIMITED

HIGHLIGHTS OF THE PERFORMANCE OF COMPANY'S SUBSIDIARY COMPANIES & ASSOCIATE COMPANY

Pursuant to the provisions of Sections 129, 133, 134 and 136 of the Companies Act, 2013 read with rules framed thereunder, the Company has prepared Audited Standalone & Consolidated Financial Statements of the Company.

The performance and financial position of Subsidiary Companies and Associate Company are detailed in statement containing salient features of the financial statements of Subsidiaries and Associate Companies in form AOC-1 is annexed herewith as **Annexure-A**, which is prepared pursuant to Section 129 of the Companies Act, 2013 and forms part of the Annual Report.

The total revenue from the operation of Fino Payments Bank Limited during the year under review is Rs.1,22,991.33 lakhs and Net Profit is Rs. 6,508.7 lakhs.

The total revenue from the operation of Fino Finance Private Limited during the year under review is Rs. 470.04 lakhs and Net Loss is Rs. 573.68 lakhs.

The total revenue from the operation of Fino Financial Services Private Limited during the year under review is Rs. NIL and Net Loss is Rs. 0.23 lakhs.

The total revenue of Fino Trusteeship Services Limited, Associate Company of the Company during the year under review is Rs. 133.94 lakhs and Net Profit is Rs.95.44 lakhs.

Detail of Subsidiary/Associate Companies

Sr. No.	Name of the Company	Whether incorporated/ acquired/ converted	Year of Incorporation/ acquisition	Status
1	Fino Finance Private Limited	Acquired	2010	Wholly-owned Subsidiary
2	Fino Financial Services Private Limited	Incorporated	2014	Wholly-owned Subsidiary
3	Fino Payments Bank Limited	Converted	2017	Subsidiary
4	Fino Trusteeship Services Limited	Incorporated	2009	Associate Company

The Financial Statements of Fino Finance Private Limited, Fino Financial Services Private Limited (Wholly-owned Subsidiary Companies), Fino Payments Bank Limited (Subsidiary Company) and Fino Trusteeship Services Limited (Associate Company) are forming part of the Consolidated Financial Statements of the Company.

Bharat Petroleum Corporation Limited's ("BPCL") investment in the Company is 21.97% (as on March 31, 2023), therefore your Company is an Associate Company of BPCL.

FINO PAYTECH LIMITED

RESERVES

During the year under review, no amount was transferred to reserves. However, in accordance with Section 69 of the Companies Act, 2013, the Company has created a Capital Redemption Reserve of Rs. 582.94 lakhs equal to the nominal value of Shares bought back as appropriation from General Reserves.

DIRECTORS' AND KEY MANAGERIAL PERSONNEL

Appointment of Directors:

Based on the recommendation of the Nomination and Remuneration Committee (“NRC”), the Board approved the appointment of the following Directors of the Company:

1. Mr. Prateek Roongta (DIN: 00622797) was appointed by the Board as a Nominee Director of Blackstone GPV Capital Partners (Mauritius) VI-B FDI Ltd with effect from October 28, 2022.
2. Mr. Manoj Heda (DIN: 09368299) was appointed by the Board as a Nominee Director of Bharat Petroleum Corporation Limited with effect from November 22, 2022.
3. Dr. Apurva Joshi (DIN: 06608172) was appointed by the Board as an Additional Director in the capacity of Independent Director for a period of three (3) years with effect from November 25, 2022, not liable to retire by rotation, subject to approval of Members.
4. Mr. Rajeev Deoras (DIN: 02879519) was appointed by the Board as an Additional Director in the capacity of Independent Director for a period of three (3) years with effect from November 25, 2022, not liable to retire by rotation, subject to approval of Members.
5. Mr. Amit Kumar Jain (DIN: 08353693) was appointed as an Additional Director in the capacity of Whole-time Director and Key Managerial Personnel for a period of three (3) years with effect from November 25, 2022 subject to approval of Members.

Re-appointment of Director retiring by rotation

In accordance with the provisions of Section 152 and other applicable provisions of the Act, read with Companies (Management & Administration) Rules, 2014 and Articles of Association of the Company, Mr. Amit Kumar Jain (DIN: 08353693), Whole-time Director of the Company retires by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment. The resolution seeking the appointment of Mr. Amit Kumar Jain forms part of the Notice convening the ensuing 17th Annual General Meeting.

The profile and particulars of experience, attributes, skills of Mr. Amit Kumar Jain together with his other directorships and committee memberships in terms Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India have been disclosed in the annexure to the Notice of the Annual General Meeting.

FINO PAYTECH LIMITED

Cessation of Directors:

1. Mr. Ramakrishna Gupta Vetsa tendered his resignation and ceased to be Nominee Director of the Company with effect from November 02, 2022.
2. Mr. Sudeep Gupta ceased to be a Whole-time Director and Key Managerial Personnel with effect from the closure of working hours on November 28, 2022.

The Board placed on record its appreciation for the valuable services and support rendered by Mr. Ramakrishna Gupta Vetsa and Mr. Sudeep Gupta during their tenure as Directors of the Company.

Appointment/Resignation of Key Managerial Personnel:

During the year under review:

- i. Mr. Rakesh Tripathi was appointed as Chief Financial Officer and Key Managerial Personnel of the Company with effect from July 26, 2022;
- ii. Mr. Ravindra Gupta was appointed as Company Secretary, Manager – Legal and Key Managerial Personnel with effect from August 26, 2022;
- iii. Mr. Rakesh Tripathi tendered his resignation from the post of Chief Financial Officer and Key Managerial Personnel with effect from May 20, 2023;
- iv. Mr. Ravindra Gupta tendered his resignation from the post of Company Secretary, Manager – Legal and Key Managerial Personnel with effect from closure of business hours on January 11, 2023.

The Board places on record its appreciation for the valuable services and support rendered by Mr. Rakesh Tripathi and Mr. Ravindra Gupta during their tenure.

During the year under review, there has been no change in the Directors and Key Managerial Personnel of the Company other than those disclosed above.

DECLARATION BY INDEPENDENT DIRECTORS

All the Independent Directors (IDs) of the Company have submitted declarations that each of them meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. There has been no change in the circumstances affecting their status as IDs of the Company. In the opinion of the Board, the IDs possess the requisite integrity, experience, expertise and proficiency required under all applicable laws and the policies of the Company.

All the IDs of the Company have complied and affirmed to abide by Rule 6 (Creation and Maintenance of Databank of Persons Offering to become Independent Directors) of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, and have also declared their enrollment in the databank of Independent Directors maintained by Indian Institute of Corporate Affairs (“IICA”).

FINO PAYTECH LIMITED

POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors has framed a policy which lays down guidelines in relation to remuneration of Directors, Key Managerial Personnel and other employees of the Company. This policy inter alia, prescribes criteria for determining qualifications, positive attributes and independence of Directors and also lays down criteria for selection and appointment of Board Members. The Nomination and Remuneration policy has been prepared as per requirements of the provisions of Section 178 of the Companies Act, 2013 read along with the Rules made thereunder. There were no material changes in the policy during the FY 2022-23. The Policy is available on the web site of the Company www.finopaytech.com.

BOARD EVALUATION

Your Company is highly committed and have dedicated professionals as Directors on its Board. The Directors follow an efficient mechanism for Annual Evaluation of performance by the Board, Directors individually and the Committees of the Board, the mechanism basically is based upon the principle of enhancement in Company's efficient governance and bringing higher levels of transparency, legacy and accountability in working of the Company.

Broadly, the evaluation framework for assessing the performance of Directors comprises of the following key areas:

- i. Attendance of Board Meetings and Committee Meetings.
- ii. Quality of contribution at the Board/Committee Meetings deliberations.
- iii. Strategic perspectives or inputs regarding future growth of Company and its performance.
- iv. Providing perspectives/advice and feedback going beyond information provided by the management.
- v. Commitment towards Shareholders and other Stakeholders' interests.

As per the Companies Act, 2013, the formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual Directors.

Further, Schedule IV of the Companies Act, 2013, states that the performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated.

The Board Members expressed their views that the majority Directors on the Board are appointed recently, therefore it would be prudent to evaluate their performance in next year.

CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign Exchange Earnings and outgo pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Account) Rules, 2014 are set out in the **Annexure-B**.

FINO PAYTECH LIMITED

RELATED PARTY TRANSACTIONS

All material related party transactions under Section 188 of the Companies Act, 2013 and the Rules made thereunder are set out in Form AOC-2 (as per Section 134 of the Companies Act, 2013) is annexed herewith as **Annexure- C**. These transactions are in ordinary course of business and on arm's length basis. The details of the related party transactions as required under Accounting Standard 18/ Ind AS 24, as the case may be, are set out in notes to accounts to the financial statements. All Related Party Transactions are placed before the Audit Committee.

NUMBER OF MEETINGS OF THE BOARD, ATTENDANCE, MEETINGS AND CONSTITUTION OF VARIOUS COMMITTEES

A. Board of Directors' Meetings

During the year under review, eight (8) Board Meetings were convened and held viz. April 29, 2022, June 08, 2022, June 28, 2022, July 26, 2022, August 26, 2022, September 22, 2022, November 25, 2022 and January 27, 2023.

The maximum gap between any of the two consecutive meetings was not above one hundred and twenty (120) days during the year under review. The necessary quorum was present for all the Board meetings.

The details of the Directors and attendance at the meeting of the Board of Directors are as follows:

Sr. No.	Name	Category	No. of Meetings Attended
1	Mr. Ashok Kini*	Independent Director	8/8
2	Dr. Apurva Joshi**	Independent Director	1/8
3	Mr. Rajeev Deoras**	Independent Director	1/8
4	Mr. Prateek Roongta [#]	Nominee Director	2/8
5	Mr. Manoj Heda ^{##}	Nominee Director	1/8
6	Mr. Marcus Peter Strutt Thompson	Nominee Director	8/8
7	Mr. Ramakrishna Gupta Vetsa ^{###}	Nominee Director	6/8
8	Mr. Amit Kumar Jain [^]	Whole-time Director	1/8
9	Mr. Sudeep Gupta ^{^^}	Whole-time Director	7/8

*Stepped down from chairmanship of the Board w.e.f. October 10, 2022 but continues to be Independent Director of the Company.

**Appointed as an Additional Directors in the capacity of Independent Directors w.e.f. November 25, 2022.

[#]Appointed as Nominee Director of the Company w.e.f. October 28, 2022.

^{##}Appointed as Nominee Director of the Company w.e.f. November 22, 2022.

^{###}Ceased to be Nominee Director of the Company w.e.f. November 02, 2022 due to resignation.

[^]Appointed as Additional Director in the capacity of Whole-time Director w.e.f. November 25, 2022.

^{^^}Ceased to be Whole-time Director of the Company w.e.f. November 28, 2022 due to resignation.

B. Audit Committee

The Board has constituted Audit Committee under Section 177 of the Companies Act, 2013. As on date of this report, the Committee comprised of two Independent Directors and one Nominee Director which is in accordance with the Companies Act, 2013.

FINO PAYTECH LIMITED

During the year under review, three (3) meetings of the Audit Committee were held on July 26, 2022, August 26, 2022 and November 25, 2022 respectively.

Details of Members of the Committee and their attendance at the Audit Committee meetings are as follows:

Sr. No.	Name	Category	No. of Meetings Attended
1	Mr. Rajeev Deoras*	Chairman, Independent Director	0/3
2	Mr. Ashok Kini**	Member, Independent Director	3/3
3	Mr. Marcus Peter Strutt Thompson	Member, Nominee Director	3/3
4	Mr. Sudeep Gupta***	Member, Whole-time Director	3/3

*Appointed as a Chairman of the Committee w.e.f. April 13, 2023.

**Ceased to be Chairman of the Committee and re-designated as Member of the Committee w.e.f. April 13, 2023.

***Appointed w.e.f. June 29, 2022 and ceased to be Member of the Committee w.e.f. November 28, 2022.

The Board of Directors had accepted all the recommendations given by the Audit Committee during the year under review.

C. Nomination and Remuneration Committee

The Board has constituted Nomination and Remuneration Committee as per Section 178 of the Companies Act, 2013. As on the date of this report, the Committee comprised of two Independent Directors and two Nominee Directors which is in accordance with the Companies Act, 2013.

During the year under review, three (3) meetings of Nomination and Remuneration Committee were held on April 29, 2022, July 26, 2022 and November 25, 2022.

Details of Members of the Committee and their attendance at the Nomination and Remuneration Committee meetings are as follows:

Sr. No.	Name	Category	No. of Meetings Attended
1	Dr. Apurva Joshi*	Chairman, Independent Director	0/3
2	Mr. Rajeev Deoras**	Member, Independent Director	0/3
3	Mr. Ashok Kini [#]	Member, Independent Director	3/3
4	Mr. Marcus Peter Strutt Thompson	Member, Nominee Director	3/3
5	Mr. Manoj Heda**	Member, Nominee Director	0/3
6	Mr. Sudeep Gupta ^{##}	Member, Whole-time Director	2/3

*Appointed as a Chairperson of the Committee w.e.f. April 13, 2023.

**Appointed as Members of the Committee w.e.f. April 13, 2023.

[#]Ceased to be Member of the Committee w.e.f. April 13, 2023 due to reconstitution of the Committee.

^{##}Appointed as a Member of the Committee w.e.f. June 29, 2022 and ceased w.e.f. November 28, 2022.

FINO PAYTECH LIMITED

D. Corporate Social Responsibility Committee

The Board has constituted Corporate Social Responsibility Committee as per section 135 of Companies Act, 2013. As on the date of this report, the Committee comprised of one Independent Director and two Nominee Directors which is in accordance with the Companies Act, 2013.

During the year under review, one (1) meeting of Corporate Social Responsibility Committee was held on July 26, 2022.

Details of Members and their attendance at the Corporate Social Responsibility Committee meetings are given below:

Sr. No.	Name	Category	No of Meetings attended
1	Dr. Apurva Joshi*	Chairperson, Independent Director	0/1
2	Mr. Ashok Kini**	Member, Independent Director	1/1
3	Mr. Prateek Roongta***	Member, Nominee Director	0/1
4	Mr. Manoj Heda***	Member, Nominee Director	0/1
5	Mr. Sudeep Gupta#	Member, Whole-time Director	1/1
6	Mr. Ramakrishna Gupta Vetsa^	Member, Nominee Director	1/1

*Appointed as a Chairperson of the Committee w.e.f. April 13, 2023

**Ceased to be member of the Committee w.e.f. April 13, 2023 due to reconstitution of the Committee.

***Appointed as Members of the Committee w.e.f. April 13, 2023.

#Appointed as a Member of the Committee w.e.f. July 20, 2022 and ceased w.e.f. November 28, 2022 due to resignation.

^Ceased to be member of the Committee w.e.f. November 02, 2022.

E. Stakeholders Relationship Committee

The Board of Directors has constituted Stakeholder Relationship Committee under Section 178 of the Companies Act, 2013. As on the date of this report, the Committee comprised of one Independent Director and two Nominee Directors which is in accordance with the Companies Act, 2013.

During the year under review, no Meeting of the Stakeholders Relationship Committee was held.

Details of Members of the Stakeholders Relationship Committee are as follows:

Sr. No.	Name	Category	No of Meetings attended
1	Dr. Apurva Joshi*	Chairperson, Independent Director	0
2	Mr. Ashok Kini**	Chairperson, Independent Director	0
3	Mr. Marcus Peter Strutt Thompson***	Member, Nominee Director	0
4	Mr. Prateek Roongta#	Member, Nominee Director	0
5	Mr. Sudeep Gupta##	Member, Whole-time Director	1

*Appointed as a Chairperson of the Committee w.e.f. April 13, 2023.

**Ceased to be Member of the Committee w.e.f. April 13, 2023 due to reconstitution of the Committee.

***Appointed as a Member of the Committee w.e.f. July 21, 2022.

#Appointed as a Member of the Committee w.e.f. April 13, 2023.

##Ceased to be Member of the Committee w.e.f. November 28, 2022 due to resignation.

FINO PAYTECH LIMITED

MEETING OF THE INDEPENDENT DIRECTORS

The Meeting of the Independent Directors (IDs) of the Company was held on March 31, 2023, without the attendance of Non-Independent Directors and members of the management. The Independent Directors, inter-alia, discussed that as all the Directors on the Board were recently appointed, it would therefore be advised to evaluate their performance next year. The Independent Directors assessed the quality, quantity and timeliness of the flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform their duties and gave their suggestions on the same. All Independent Directors were present in the Meeting.

CORPORATE SOCIAL RESPONSIBILITY

In terms of Section 135 of the Companies Act, 2013 and Schedule VII of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014 made thereunder, as amended, the Board of Directors of your Company have constituted a Corporate Social Responsibility Committee and adopted CSR policy formulated by the Committee.

The CSR policy indicating the development and implementation of the policy on the CSR initiatives/activities as approved by the Board were uploaded on the Website of the Company at www.finopaytech.com

In terms of the provision of the Companies Act, 2013, for FY 2022-23, the Company was not required to spend any amount towards CSR Activities.

The Annual Report on CSR initiatives/activities during the year are set out in **Annexure- D**.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of Loans given, Investments made and guarantees provided by the Company under Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 as at March 31, 2023, forms part of the Financial Statements.

VIGIL MECHANISM

The Company has established a Vigil Mechanism that enables the Directors and Employees to report genuine concerns. The Vigil Mechanism provides for (a) adequate safeguards against victimization of persons who use the Vigil Mechanism; and (b) direct access to the Chairperson of the Audit Committee of the Board of Directors of the Company in appropriate or exceptional cases. Details of the Vigil Mechanism policy are made available on the Company's website i.e. www.finopaytech.com.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company is an equal opportunity employer and is committed to ensuring that the work environment at all its locations is conducive to fair, safe and harmonious relations between employees. It strongly believes in upholding the dignity of all its employees, irrespective of their gender or seniority. Discrimination and harassment of any type are strictly prohibited.

FINO PAYTECH LIMITED

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee (ICC) under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under the policy.

The following is a summary of sexual harassment complaints received and disposed off during the financial year 2022-23:

- No. of complaints received : NIL (Previous year NIL)
- No. of complaints disposed off : NA (Previous year NA)
- Number of cases pending for more than 90 days : NIL
- Number of workshops/awareness programmes : 1
against sexual harassment carried out
- Nature of action taken by the employer or : NA
District Officer

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 134(5) of the Companies Act, 2013, and based on the representations received from the operating management, your Directors hereby confirm that:

- (a) in the preparation of the annual accounts for the financial year ended March 31, 2023, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as on March 31, 2023 and loss of the Company for the financial year ended March 31, 2023;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) for the time being in force) for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

RISK MANAGEMENT POLICY

The Board has framed a policy on Risk Management including identification therein elements of risk, if any which in the opinion of the Board may threaten the existence of

FINO PAYTECH LIMITED

the Company. The policy helps to assess the risk areas, monitor and report compliance and effectiveness of the policy and procedure.

The Company has not come across any material risk which may threaten the existence of the Company.

The Directors expressed their satisfaction that the systems of risk management are defensible.

INTERNAL CONTROLS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. Internal Audit Control System ensures that the regular internal audits are conducted functional areas. The findings are then taken up by Audit Committee along with management response for suitable action. The Company has adequate and effective internal audit system, covering on a continuous basis, the entire gamut of operations and services spanning all locations, business and functions. The Audit Committee monitors the Internal Audit System on regular intervals and directs necessary steps to further improve the Internal Control system.

INVESTOR EDUCATION AND PROTECTION FUND

As per Companies Act, dividends that are unclaimed/unpaid for a period of seven (7) years from the date of their transfer are required to be transferred to the Investor Education and Protection Fund (“**IEPF**”) administered by the Central Government. The tentative date for transfer of unclaimed and unpaid dividends to the IEPF, declared by the Company are as under:

Financial Year	Date of Declaration	Tentative Date for transfer to IPEF
2022-23 (Interim)	June 08, 2022	July 09, 2029

Members who have not encashed their dividend so far in respect of the aforesaid period are requested to make their claims to Adroit Corporate Services Private Limited, Registrar and Share Transfer Agent of the Company (“**RTA**”) or to the Company Secretary of the Company, at the Company’s Registered Office, well in advance of the above due dates. Pursuant to the provisions of IEPF Authority (“**IEPF**”) (Accounting, Audit, Transfer and Refund) Rules 2016 (“**IEPF Rules**”), the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on the website of the Company at www.finopaytech.com.

AUDITORS

a) Statutory Auditors and their Report

The Shareholders in their meeting held on September 23, 2022 had appointed M/s. A P Sanzgiri & Co., Chartered Accountants (FRN: 116293W) as a Statutory Auditor of the Company for a term of 5 years, commencing from the conclusion of the 16th AGM till the conclusion of the 21st AGM of the Company to be held in the year 2027.

The Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2022, have been prepared in accordance with the Indian

FINO PAYTECH LIMITED

Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder (Ind AS) and other accounting principles generally accepted in India.

The Notes to Accounts are self-explanatory and therefore do not call for any further comments. The Auditors' Report is unmodified and does not contain any qualification, reservation or adverse remark.

The Company exempted the presence of Statutory Auditors in the Annual General Meeting.

b) Secretarial Auditor and their Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed M/s. DM & Associates, Company Secretaries LLP as the Secretarial Auditor to conduct an audit of the secretarial records of the Company for the financial year 2022-23.

The Secretarial Audit Report for financial year ended March 31, 2023, is annexed with the Board Report as **Annexure-E**. The qualification/observation in the report along with the justification by the Board is given below:

1. The Composition of the Audit Committee and the Nomination & Remuneration Committee did not fully adhere to the requirements outlined in sections 177(2) and 178(1), respectively. Additionally, for certain duration, the composition of the Corporate Social Responsibility Committee was not in accordance with section 135(1) of the Companies Act, 2013. However, the company has taken appropriate corrective steps and as on the date of this report, the Company is in compliance with the requirements of the aforementioned applicable provisions of the Companies Act, 2013.
2. For certain duration there was delay in filling up the vacancies in the office of Chief Financial Officer, Independent Director and Woman Director. However, as on March 31, 2023 the Company is compliant with the requirements of appointing Chief Financial Officer, Independent Director and Woman Director as prescribed under Companies Act, 2013 read with rules made thereunder.

Following are the justification/response from the Board on the remarks of Secretarial Auditor in their report:

The Company was in search of the right candidate for the role of Chief Financial Officer, Woman Director and Independent Director of the Company therefore, there was a delay in filling up the aforesaid vacancies within the statutory timeline as prescribed by the Companies Act, 2013, which also resulted in non-compliance with respect to Composition of few Committees mentioned in Sr. No.1 above.

However, as on the date of this report, the Company is in compliance with composition of Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee as well as the appointment of Chief Financial Officer, Woman Director and Independent Director of the Company as per the applicable provisions of the Companies Act, 2013.

FINO PAYTECH LIMITED

The Company exempted the presence of Secretarial Auditor in the Annual General Meeting.

c) Internal Auditor

As required under Section 138 of the Companies Act, 2013 and Rule 13 of the Companies (Accounts) Rules, 2014, the Internal Audit function is carried out by the Internal Auditor. The Internal Auditor presents his report to the Audit Committee. The scope, functioning, periodicity and methodology for conducting the internal audit have been formulated in consultation with the Audit Committee and the Board of Directors.

ANNUAL RETURN

In accordance with the provision of Section 92(3) of the Companies Act, 2013, the copy of the annual return in the prescribed Form No. MGT-7 is uploaded on website of the Company at www.finopaytech.com.

EMPLOYEES STOCK OPTION PLAN (ESOP)

Pursuant to Section 62 of the Companies Act, 2013 read with sub-rule 9 of Rule 12 of the Companies (Share capital and Debentures) Rules, 2014, the details of ESOPs are given below:

a.	Options granted	:	1,59,21,700
b.	Options granted	:	58,21,875
c.	Options exercised	:	98,67,325
d.	Total number of shares arising as a result of exercise of Options	:	98,67,325
e.	Options lapsed	:	75,42,550
f.	Exercise price	:	Rs. 10, 20, 30, 70.64, 75, 80, 100 & 105
g.	Variation of terms of Options	:	None
h.	Money realised by exercise of Options	:	As detailed in financial statements
i.	Total number of options in force	:	44,19,955
j.	Employee-wise details of Options granted to:	:	
	i. Managerial Personnel (as on 31.03.2023)	:	95,000
	ii. Any other employee who receives grant of Options in any one year amounting to 5% or more of Options granted during that year.	:	None
	iii. Identified employees who were granted Options, during any one year equal to or exceeding 1% of the Issued Capital of the company (excluding outstanding warrants and conversions) at the time of grant	:	None

During the year under review, your Company has come up with a partial Employees Stock Option liquidity Plan (“**ESOP Event**”) for 16,38,169 (Sixteen lakhs thirty eight thousand one hundred sixty nine) aggregating to 28.15% vested ESOPs at a settlement price of Rs. 252/- (Rupees two fifty two only) each from the eligible ESOP holders.

FINO PAYTECH LIMITED

Pursuant to the ESOP Event the eligible ESOP holders surrendered 28.11% of vested ESOPs and the payment of Rs.28,54,93,544/- (Rupees twenty eight crores fifty four lakhs ninety three thousand five hundred and fifty four) have been paid to all the eligible ESOP holders.

DISCLOSURES UNDER SECTION 134 OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) OF COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The Company being unlisted Company the disclosure in terms of Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 is not applicable and hence not required to be disclosed.

REPORTING OF FRAUDS BY AUDITORS

During the year under review, the Statutory Auditors and the Secretarial Auditor have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under section 143(12) of the Companies Act, 2013, details of which need to be mentioned in this Report.

ADDITIONAL DISCLOSURES

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the financial year under review:

- i) The Company has not issued any shares with differential rights as to dividend, voting or otherwise and hence no information as per provisions of Section 43(a)(ii) of the Companies Act, 2013 read with Rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014 is furnished.
- ii) Issue of shares (including sweat equity shares) to employees of your Company under any scheme.
- iii) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- iv) During the period under review, none of the Auditors of the Company have reported any fraud as specified under the second proviso of Section 143(12) of the Companies Act, 2013 (including any statutory modification(s) or reenactment(s) thereof for the time being in force).
- v) The Company has complied with Secretarial Standards i.e. SS-1 and SS-2, relating to Meetings of the Board of Directors and General Meetings respectively, issued by the Institute of Company Secretaries of India.
- vi) There were no material changes commitments affecting the financial position of your Company between the end of financial year (March 31, 2023) and the date of the report.

FINO PAYTECH LIMITED

- vii) The Company has not accepted any deposits during the year in accordance with Chapter V of the Companies Act, 2013.
- viii) The Company is not required to maintain cost records under Section 148(1) of the Companies Act, 2013.
- ix) There was no change in the nature of business of the Company.

DISCLOSURE OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE 2016 DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR UNDER REVIEW

No application has been made or any proceedings are pending under the Insolvency and Bankruptcy Code 2016 during the financial year under review.

THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

No such instance of one time settlement or valuation was done during the year under review.

ACKNOWLEDGEMENT

The Board wishes to place on record its sincere appreciation to the contribution made by the Employees of the Company during the year under review. The Company at a group level has achieved impressive growth through the competence, hard work, solidarity, co-operation and support of employees at all levels. Your Directors thank the investors, customers, clients, vendors and other business associates for their continued support in the Company's growth. The Directors also wish to thank the Government Authorities, Banks and the Shareholders for their co-operation and assistance extended to the Company.

For and on behalf of the Board of Directors

Place: Navi Mumbai
Date: June 28, 2023

Ashok Kini
Independent Director
DIN: 00812946

Amit Kumar Jain
Whole-time Director
DIN: 08353693

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the Financial Statement of Subsidiaries/Associate companies/Joint ventures
Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in *Rs.in lakhs*)

SR. No.	Particulars	Details	Details	Details
1.	Name of the Subsidiaries	Fino Finance Private Limited	Fino Payments Bank Limited	Fino Financial Services Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable	Not Applicable	Not Applicable
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable	Not Applicable	Not Applicable
4.	Share capital	4157.68	8,321.43	1
5.	Reserves & surplus	(3676.03)	46,933.17	(5.03)
6.	Total assets	2907.90	2,46,640.16	0.03
7.	Total Liabilities (excl. Capital and Reserves)	2426.25	1,91,385.56	4.06
8.	Investments	0	1,14,643	0
9.	Turnover	470.04	1,22,991.3	0
10.	Profit/(Loss) before taxation	(573.68)	6,508.7	(0.23)
11.	Provision for taxation	0	0	0
12.	Profit/(Loss) after taxation	(573.68)	6,508.7	(0.23)
13.	Proposed Dividend	0	0	0
14.	% of shareholding	100%	75%	100%

1. Name of subsidiary which is yet to commence operations - Fino Financial Services Private Limited
2. Names of subsidiaries which have been liquidated or sold during the year - NIL



Part “B”: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures-

Fino Trusteeship Services Limited	Particulars
1. Latest audited Balance Sheet Date	31.03.2023
2. Shares of Associate/Joint Ventures held by the company on the year end	
i. Number	24,500
ii. Amount of Investment in Associates/Joint Venture	Rs. 2,45,000
iii. Extend of Holding%	49%
3. Description of how there is significant influence	By virtue of holding equity shares
4. Reason why the associate/joint venture is not consolidated	-
5. Net worth attributable to shareholding as per latest audited Balance Sheet	213.28
6. Profit/(Loss) for the year	95.44
i. Considered in Consolidation	Yes
ii. Not Considered in Consolidation	Not Applicable

1. Names of associates or joint ventures which are yet to commence operations - NIL
2. Names of associates or joint ventures which have been liquidated or sold during the year - NIL

For and on behalf of the Board of Directors

Place: Navi Mumbai
Date: June 28, 2023

Ashok Kini
Independent Director
DIN: 00812946

Amit Kumar Jain
Whole-time Director
DIN: 08353693

Annexure to the Boards' Report

INFORMATION RELATING TO CONSERVATION OF ENERGY, R&D, TECHNOLOGY ABSORPTION AND INNOVATION, AND FOREIGN EXCHANGE EARNINGS/ OUTGO FORMING PART OF THE BOARDS' REPORT IN TERMS OF SECTION 134 OF THE COMPANIES ACT, 2013.

A. Conservation of Energy

The Company has undertaken several initiatives at its registered office such as:

- Installed energy efficient LED lights.
- Most of the lights and air condition units are switched off after 7 pm. Only required lights are put on to save on wastage of energy. Switching off all the workstation area AC's during lunch time from 1 p.m. to 2 p.m. except cafeteria.
- Power factor has been maintained constantly through use of Capacitor bank.
- Installed sun control film & blinds across office to keep office cool and to save on AC consumption.

The Company has been consciously making efforts towards improving the energy performance year on year.

B. Research & Development

During the year under review, the Company had conducted following R&D activities.

Security

The Company has implemented a comprehensive security stack for the banking application. The security stack implemented for providing exceptional alters to monitor and take necessary action to protect any fraudulent activity. This covers all servers and network devices.

The SOC [Security Operations Center] is being managed by ctrl S and comprises the following.

- Intrusion Prevention Systems (IPS)
- Intrusion Detection Systems (IDS)
- Firewalls
- Various monitoring mechanisms deployed using the above tools, alerts are monitored online and daily basis to ensure high level security.

During the period under review, the Company has incurred capital expenditure of Rs. NIL (Previous year Rs. NIL) towards Research and development activities.

FINO PAYTECH LIMITED



C. Technology absorption

FINO ASA/AUA and KSA/KUA compliant

Extending the Company's gains and its experience on AUA/ASA, the Company has scaled it further and on boarded 6 AUA / KUA in its system, today the Company's enrollment and Lending enrollment are done using this platform. The Company is also among the first few to implement the Registered Device (RD) certification for UID.

D. Foreign Exchange Earnings and Outgo

The details of Foreign Exchange Earnings and Outgo are set out in notes to the financial statements.

For and on behalf of the Board of Directors

Place: Navi Mumbai
Date: June 28, 2023

Ashok Kini
Independent Director
DIN: 00812946

Amit Kumar Jain
Whole-time Director
DIN: 08353693

FORM No. AOC-2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

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

Sr No.	Particulars	Amount (in Rs.)				
1	Details of contracts or arrangements or transactions not at arm's length basis	There were no contracts or arrangements or transactions entered into during the year ended March 31, 2023 which were not at arm's length basis.				
2	Details of material contracts or arrangement or transactions at arm's length basis:					
(a)	Name(s) of the related party and nature of relationship	Fino Payments Bank Limited (Subsidiary Company)			Fino Finance Private Limited (Wholly-Owned Subsidiary)	Bharat Petroleum Corporation Limited (Significant Shareholder of the Company)
(b)	Nature of contracts/arrangements/transactions	Service Charges for facilitating bank's infrastructure and distribution network	Reimbursement of Common Expenses	Sharing of the Issue Expenses with respect to the IPO of the Bank	FLDG Payment in relation to the BC lending business with the IndusInd bank	Cash Management Services
(c)	Duration of the contracts/arrangements/transactions	April 01, 2022 to March 31, 2023	April 01, 2022 to March 31, 2023	April 01, 2022 to March 31, 2023	April 01, 2022 to March 31, 2023	April 01, 2022 to March 31, 2023
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	At actual Transaction value of Rs. 2,58,37,504/-	At actual Transaction value of Rs. 3,00,00,000/-	At actual Transaction value of Rs. 8,03,36,486/-	At actual Transaction value of Rs. 2,50,77,219/-	At actual Transaction value of Rs. 3,22,96,880/-
(e)	Date(s) of approval by the Board, if any:	N.A.	N.A.	N.A.	N.A.	N.A.
(f)	Amount paid as advances, if any:	Nil	Nil	Nil	Nil	Nil

For and on behalf of the Board of Directors

Place: Navi Mumbai
Date: June 28, 2023

Sd/-
Ashok Kini
Independent Director
DIN: 00812946

Sd/-
Amit Kumar Jain
Whole-time Director
DIN: 08353693

Annual Report on Corporate Social Responsibility 2022-23

(Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended)

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

- The Company has adopted the CSR policy through CSR Committee.
- The Company's CSR and welfare activities are committed to create and support programs that bring about sustainable changes through contributing towards major challenges faced by India (like improving healthcare, supporting education etc., and making our country a better place to live for all).
- The Company plans to support/ partner and assist various CSR activities in the following areas:
 - EDUCATION/HEATH CARE:
 - a. Financial Programs
 - b. Financial Literacy
 - c. Vocational training
 - d. Heath care camping
- The Corporate Social Responsibility (CSR) Policy of the Company, as approved by the Board of the Directors, is available on the Company's website at www.finopaytech.com

2. The Composition of the CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee eligible to attend during the year	Number of meetings of CSR Committee attended during the year
1.	Dr. Apurva Joshi*	Chairperson, Independent Director	-	-
2.	Mr. Ashok Kini*	Member, Independent Director	1	1
3.	Mr. Ramakrishna Gupta Vetsa**	Member, Nominee Director	1	1
4.	Mr. Prateek Roongta*	Member, Nominee Director	-	-
5.	Mr. Manoj Heda*	Member, Nominee Director	-	-
6.	Mr. Sudeep Gupta***	Member, Whole-time Director	1	1

*Pursuant to the reconstitution of the CSR Committee (i) Dr. Apurva Joshi was inducted as the Chairperson of the Committee (ii) Mr. Prateek Roongta and Mr. Manoj Heda have been inducted as a Member of the Committee (iii) Mr. Ashok Kini ceased to be Chairperson of the Committee w.e.f. April 13, 2023.

**Ceased to be Member of the CSR Committee w.e.f. November 02, 2022 due to resignation as Director of the Company.

*** Appointed as a Member of the Committee w.e.f. July 20, 2022 and ceased to be Member of the CSR Committee w.e.f. November 28, 2022 due to resignation as Whole-time Director of the Company.

FINO PAYTECH LIMITED

c) Details of CSR amount spent against other than ongoing projects for the financial year:

1	2	3	4	5	6	7	8
Sl.No.	Name of the project	Item from the list of activities In schedule VII to the Act.	Local area (Yes/ No)	Location of the project	Amount spent for the project (Rs crores).	Mode of Implementation -Direct (Yes/No)	Mode of Implementation - Through Implementing Agency

d) Amount spent on Impact Assessment, if applicable: Not applicable

e) Total amount spent for the Financial Year (b+c+d): Rs. NIL

f) Excess amount for set off, if any : NA

7. (a) Details of Unspent CSR amount for the preceding three financial years: NA

1	2	3	4	5			7
Sr. No.	Preceding Financial Year	Amount transfer to Unspent CSR Account under Section 135(6) (in Rs.)	Amount spent in the reporting financial year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years. (in Rs`)
				Name of the fund	Amount (in Rs.)	Date of transfer	
1	NA	NA	NA	NA	NA	NA	NA

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NA

1	2	3	4	5	6	7	8	9
Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the Project (Rs crore)	Amount spent on the project in the reporting financial Year (Rs crore)	Cumulative amount spent at the end of reporting financial year (in Rs`)	Status of the project - Completed / Ongoing
1	NA	NA	NA	NA	NA	NA	NA	NA

8. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

a) Date of creation or acquisition of the capital asset(s): None

b) Amount of CSR spent for creation or acquisition of capital asset: NIL

c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not Applicable



FINO PAYTECH LIMITED

- d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable
9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

For and on behalf of the Board of Directors

Date : June 28, 2023

Place : Navi Mumbai

Ashok Kini

Independent Director

DIN: 00812946

Amit Kumar Jain

Whole-time Director

DIN: 08353693

DM & ASSOCIATES COMPANY SECRETARIES LLP

(LLPIN NO. AAI-4743)

[Firm Registration No: L2017MH003500] [Peer Review Certificate: 758/2020]
REGD. OFFICE: # 205, NADIADWALA MARKET, PODDAR ROAD, MALAD (EAST), MUMBAI-400097
Tel No. 022-28443641 Email: dmassociatesllp@gmail.com

Annexure - E

Form No. MR-3 Secretarial Audit Report

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]
For the Financial Year Ended March 31, 2023

To,
The Members,
FINO PAYTECH LIMITED
MindSPACE Juinagar, 9th Floor,
Plot No. Gen 2/1/F, Tower 1,
TTC Industrial Area, MIDC Shirwane,
Juinagar, Navi Mumbai
Thane – 400706,

Dear Members,

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **FINO PAYTECH LIMITED** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended March 31, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder **(NA)**;
- (iii) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment (Overseas Direct Investment and External Commercial borrowings were not applicable to the company during Audit Period).

DM & ASSOCIATES COMPANY SECRETARIES LLP

(LLPIN NO. AAI-4743)

[Firm Registration No: L2017MH003500] [Peer Review Certificate: 758/2020]
REGD. OFFICE: # 205, NADIADWALA MARKET, PODDAR ROAD, MALAD (EAST), MUMBAI-400097
Tel No. 022-28443641 Email: dmassociatesllp@gmail.com

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') **were not applicable** to the Company for the financial year under review:-
- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2018;
 - d. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
 - e. Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) During the Audit period no other specific laws were applicable to the Company.

We have also examined compliance with the applicable clauses of the following:

- a. Secretarial Standards issued by The Institute of Company Secretaries of India.
- b. The Company being unlisted public Company, there is no Listing Agreement entered into by the Company with any Stock Exchange(s) and hence the same is not applicable to the Company.

We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except for the following:

1. *The Composition of the Audit Committee and the Nomination & Remuneration Committee did not fully adhere to the requirements outlined in sections 177(2) and 178(1), respectively. Additionally, for certain duration, the composition of the Corporate Social Responsibility Committee was not in accordance with section 135(1) of the Companies Act, 2013. However, the company has taken appropriate corrective steps and as on the date of this report, the Company is in compliance with*

DM & ASSOCIATES COMPANY SECRETARIES LLP

(LLPIN NO. AAI-4743)

[Firm Registration No: L2017MH003500] [Peer Review Certificate: 758/2020]
REGD. OFFICE: # 205, NADIADWALA MARKET, PODDAR ROAD, MALAD (EAST), MUMBAI-400097
Tel No. 022-28443641 Email: dmassociatesllp@gmail.com

the requirements of the aforementioned applicable provisions of the Companies Act, 2013.

- 2. For certain duration there was delay in filling up the vacancies in the office of Chief Financial Officer, Independent Director and Woman Director. However, as on March 31, 2023 the Company is compliant with the requirements of appointing Chief Financial Officer, Independent Director and Woman Director as prescribed under Companies Act, 2013 read with rules made thereunder.*

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and for meeting convened under shorter notice, were in compliance with section 173(3) of the Companies Act, 2013 and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the following specific event took place:

Buy Back:

The Members at their 16th Annual General Meeting held on September 23, 2022 by passing special resolution approved the Buy-back of the Company's fully paid-up 47,86,754 (Forty-Seven Lakhs Eight-Six Thousand Seven Hundred Fifty-Four) equity shares and 10,42,654 (Ten Lakhs Forty-Two Thousand Six Hundred Fifty-Four) preference shares of face value of Rs. 10 each not exceeding total of 58,29,408 (Fifty-Eight Lakhs Twenty-Nine Thousand Four Hundred Eight) equity & preference shares, on a proportionate basis through "tender offer" at a buy back price of Rs. 214.43 (Rupees Two Hundred and Fourteen and Forty-Three Paisa Only) per share payable in cash, including premium of Rs. 204.43 (Rupees Two Hundred and Four and Forty-Three Paisa) for an aggregate consideration not exceeding Rs. 1,24,99,99,959/- (Rupees One Hundred Twenty-Four Crores Ninety-Nine Lakhs Ninety-Nine Thousand Nine Hundred and Fifty-Nine Only) (the "Buy-back Offer Size") being 21.92% of the aggregate of the fully paid-up share capital and free reserves as per the audited standalone financial statements of the Company for the financial year ended March 31, 2022.

DM & ASSOCIATES COMPANY SECRETARIES LLP

(LLPIN NO. AAI-4743)

[Firm Registration No: L2017MH003500] [Peer Review Certificate: 758/2020]
REGD. OFFICE: # 205, NADIADWALA MARKET, PODDAR ROAD, MALAD (EAST), MUMBAI-400097
Tel No. 022-28443641 Email: dmassociatesllp@gmail.com

Consequent to the above buy back the Company's paid-up capital was decreased to 1,27,40,89,630/- (One hundred Twenty-Seven Crore Forty Lakhs Eight Nine Thousand Six Hundred and Thirty Rupees only) divided into 10,46,20,402 equity shares of face value of Rs. 10/- each and 2,27,88,561 preference share of face value of Rs. 10/- each.

**For DM & Associates Company Secretaries LLP
Company Secretaries
ICSI Unique Code L2017MH003500**

Sd/-

Dinesh Kumar Deora

Senior Partner

FCS NO 5683

C P NO 4119

UDIN: F005683E000451920

Place: Mumbai

Date: June 03, 2023

Note: This report is to be read with our letter of even date that is annexed as Annexure - I and forms an integral part of this report.

DM & ASSOCIATES COMPANY SECRETARIES LLP

(LLPIN NO. AAI-4743)

[Firm Registration No: L2017MH003500] [Peer Review Certificate: 758/2020]
REGD. OFFICE: # 205, NADIADWALA MARKET, PODDAR ROAD, MALAD (EAST), MUMBAI-400097
Tel No. 022-28443641 Email: dmassociatesllp@gmail.com

ANNEXURE - I

To
The Members,
FINO PAYTECH LIMITED
MindSpace Juinagar, 9th Floor,
Plot No. Gen 2/1/F, Tower 1,
TTC Industrial Area, MIDC Shirwane,
Juinagar, Navi Mumbai
Thane – 400706

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provides a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules and regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For DM & Associates Company Secretaries LLP

Company Secretaries

ICSI Unique Code L2017MH003500

Sd/-

Dinesh Kumar Deora

Senior Partner

FCS NO 5683

C P NO 4119

UDIN: F005683E000451920

Place: Mumbai

Date: June 03, 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of FINO PayTech Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the Standalone Financial Statements of **FINO PayTech Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended on that date, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's report but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. The

Director's Report which is expected to be made available to us after the date of this audit report.

Our opinion on the financial statements does not cover the other information and we will not express any form on assurance conclusion thereon.

In connection with our audit of the Standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the Director's Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

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

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs

will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them

all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

- 1.** As required by Section 143(3) of the Act, based on our audit we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
 - g. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer Note 43 to the standalone financial statements.
 - ii. The Company has long-term contracts as at March 31, 2023 for which there were no material foreseeable losses. The Company does not have any derivative contracts as at March 31, 2023; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv.** (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
(b) The Management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons/ entities, including foreign entities, that the Company has directly or indirectly, lend or invest in other

persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The Company has declared and paid interim dividend during the year which is in compliance with Section 123 of the Act.
 - vi. As per proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of accounts using accounting software which has a feature of recording audit trail (edit log) facility is applicable w.e.f April 1, 2023 to the Company and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
2. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.
3. As required by the Companies (Auditor’s Report) Order, 2020 (the “Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure A” a statement on the matters specified in paragraphs 3 and 4 of the Order.

Other Matter

The audit of standalone financial statement of the Company for the year ended March 31, 2022 were audited by M S K C & Associates, Chartered Accountants who vide their report dated August 26, 2022 expressed an unmodified opinion on those financial results.

For A P Sanzgiri & Co

Chartered Accountants

Firm Registration Number: 116293W

Abhijit Sanzgiri

Partner

Membership Number: 043230

UDIN:

Place: Mumbai

Date: 28th June 2023

Annexure “A” to the Independent Auditor’s Report

[Referred to in paragraph 3 under ‘Report on Other Legal and Regulatory Requirements’ in the Independent Auditors’ Report]

- i. Maintaining records of Property, Plant, Equipment and intangible assets
 - a. (A) The company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
(B) The Company has maintained proper records showing full particulars of intangible assets.
 - b. Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
 - c. According to the information and explanations given to us, there are no immovable properties, and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
 - d. According to the information and explanations given to us, the company has not revalued its Property, Plant and Equipment (including Right of Use Asset) and its Intangible assets during the year ended March 31, 2023. Accordingly, the requirement under paragraph 3(i)(d) of the Order is not applicable to the Company.
 - e. According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i) (e) of the Order are not applicable to the Company
- ii.
 - a. As per information and explanations given to us, physical verification of Inventory has been carried out by the Management in previous year in accordance with the phased programme of verification of all inventory once in two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its business. As informed, no material discrepancies were noticed on such verification;

- b. The Company has been sanctioned working capital limits less than Rs. 5 crores in aggregate from Banks/financial institutions on the basis of security of current assets. Hence, reporting under this clause is not applicable.
- iii. According to the information and explanation provided to us, the company has not made any investments in or provided guarantee or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year.
- iv. In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.
- vi. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.
- vii.
- a. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us, undisputed dues in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable.

Statutory dues which were outstanding, as at March 31, 2023 for a period of more than six months from the date they became payable are as follows:

Financial Year	Professional Tax	Employee State Insurance	Labour Welfare Fund	Provident Fund	Total
-----------------------	-------------------------	---------------------------------	----------------------------	-----------------------	--------------

2014-15	28,711	-	-	-	28,711
2015-16	70,029	40,620	-	-	1,10,649
2016-17	2,52,317	-	-	-	2,52,317
2017-18	-	-	-	14,287	14,287
2018-19	-	-	-	64,751	64,751
2019-20	6,360	-	-	1,61,854	1,68,214
2020-21	3,608	-	10,437	2,382	16,427
2021-22	-	-	370	-	370
Grand Total	3,61,025	40,620	10,807	2,43,274	6,55,726

- b. According to the information and explanation given to us and examination of records of the Company, the outstanding dues of income-tax, goods and service tax, customs duty, cess and any other statutory dues on account of any dispute, are as follows:

Name of the Statue	Period to which the Amount relates	Amount in Rs. Lakhs	Deposit under protest. Rs. in Lakhs	Forum where deposit is pending
UP VAT Act	FY 2009-10	54.61	48.88	Sales Tax Appellate Tribunal
UP VAT Act	FY 2011-12	61.30	30.86	Sales Tax Appellate Tribunal
Gujarat VAT Act	FY 2011-12	1.45	Nil	Commissioner (Appeals)
Income Tax – TDS	AY 2011-12	143.52	10.00	Bombay High Court
Income Tax – TDS	AY 2012-13	283.13	50.00	Bombay High Court
UP VAT Act	FY 2012-13	109.30	38.95	Sales Tax Appellate Tribunal
UP VAT Act	FY 2013-14	26.58	Nil	Sales Tax Appellate Tribunal
UP VAT Act	FY 2014-15	20.64	Nil	Sales Tax Appellate Tribunal
Income Tax	AY 2014-15	66.15	Nil	CIT(A)
UP VAT Act	FY 2015-16	2.20	Nil	Sales Tax Appellate Tribunal
Income Tax	AY 2018-19	2,043.43	Nil	CIT (Appeals)
Finance Act 1994 – Service Tax	01.04.2015 to 30.06.2017	14,220.96	Nil	High Court

- viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account.

Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.

ix.

- a. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.
- b. According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c. In our opinion and according to the information explanation provided to us, no money was raised by way of term loans. Accordingly, the provision stated in paragraph 3(ix)(c) of the Order is not applicable to the Company.
- d. According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.
- e. According to the information explanation given to us and on an overall examination of the financial statements of the Company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- f. According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its securities, joint ventures or associate companies.

x.

- a. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated in paragraph 3 (x)(a) of the Order are not applicable to the Company.
- b. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly or optionally convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (x)(b) of the Order are not applicable to the Company.

xi.

- a. During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company nor on the Company.
- b. We have not come across of any instance of material fraud by the Company or on the Company during the course of audit of the standalone financial statement for

the year ended March 31, 2023, accordingly the provisions stated in paragraph (xi)(b) of the Order is not applicable to the Company.

- c. No whistle blower complaints have been received by the company during the year.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) (a) to (c) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv.
- a. In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.
 - b. We have considered internal audit reports issued by the internal auditors during the audit.
- xv. According to the information and explanation given to us, in our opinion during the year the company has not entered into non-cash transactions with the directors or persons connected with the directors and hence, provisions of the section 192 of the Act are not applicable to the company. Accordingly, the provisions stated in paragraph 3(xv) of the order are not applicable to the company.
- xvi.
- a. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3(xvi)(a) of the Order are not applicable to the Company.
 - b. In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities without any valid Certificate of Registration from the Reserve Bank of India. Hence the reporting under paragraph clause 3(xvi)(b) of the Order are not applicable to the Company.
 - c. The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence, the reporting under paragraph clause 3(xvi)(c) of the Order are not applicable to the Company.
 - d. The Company does not have more than one CIC as a part of the of its group. Hence, the provisions stated in paragraph clause 3(xvi)(d) of the Order are not applicable to the Company.

- xvii. Based on the overall review of the standalone financial statements, Company has incurred cash losses amounting to Rs. 2,689.42 Lakhs during the current financial year but has not incurred any cash losses during the immediately preceding financial year.
- xviii. There has been resignation of the statutory auditors during the year and there were no issues, objections or concerns raised by the outgoing auditors.
- xix. According to the information and explanation given to us and based on our examination of financial ratios, ageing and expected date of realisation of financial assets and payment of liabilities, other information accompanying the standalone financial statement, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date.
- xx. According to the information and explanation given to us, the provisions of section 135 of the Act are applicable to the company. However, company has incurred average net loss during the three immediately preceding financial year. Therefore, the company was not required to spend any amount towards CSR during the current financial year. Accordingly, the provisions of paragraph (xx)(a) to (b) of the Order are not applicable to the Company.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comments in respect of the said clause have been included in the report.

For A P Sanzgiri & Co

Chartered Accountants

Firm Registration Number: 116293W

Abhijit Sanzgiri

Partner

Membership Number: 043230

UDIN:

Place: Mumbai

Date: 28th June 2023

Annexure “B” to Independent Auditors Report

(Referred to in paragraph 1(f) under “Other Legal and Regulatory Requirement” in the Independent Auditor’s Report)

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

We have audited the internal financial controls with reference to standalone financial statements of FINO PayTech Limited (“the Company”) as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the “Guidance Note”).

Management’s Responsibility for Internal Financial Controls

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of

internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

A Company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to standalone financial statements includes those policies and procedures that

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- 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 standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

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

For A P Sanzgiri & Co

Chartered Accountants

Firm Registration Number: 116293W

Abhijit Sanzgiri

Partner

Membership Number: 043230

UDIN:

Place: Mumbai

Date: 28th June 2023

FINO PayTech Limited

Balance sheet

As at 31 March 2023

(Currency: Indian Rupees in lakhs)

	Notes	31 March 2023	31 March 2022
I. ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	2	518.88	397.01
(b) Right-of-use assets	36	829.35	981.92
(c) Other intangible assets	3	5.70	5.01
(d) Financial assets			
(i) Investments	4	37,182.26	42,102.19
(ii) Other financial assets	5	451.16	738.64
(e) Deferred tax assets (net)		586.20	1,768.00
(f) Tax assets		544.52	358.95
(g) Other non-current assets	6	342.76	350.07
Total non-current assets		40,460.82	46,701.79
(2) Current assets			
(a) Inventories	7	48.59	-
(b) Financial assets			
(i) Trade receivables	8	571.45	2,638.19
(ii) Cash and cash equivalents	9	465.04	72,439.13
(iii) Bank balances other than cash and cash equivalents above	10	4,430.06	592.95
(iv) Loans	11	8.44	5.43
(v) Other financial assets	12	2.06	11.32
(c) Other current assets	13	1,135.47	508.33
Total current assets		6,661.12	76,195.35
TOTAL ASSETS		47,121.94	122,897.14
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	14	10,462.04	10,940.72
(b) Instruments entirely in nature of equity		2,278.86	2,383.12
(c) Other equity	15	32,187.15	105,034.55
Total equity		44,928.06	118,358.39
(2) Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	16	776.02	938.67
(b) Provisions	17	134.90	132.58
(c) Other non-current liabilities	18	2.55	6.13
Total non-current liabilities		913.47	1,077.38
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	37.16	71.29
(ii) Trade payables	20		
Due to micro and small enterprises		-	3.07
Due to other than micro and small enterprises		659.37	2,341.46
(iii) Lease liabilities	21	162.63	137.12
(iv) Other financial liabilities	22	18.45	249.75
(b) Other current liabilities	23	43.85	68.83
(c) Provisions	24	224.23	455.12
(d) Current tax liabilities (net)		134.73	134.73
Total current liabilities		1,280.41	3,461.37
Total liabilities		2,193.89	4,538.75
TOTAL EQUITY AND LIABILITIES		47,121.94	122,897.14

Notes to the financial statements

1-50

The accompanying notes to accounts form an integral part of the standalone financial statements.

As per our report of even date attached.

For A P Sanzgiri & Co
Chartered Accountants
Firm's Registration Number : 116293W

For and on behalf of the Board of Directors of
Fino PayTech Limited

Abhijit Sanzgiri
Partner
Membership Number : 043230

Ashok Kini
Non-Executive Independent
Director
DIN 00812946

Amit Kumar Jain
Whole Time Director
DIN 08353693

Mumbai
28 June 2023

FINO PayTech Limited

Statement of profit and loss

For the year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

Particulars	Notes	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue			
I. Revenue from operations (gross of excise duty)	25	1,308.89	1,865.59
II. Other income	26	4,664.22	82,297.97
III. Total income (I + II)		5,973.11	84,163.56
Expenses			
Purchase of goods and services	27	901.95	1,145.09
Changes in inventories of finished goods, work-in-progress and stock-in-trade	28	3,158.29	8.01
Employee benefits expenses	29	295.06	452.33
Finance costs	30	133.23	156.78
Depreciation and amortization expenses	2,3	203.51	195.14
Other expenses	31	5,811.12	21,651.26
Total expenses (IV)		10,503.15	23,608.61
V. Profit / (Loss) before tax (III - IV)		(4,530.04)	60,554.95
VI. Tax expense:			
1. Current tax		-	8,191.09
2. Tax provision for earlier years		-	-
2. Deferred tax		1,181.80	-
3. MAT credit entitlement		-	-
Total tax expenses (VI)		1,181.80	8,191.09
VII. Profit / (Loss) for the period (V - VI)		(5,711.85)	52,363.86
VIII. Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement gain/(loss) on defined benefits		1.22	13.93
Change in fair value of FVOCI instrument		-	-
Income tax related to above items		-	-
Other comprehensive income (net of tax)		1.22	13.93
IX. Total comprehensive income for the year (VII + VIII)		(5,710.61)	52,377.79
X. Earnings per equity share			
1. Basic earnings per share		(4.37)	39.85
2. Diluted earnings per share		(4.37)	39.79

Notes to the financial statements *I-50*

The accompanying notes to accounts form an integral part of the financial statements.

As per our report of even date attached.

For A P Sanzgiri & Co

Chartered Accountants

Firm's Registration Number : 116293W

Abhijit Sanzgiri

Partner

Membership Number : 043230

**For and on behalf of the Board of Directors of
Fino PayTech Limited**

Ashok Kini

*Non-Executive Independent
Director*

DIN 00812946

Amit Kumar Jain

Whole Time Director

DIN 08353693

Mumbai

28 June 2023

FINO PayTech Limited

Notes to the financial statements (Continued)

As at 31 March 2023

(Currency: Indian Rupees in lakhs)

2 Property, plant and equipment

A. Reconciliation of carrying amount

PARTICULARS	Owned Assets						Total
	Leasehold improvements	Computers / hardware	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	
<u>Year ended 31 March 2022</u>							
Gross block							
Opening gross block	323.39	1,078.11	466.55	41.62	14.61	275.73	2,200.01
Additions	-	-	-	-	-	1.34	1.34
Disposals	-	-	-	-	-	-	-
Closing gross block	323.39	1,078.11	466.55	41.62	14.61	277.07	2,201.35
Accumulated depreciation							
Opening accumulated depreciation	298.97	868.09	309.19	33.01	14.28	244.57	1,768.11
Depreciation charge during the year	11.57	16.77	-	0.95	-	6.94	36.23
Disposals	-	-	-	-	-	-	-
Closing accumulated depreciation	310.54	884.86	309.19	33.96	14.28	251.51	1,804.34
Net block	12.85	193.25	157.36	7.66	0.33	25.56	397.01
<u>Year ended 31 March 2023</u>							
Gross block							
Opening gross block	323.39	1,078.11	466.55	41.62	14.61	277.07	2,201.36
Additions	-	169.50	-	-	-	-	169.50
Disposals	-	-	-	-	-	-	-
Closing gross block	323.39	1,247.61	466.55	41.62	14.61	277.07	2,370.86
Accumulated depreciation							
Opening accumulated depreciation	310.54	884.86	309.19	33.96	14.28	251.51	1,804.34
Depreciation charge during the year	(0.00)	46.39	-	0.55	-	0.68	47.63
Closing accumulated depreciation	310.55	931.25	309.19	34.50	14.28	252.20	1,851.97
Net block	12.84	316.36	157.36	7.12	0.33	24.87	518.87

FINO PayTech Limited

Notes to the financial statements (Continued)

As at 31 March 2023

(Currency: Indian Rupees in lakhs)

3 Other intangible assets

P A R T I C U L A R S	GROSS BLOCK			ACCUMULATED AMORTIZATION				NET BLOCK		
	Balance at 01 April 2022	Additions	Disposals	Balance at 31 March 2023	Balance at 01 April 2022	Charge for the year	Eliminated on disposal of assets	Balance at 31 March 2023	Balance at 31 March 2023	Balance at 31 March 2022
Computer Software	656.12	4.00	-	660.12	651.11	3.31	-	654.42	5.70	5.01
TOTAL	656.12	4.00	-	660.12	651.11	3.31	-	654.42	5.70	5.01

P A R T I C U L A R S	GROSS BLOCK			ACCUMULATED AMORTIZATION				NET BLOCK		
	Balance at 01 April 2021	Additions	Disposals	Balance at 31 March 2022	Balance at 01 April 2021	Charge for the year	Eliminated on disposal of assets	Balance at 31 March 2022	Balance at 31 March 2022	Balance at 01 April 2021
Computer Software	656.12	-	-	656.12	644.77	6.34	-	651.11	5.01	11.35
TOTAL	656.12	-	-	656.12	644.77	6.34	-	651.11	5.01	11.35

FINO PayTech Limited

Notes to the financial statements (Continued)

As at 31 March 2023

(Currency: Indian Rupees in lakhs)

	31 March 2023	31 March 2022
4 Non-current investments		
Investments in subsidiary companies - equity instruments		
Unquoted Investments carried at cost		
24,500 (31 March 2022 : 24,500) Equity shares of Rs. 10 each fully paid up of Fino Trusteeship Services Limited	2.45	2.45
41,576,806 (31 March 2022 : 41,576,806) Equity shares of Rs. 10 each fully paid up of Fino Finance Private Limited (Formerly known as Intrepid Finance and Leasing Private Limited)	18,924.09	18,924.09
9,999 (31 March 2022 : 9,999) Equity shares of Rs. 10 each fully paid up of Fino Financial Services Private Limited	1.00	1.00
Less: Provision for other than temporary impairment*	(18,927.54)	(14,196.52)
Quoted Investments carried at cost		
62,411,997 (31 March 2022 : 62,411,997) Equity shares of Rs. 10 each fully paid up of Fino Payments Bank Limited (Formerly known as Fino Fintech Limited)	36,013.36	36,013.36
Investment carried at fair value through other comprehensive income (FVTOCI)- equity instruments		
3,030 (31 March 2022 : 3030) shares of Rs. 10 each fully paid up in TAP Smart Data Information Services Pvt.Ltd	272.22	272.22
Deemed investment in subsidiary		
Fino Finance Private Limited (Formerly known as Intrepid Finance and Leasing Private Limited)	232.03	229.36
Fino Payments Bank Limited (Formerly known as Fino Fintech Limited)	896.68	856.23
Less: Provision for other than temporary impairment	(232.03)	-
Total	37,182.26	42,102.19
(a) Aggregate amount of unquoted investments	20,328.48	20,285.36
(b) Aggregate amount of quoted investments	36,013.36	36,013.36
(c) Aggregate amount of impairment in value of investments	(19,159.57)	(14,196.52)

* As at 31 March 2023, the Company has carried its investment in Fino Finance Private Limited at cost less impairment in value. The company had provided impairment loss of Rs. 141.97 crores against this investment in FY 2021-22. In the current year FY 2022-23, the company has impaired the remaining carrying amount of investment of Rs 47.31 crores.

Deemed investment represents investment in relation to ESOPs. In the current year FY22-23, the company has impaired 100% of its investment in Fino Finance Private Limited.

FINO PayTech Limited

Notes to the financial statements (Continued)

As at 31 March 2023

(Currency: Indian Rupees in lakhs)

	31 March 2023	31 March 2022
5 Other financial assets		
Unsecured, considered good		
Security deposits	229.49	150.97
Unsecured, considered doubtful		
Security deposits	15.69	86.06
Less: Allowance for doubtful deposit	(15.69)	(86.06)
Deposits with banks (maturing after 12 months from the reporting date)*	221.66	587.78
Less: Allowance for bank balances other than cash and cash equivalents	-	(0.11)
Total	451.16	738.64
* Represents deposits of Rs. NIL lakhs (Previous year Rs. 27.75 lakhs) provided against the pending litigations under Value Added Tax Act and sales tax registration purpose.		
6 Other non-current assets		
Deposits with Government Authorities	329.36	329.36
Prepaid expenses	13.40	20.71
Total	342.76	350.07
7 Inventories		
Stock-in-trade	48.59	3,206.88
Less : Impairment of inventories	0.00	(3,206.88)
Total	48.59	-
8 Trade receivables		
Trade receivables		
Unsecured considered good	571.45	2,638.19
Unsecured, considered doubtful	616.60	616.24
Less: Allowance for doubtful debts	(616.60)	(616.24)
Total	571.45	2,638.19
Of the above, trade receivables from related parties are as below:		
Total trade receivables from related parties (Refer Note 39)	87.66	889.30
Less: Allowance for doubtful debts	-	-
Total	87.66	889.30

FINO PayTech Limited

Notes to the financial statements (Continued)

As at 31 March 2023

(Currency: Indian Rupees in lakhs)

31 March 2023 31 March 2022

Ageing of trade receivables

(i) Undisputed trade receivables – considered good		
Less than 6 months	571.44	2,638.19
6 months - 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
	571.44	2,638.19
(ii) Undisputed trade receivables – which have significant increase in credit risk		
Less than 6 months	-	-
6 months - 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
	-	-
(iii) Undisputed trade receivables – credit impaired		
Less than 6 months	-	-
6 months - 1 year	194.89	126.33
1-2 years	72.74	169.18
2-3 years	150.25	99.39
More than 3 years	198.72	221.34
	616.60	616.24
(iv) Disputed trade Receivables – considered good		
Less than 6 months	-	-
6 months - 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
	-	-
(v) Disputed trade receivables – which have significant increase in credit risk		
Less than 6 months	-	-
6 months - 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
	-	-
(vi) Disputed trade receivables – credit impaired		
Less than 6 months	-	-
6 months - 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
	-	-
(vii) Unbilled dues		
Less than 6 months	-	-
6 months - 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
	-	-
Less: Allowance for doubtful debts	(616.60)	(616.24)
Total	571.44	2,638.19

FINO PayTech Limited

Notes to the financial statements (Continued)

As at 31 March 2023

(Currency: Indian Rupees in lakhs)

	31 March 2023	31 March 2022
9 Cash and cash equivalents		
Balance with banks :		
In current account	24.83	71,100.47
In escrow account		
In deposits with original maturity of less than 3 months	440.22	1,352.79
Less: Allowance for cash and cash equivalents	-	(14.13)
Total	465.04	72,439.13
10 Bank balances other than cash and cash equivalents		
Deposits with banks**	4,430.07	593.07
Less: Allowance for bank balances other than cash and cash equivalents	-	(0.12)
Total	4,430.06	592.95
<p>** Represents deposits of Rs. 173.50 lakhs (Previous year Rs. 154.19 lakhs) provided against the pending litigations under Value Added Tax Act and other matters. A performance guarantee in favour of customers amounting to Rs. 3.31 crores has been issued against 100% lien marked on fixed deposits placed with the banks.</p>		
11 Loans		
Unsecured, considered good		
Loans to related parties (Refer note 39)	8.44	4.74
Loans to employees	-	0.69
Total	8.44	5.43
12 Other financial assets		
Unsecured, considered good		
Security deposits	2.06	11.32
Unsecured, considered doubtful		
Security deposits	0.22	0.15
Less: Allowance for doubtful deposit	(0.22)	(0.15)
Total	2.06	11.32
13 Other current assets		
Unsecured, considered good		
Prepaid expenses	35.19	39.90
Advances to employees	1.79	1.76
Advance to supplier for goods / services	92.79	80.02
Statutory dues receivable	1,005.71	386.65
Total	1,135.47	508.33

FINO PayTech Limited

Notes to the financial statements (Continued)

As at 31 March 2023

(Currency: Indian Rupees in lakhs)

	31 March 2023	31 March 2022
15 Other equity		
Reserves and surplus		
Securities premium	54,372.92	66,289.98
Share based payments reserves	709.02	866.77
Retained earnings	(23,495.66)	37,859.87
Equity investments through other comprehensive income	17.93	17.93
Capital Redemption Reserve	582.94	-
Total	32,187.15	105,034.55
Securities premium		
Opening balance	66,289.98	58,215.34
Additions during the year	-	8,074.64
Shares bought back during the year	(11,917.06)	-
Closing balance	54,372.92	66,289.98
Share based payments reserve		
Opening balance	866.77	863.74
Additions during the year	(157.74)	3.03
Closing balance	709.02	866.77
Retained earnings		
Opening balance	37,859.87	(14,526.78)
Net profit (loss) for the year	(5,711.85)	52,363.86
Dividend paid	(50,244.19)	-
Other comprehensive income	1.22	13.93
ESOP options lapsed	206.39	8.86
Transfer to capital redemption reserve due to buyback of equity shares	(582.94)	-
Buyback distribution Tax	(2,185.55)	-
Cancellation of ESOP Options	(2,838.62)	-
Closing balance	(23,495.66)	37,859.87
Equity investments through other comprehensive		
Opening balance	17.93	17.93
Net profit/(loss) for the year	-	-
Closing balance	17.93	17.93
Capital Redemption Reserve		
Opening balance	-	-
Additions during the year	582.94	-
Closing balance	582.94	-
	32,187.15	105,034.55

FINO PayTech Limited

Notes to the financial statements (Continued)

As at 31 March 2023

(Currency: Indian Rupees in lakhs)

	31 March 2023	31 March 2022
16 Non-current financial liabilities - other financial liabilities		
Lease liability	776.02	938.67
	<u>776.02</u>	<u>938.67</u>
17 Non-current liabilities - provisions		
Provision for employee benefits		
Gratuity [Refer note 35]	31.05	29.10
Compensated absences [Refer note 35]	1.65	1.28
Other provision		
Provision for litigation*	102.20	102.20
Total	<u>134.90</u>	<u>132.58</u>
<p>* During the year ended 31 March 2011, Navi Mumbai Municipal Corporation (NMMC) raised a demand of INR 102.20 lakhs towards cess on purchases within the NMMC jurisdiction.</p>		
18 Other non-current liabilities		
Contract liabilities (Refer Note 23)	2.55	6.13
Total	<u>2.55</u>	<u>6.13</u>
19 Financial liabilities - borrowings		
Secured		
Loans from banks*	37.16	71.29
Total	<u>37.16</u>	<u>71.29</u>

*FD OD facility is from ICICI Bank Limited

FINO PayTech Limited

Notes to the financial statements (Continued)

As at 31 March 2023

(Currency: Indian Rupees in lakhs)

31 March 2023 31 March 2022

20 Trade payables

Dues to micro and small enterprises (Refer note 44)	-	3.07
Dues to other than micro and small enterprises	659.37	2,341.46
Total	659.37	2,344.53

Disclosure of outstanding dues of micro and small enterprise under trade payables is based on the information available with the Company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the auditors. There is no undisputed amount overdue as on 31 March 2023, to micro and small enterprises on account of principal or interest.

Ageing of trade payables

(i) MSME		
Less than 1 year	-	3.07
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
	-	3.07
(ii) Others		
Less than 1 year	456.80	2,113.15
1-2 years	0.93	17.90
2-3 years	5.25	13.01
More than 3 years	196.39	197.40
	659.37	2,341.46
(iii) Disputed dues - MSME		
Less than 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
	-	-
(iv) Disputed dues – others		
Less than 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
	-	-
Total trade payables	659.37	2,344.53

FINO PayTech Limited

Notes to the financial statements (Continued)

As at 31 March 2023

(Currency: Indian Rupees in lakhs)

	31 March 2023	31 March 2022
21 Lease liabilities		
Lease liability	162.63	137.12
	<u>162.63</u>	<u>137.12</u>
22 Other current financial liabilities		
Interest accrued but not due on borrowings	0.01	0.45
Unpaid dividends	14.67	-
Security deposits collected from agents	3.76	4.05
Other payables (Refer note 39)	0.00	245.25
Total	<u>18.45</u>	<u>249.75</u>
23 Other current liabilities		
Advances from customers	26.88	30.27
Contract liabilities	6.18	22.01
Other current liabilities	10.79	16.55
Total	<u>43.85</u>	<u>68.83</u>
24 Current liabilities - provisions		
Provision for employee benefits		
Gratuity [Refer note 35]	5.91	5.81
Bonus payable	17.89	6.04
Compensated absences [Refer note 35]	0.44	0.38
Other provisions :		
Provision for expected loss on first loss default guarantee	200.00	442.89
Total	<u>224.23</u>	<u>455.12</u>

FINO PayTech Limited

Notes to the financial statements (Continued)

As at 31 March 2023

(Currency: Indian Rupees in lakhs)

	31 March 2023	31 March 2022
14 Share capital		
a Authorised :		
Equity shares of INR 10 each	12,000.00	12,000.00
120,000,000 (31 March 2022 : 120,000,000) equity shares		
Fully convertible preference shares of INR 10 each	5,000.00	5,000.00
50,000,000 (31 March 2022 : 50,000,000) preference shares		
Total	<u>17,000.00</u>	<u>17,000.00</u>
b Issued and subscribed and paid up:		
104,620,402 (31 March 2022 : 109,407,156) equity shares fully paid up	10,462.04	10,940.72
25,27,566 (31 March 2022 : 2,643,210) 9.00% fully convertible preference shares of class - A fully paid up	252.76	264.32
94,85,691 (31 March 2022 : 9,919,694) 0.005% fully convertible preference shares of class - B fully paid up	948.57	991.97
1,07,75,304 (31 March 2022 : 11,268,311) 12.00% fully convertible preference shares of class - C fully paid up	1,077.53	1,126.83
Total	<u>12,740.90</u>	<u>13,323.84</u>
<p>The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated. The Company is not subject to any externally imposed capital requirements.</p>		
<p>The Board of Directors at its meeting held on August 26, 2022, approved a proposal to buy-back upto 58,29,408 equity and preference shares of the Company for an aggregate amount not exceeding Rs.1,24,99,99,959 being 21.92% of the total paid up share capital at Rs. 214.43 per share consisting of face value of Rs. 10 each including at a premium of Rs. 204.43. The shareholders approved the same at their Annual General Meeting held on September 23, 2022, by way of a special resolution. A Letter of Offer was made to all existing/beneficial owners of the Company. The Company bought back 47,86,754 equity shares and 10,42,654 preference shares aggregating to 58,29,408 shares and extinguished the equity and preference shares on November 12, 2022. Capital redemption reserve was created to the extent of share capital extinguished (5,82,94,080/-).</p>		
c Reconciliation of number of shares outstanding at the beginning and end of the		
Equity share :		
Outstanding at the beginning of the year	109,407,156	99,628,111
Equity Shares issued during the year in consideration for cash (Right issue)	-	2,966,470
Equity Shares issued on account of conversion of share warrants	-	5,500,000
Equity Shares issued during the year pursuant to exercise of ESOPs	-	1,312,575
Equity Shares bought back during the year	4,786,754	-
Outstanding at the end of the year	<u>104,620,402</u>	<u>109,407,156</u>
Preference share :		
Outstanding at the beginning of the year	23,831,215	23,831,215
Preference Shares bought back during the year	1,042,654	-
Outstanding at the end of the year	<u>22,788,561</u>	<u>23,831,215</u>

FINO PayTech Limited

Notes to the financial statements *(Continued)*

As at 31 March 2023

(Currency: Indian Rupees in lakhs)

d Terms / rights attached to each classes of shares

1. Rights, preferences and restrictions attached

Equity Shares : The Company has only one class of equity shares having a face value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors, if any is subject to the approval of the shareholders in the ensuing annual general meeting except in case of interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

During the current year FY 2022-23, the Company has declared an interim dividend on equity and preference shares as given below. (Previous year: Nil)

Pursuant to provision of Section 123 of the Companies Act, 2013 read with the Companies (Declaration and Payment of Dividend) Rules, 2014, the Board of Directors of Company has declared an Interim Dividend to its shareholders out of the surplus in the profit and loss account and out of the profits of the Financial year in which such interim dividend is sought to be declared. In view of the above, Rs. 37.71 per share was paid as an interim dividend to each Equity and Preference Shareholders of the Company amounting to Rs. 502.44 crores.

Preference shares: All the Fully convertible preference share ('FCPS') holders carry one voting right for each share held by them. Holder of series A, B and C preference shares were entitled to dividend of Rs.195,938,615, Rs.230,342 and Rs.360,493,144, respectively, ("Past Dividend Amount") and it was paid in FY 21-22 in accordance with applicable laws. The full payment of the past dividend amounts was made by the Company before declaring any dividends (other than for purposes of payment of past dividend amounts) on or after the date of the shareholders agreement dated 29th July, 2016. The preference shareholders shall, in addition to the respective accumulated preference dividend noted above, were entitled to, a minimum guaranteed dividend of 0.001% on the face value of the preference shares in accordance with applicable laws; and the Company shall not, after full payment of past dividend amounts, declare any dividend that is payable only to a select class of shareholders.

FINO PayTech Limited

Notes to the financial statements (Continued)

As at 31 March 2023

(Currency: Indian Rupees in lakhs)

14 Share capital (Continued)

e Shareholders holding more than 5% shares in the company is set out below:

Equity share	31 March 2023		31 March 2022	
	No. of Shares	% holding	No. of Shares	% holding
		%		%
Bharat Petroleum Corporation Limited	27,991,070	26.75%	29,271,759	26.75%
ICICI Prudential Life Insurance Company Lt	10,833,198	10.35%	11,328,854	10.35%
ICICI Bank Limited	9,485,140	9.07%	9,919,118	9.07%
Blackstone GPV Capital Partners (Mauritius) VI-B FDI Limited	7,183,536	6.87%	7,512,207	6.87%
HAV 3 Holdings (Mauritius) Limited	7,130,737	6.82%	7,456,993	6.82%
ICICI Lombard General Insurance Company Limited	5,984,658	5.72%	6,789,194	6.21%
International Finance Corporation	6,282,138	6.00%	6,569,567	6.00%

Fully convertible preference shares	31 March 2023		31 March 2022	
	No. of Shares	% holding	No. of Shares	% holding
Blackstone GPV Capital Partners (Mauritius) VI-B FDI Limited	10,775,304	47.28%	11,268,311	47.28%
HAV 3 Holdings (Mauritius) Limited	6,500,566	28.53%	6,797,990	28.53%
International Finance Corporation	2,968,531	13.03%	3,104,350	13.03%
Intel Capital (Mauritius) Limited	2,544,160	11.16%	2,660,564	11.16%

f There are no promoter holding in the company for the year ended 31st March 2023 and 31st March 2022.

g Shares reserved for issuance under Stock Option Plans of the Company

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, please refer note 34.

h Terms of conversion of Fully Convertible Preference Shares

FCPS are convertible in equity shares at the option and discretion of the holders at any time into the whole or fractional number of equity shares obtained by dividing issue price of FCPS by the conversion price of INR 37, INR 48.44 and INR 79.87 for series A Preference shares, series B Preference shares and series C Preference shares respectively in accordance with the shareholders agreement. These Preference shares have been issued for the maximum period of 20 years from the date of issue. If any Preference Shares have not been converted on or prior to the expiry of the maximum period, such unconverted Preference Shares shall be compulsorily converted into equity Shares. Below is the issue date and last date for conversion for all the classes of preference shares issued :

Class of Shares	Issue Date	Last date for conversion
Class - A	8-Jun-07	7-Jun-27
Class - B	3-Dec-09	2-Dec-29
Class - C	8-Jul-11	7-Jul-31

i There is no holding/ultimate holding company of Fino Paytech Limited

j Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of 5 years immediately preceding the reporting date:

The Company bought back 47,86,754 equity shares and 10,42,654 preference shares aggregating to 58,29,408 shares for amounting to Rs. 1,24,99,99,959 being 21.92% of the total paid up share capital at Rs. 214.43 per share consisting of face value of Rs. 10 each including at a premium of Rs. 204.43. The equity and preference shares bought back were extinguished on November 12, 2022

FINO PayTech Limited

Notes to the financial statements (*Continued*)

For the year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

	For the year ended 31 March 2023	For the year ended 31 March 2022
25 Revenue from operations		
Sales of goods and services		
Sale of goods	240.63	433.54
Core banking solution services, enrollment income and other services	1,068.26	1,432.05
Total	1,308.89	1,865.59
26 Other income		
Interest received on financial assets carried at amortised cost		
- Deposits with banks	1,126.99	815.67
- Others	9.10	81,048.35
Write back of provision for doubtful trade receivables and inventory	3,325.93	-
Miscellaneous income, net	202.20	433.95
Total	4,664.22	82,297.97
27 Purchase of goods and services		
Purchase of goods - cards and devices	223.28	347.55
Enrollment expenses	12.37	99.74
Other direct cost	666.29	697.80
Total	901.95	1,145.09
28 Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Opening stock :		
Traded goods	3,206.87	3,214.88
Closing stock:		
Traded goods	48.58	3,206.87
Changes in inventories:		
Changes in inventories of stock-in-trade and work-in-progress		
Traded goods	3,158.29	8.01
Less : Provision		-
Total	3,158.29	8.01

FINO PayTech Limited

Notes to the financial statements (Continued)

For the year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

	For the year ended 31 March 2023	For the year ended 31 March 2022
29 Employee benefit expense		
Salaries, wages and bonus	255.83	352.17
Contribution to provident fund and other funds	14.03	38.05
Share based expense including option cancellation expense	21.84	36.13
Staff welfare expenses	3.35	25.98
Total	295.06	452.33
30 Finance costs		
Interest on borrowings	7.08	14.70
Interest on lease liability	126.15	142.08
Total	133.23	156.78
31 Other expenses		
Repairs and maintenance	19.55	18.72
Rates and taxes	191.69	233.62
Insurance	37.31	35.73
Bank charges	4.36	4.63
Power and fuel	39.99	8.81
Communication	23.87	15.94
Travelling and conveyance	14.56	20.94
Legal and professional	454.68	5,258.64
Stationery and printing	0.61	5.40
Directors sitting fees	10.50	12.00
Payment to auditors		
- Statutory audit	19.57	24.75
- Tax audit	0.75	0.75
Provisions / (write back) for doubtful trade receivables and inventory	-	1,795.28
Provision for diminution of investments	4,963.06	14,193.07
Corporate social responsibility (CSR) (Refer note 46)	-	5.31
Advertisement, publicity and sales promotion expenses	2.94	0.29
Miscellaneous expenses	27.67	17.38
Total	5,811.12	21,651.26

FINO PayTech Limited

Statement of cash flows

For the year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

	For the year ended 31 March 2023	For the year ended 31 March 2022
A. Cash flows from operating activities		
Profit / (loss) from for the period	(4,530.04)	60,554.95
Profit / (loss) before tax	(4,530.04)	60,554.95
Adjustments for :		
Depreciation / amortisation	203.51	195.14
ESOP expense	5.53	36.13
ESOP Cancellation Expenses	16.31	
ESOP Cancellation Compensation	(2,854.94)	-
Provision (Write back) for doubtful debts and assets	(3,311.81)	1,795.28
Provision for diminution of investments	4,963.06	14,193.07
Interest expense	133.23	156.78
Interest income	(1,136.08)	(81,864.02)
Operating profit before working capital changes	(6,511.23)	(4,932.67)
Working capital adjustments:		
(Increase) / decrease in non-current financial assets - loans	-	21.84
(Increase) / decrease in non-current financial assets - others	(8.03)	(432.93)
(Increase) / decrease in other non-current assets	7.31	(15.30)
(Increase)/ decrease in inventories	3,158.29	1,064.44
(Increase) / decrease in trade receivables	2,066.38	(1,999.27)
(Increase) / decrease in current financial assets - loans	(3.08)	(19.20)
(Increase) / decrease in other current financial assets	9.26	(0.02)
(Increase) / decrease in other current assets	(627.14)	(376.47)
(Decrease) in other non-current liabilities	(3.58)	(14.27)
Increase / (decrease) in trade payables	(1,685.17)	1,316.00
(Decrease) in other current financial liabilities	(231.30)	(5,665.66)
(Decrease) in other current liabilities	(24.98)	(58.19)
(Decrease) in provisions	(192.61)	(2,104.16)
Cash generated from operating activities	(4,045.87)	(13,215.86)
Income tax (paid) / refund	(185.60)	(7,938.58)
Net Cash generated from operating activities (A)	(4,231.47)	(21,154.44)
B. Cash flows from investing activities		
Acquisition of property, plant and equipment/CWIP	(169.51)	(49.60)
Acquisition of computer software	(3.99)	-
Proceeds from fixed deposits	(3,470.99)	465.34
Acquisition of non-current investments	0.02	2,903.38
Right of Use Asset	(137.12)	(66.41)
Interest received	1,136.08	81,864.02
Net cash generated from/ (used in) investing activities (B)	(2,645.52)	85,116.73

FINO PayTech Limited

Statement of cash flows

For the year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

	For the year ended 31 March 2023	For the year ended 31 March 2022
C. Cash flows from financing activities		
Proceeds from issue of equity share capital	-	8,373.40
Repayment of short-term borrowings	(34.13)	0.13
Buy Back of equity shares	(12,500.00)	-
Tax pertaining to buyback of equity shares	(2,185.55)	-
Interest paid	(133.23)	(156.78)
Preference Dividend Paid	(50,244.19)	-
Net cash (used in) financing activities (C)	(65,097.10)	8,216.75
Net increase / (decrease) in cash and cash equivalents (A + B + C)	(71,974.09)	72,179.04
Cash and cash equivalents at the beginning of the year	72,439.13	260.09
Cash and cash equivalents at the end of the year	465.04	72,439.13
Cash and cash equivalents		
Cash on hand and balances with banks	465.04	72,439.13
Closing balances of Fixed deposit (more than 3 months but less than 12 months)	-	-
Other bank balances	-	-
Cash and cash equivalents	465.04	72,439.13

Notes to the financial statements

1-50

The accompanying notes to accounts form an integral part of the financial statements.

As per our report of even date attached.

For A P Sanzgiri & Co

Chartered Accountants

Firm's Registration Number : 116293W

For and on behalf of the Board of Directors

FINO PayTech Limited

Abhijit Sanzgiri

Partner

Membership Number : 043230

Ashok Kini

Non-Executive Independent

Director

DIN 00812946

Amit Kumar Jain

Whole Time Director

DIN 08353693

Mumbai

28 June 2023

FINO PayTech Limited

Statement of changes in equity

For the year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

(a) Equity share capital

	31 March 2023		31 March 2022	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting period	109,407,156	10,940.72	99,628,111	9,962.81
Changes in equity share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting period	109,407,156	10,940.72	99,628,111	9,962.81
Equity shares bought back during the year	(4,786,754)	(478.68)	-	-
Equity shares issued during the year in consideration for cash (right issue)	-	-	2,966,470	296.65
Equity shares issued on account of conversion of share warrants	-	-	5,500,000	550.00
Equity shares issued during the year pursuant to exercise of ESOPs	-	-	1,312,575	131.26
Balance at the end of the reporting period	104,620,402	10,462.04	109,407,156	10,940.72

(b) Instruments entirely in nature of equity

	31 March 2023		31 March 2022	
	Number	Amount	Number	Amount
Share warrants				
Balance at the beginning of the reporting period	-	-	5,500,000	550.00
Changes in share warrants due to prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	5,500,000	550.00
Changes in share warrant capital during the year	-	-	(5,500,000)	(550.00)
Balance at the end of the reporting period	-	-	-	-
Fully convertible preference shares (Series A,B,C)				
Balance at the beginning of the reporting period	23,831,215	2,383.12	23,831,215	2,383.12
Changes in preference share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting period	23,831,215	2,383.12	23,831,215	2,383.12
Preference shares bought back during the year	(1,042,654)	(104.27)	-	-
Balance at the end of the reporting period	22,788,561	2,278.86	23,831,215	2,383.12
Total of instruments entirely in nature of equity	22,788,561	2,278.86	23,831,215	2,383.12

(c) Other equity

Particulars	Equity component of compound financial instruments	Retained Earnings	Reserves & Surplus ESOP Reserve	Securities Premium	Capital redemption reserve	Equity investments through other comprehensive income	Total
Balance as at 01 April 2021	-	(14,526.78)	863.74	58,215.34	-	17.93	44,570.23
Total comprehensive income for the period ended 31 March 2022							
Profit/ (Loss) for the period	-	52,363.86	-	-	-	-	52,363.86
Other comprehensive income (net of tax)							
- Remeasurements of defined benefit liability / (asset)	-	13.93	-	-	-	-	13.93
- Equity investments through other comprehensive income - net change in fair value	-	-	-	-	-	-	-
Total comprehensive income	-	52,377.79	-	-	-	-	52,377.79
ESOP expense recognised under fair value approach	-	-	36.13	-	-	-	36.13
Deemed investment in subsidiary recognised through retained earnings	-	-	104.91	-	-	-	104.91
Premium on ESOP's exercised	-	-	(129.15)	129.15	-	-	0.00
Premium on right issue of shares	-	-	-	7,945.49	-	-	7,945.49
Effect of options lapsed after vesting	-	8.86	(8.86)	-	-	-	-
Balance as at 31 March 2022	-	37,859.87	866.77	66,289.98	-	17.93	105,034.55
Balance as at 01 April 2022	-	37,859.87	866.77	66,289.98	-	17.93	105,034.55
Total comprehensive income for the period ended 31 March 2023							
Profit/ (Loss) for the period	-	(5,711.85)	-	-	-	-	(5,711.85)
Other comprehensive income (net of tax)							
- Remeasurements of defined benefit liability / (asset)	-	1.22	-	-	-	-	1.22
- Equity investments through other comprehensive income - net change in fair value	-	-	-	-	-	-	-
Total comprehensive income	-	(5,710.61)	-	-	-	-	(5,710.61)
ESOP expense recognised under fair value approach	-	-	5.53	-	-	-	5.53
Deemed investment in subsidiary recognised through retained earnings	-	-	43.12	-	-	-	43.12
Effect of options lapsed after vesting	-	206.39	(206.39)	-	-	-	-
Dividend paid	-	(50,244.19)	-	-	-	-	(50,244.19)
On account of buyback of share capital	-	-	-	(11,917.06)	-	-	(11,917.06)
		(582.94)			582.94		-
Transfer to Capital Redemption Reserve due to Buyback of Equity Shares							
Buyback distribution Tax		(2,185.55)					(2,185.55)
Cancellation of ESOP Options		(2,838.62)					(2,838.62)
Balance as at 31 March 2023	-	(23,495.66)	709.02	54,372.91	582.93	17.92	32,187.16

FINO PayTech Limited

Statement of changes in equity *(Continued)*

For the year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

Nature and purpose of reserves

1) Securities premium

Securities premium is used to record the premium on issue of shares. It is utilised in accordance with the provisions of Section 52 of the Companies Act 2013.

2) ESOP reserve

ESOP reserve is used to recognise the grant date fair value of options issued to employees under the employee stock option plan which are unvested as on the reporting date.

3) Equity investments through other comprehensive income (FVOCI)

The company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Notes to the financial statements

1-50

The accompanying notes to accounts form an integral part of the standalone financial statements.

As per our report of even date attached.

For A P Sanzgiri & Co

Chartered Accountants

Firm's Registration Number : 116293W

**For and on behalf of the Board of Directors of
FINO PayTech Limited**

Abhijit Sanzgiri

Partner

Membership Number : 043230

Ashok Kini

Non-Executive Independent

Director

DIN 00812946

Amit Kumar Jain

Whole Time Director

DIN 08353693

Mumbai

28 June 2023

FINO PayTech Limited

Notes to the financial statements (Continued)

For the year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

32 1. Financial instruments – Fair values and risk management

A. Accounting classification and fair values

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 March 2023	Carrying amount			Fair value			Total
	Amortised Cost	Fair value through other comprehensive income	Total	Level 1	Level 2	Level 3	
Financial assets measured at fair value							
Investment in unquoted equity instruments	-	272.22	272.22	-	-	272.22	272.22
Financial assets measured at amortised cost							
Non current financial assets							
Other financial assets	451.16	-	451.16	-	-	451.16	451.16
Current financial assets							
Trade receivables	571.45	-	571.45	-	-	-	571.45
Cash and cash equivalents	465.04	-	465.04	-	-	-	465.04
Other bank balances	4,430.06	-	4,430.06	-	-	-	4,430.06
Loans							
- Loans to related parties	8.44	-	8.44	-	-	-	8.44
Other current financial assets	2.06	-	2.06	-	-	-	2.06
	5,928.21	272.22	6,200.43	-	-	723.37	6,200.43
Financial liabilities measured at amortised cost							
Lease liability	938.66	-	938.66	-	-	938.66	938.66
Current borrowings	37.16	-	37.16	-	-	-	37.16
Trade payables	659.37	-	659.37	-	-	-	659.37
Other current financial liabilities	18.45	-	18.45	-	-	-	18.45
	1,653.63	-	1,653.63	-	-	938.66	1,653.63

FINO PayTech Limited

Notes to the financial statements (Continued)

For the year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

32 1. Financial instruments – Fair values and risk management (Continued)

A. Accounting classification and fair values (Continued)

31 March 2022	Carrying amount			Fair value			
	Amortised Cost	Fair value through other comprehensive income	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value							
Investment in unquoted equity instruments	-	272.22	272.22	-	-	272.22	272.22
Financial assets measured at amortised cost							
Non current financial assets							
Other financial assets	738.64	-	738.64	-	-	771.33	771.33
Current financial assets							
Trade receivables	2,638.19	-	2,638.19	-	-	-	2,638.19
Cash and cash equivalents	72,439.13	-	72,439.13	-	-	-	72,439.13
Other bank balances	592.95	-	592.95	-	-	-	592.95
Loans							
- Loans to employees	0.69	-	0.69	-	-	-	0.69
- Loans to related parties	4.74	-	4.74	-	-	-	4.74
Other current financial assets	11.32	-	11.32	-	-	-	11.32
	<u>76,425.66</u>	<u>272.22</u>	<u>76,697.88</u>	-	-	<u>1,043.55</u>	<u>76,730.57</u>
Financial liabilities measured at amortised cost							
Lease liability	1,075.78	-	1,075.78	-	-	1,075.78	1,075.78
Short term borrowings	71.29	-	71.29	-	-	-	71.29
Trade payables	2,344.53	-	2,344.53	-	-	-	2,344.53
Other current financial liabilities	249.75	-	249.75	-	-	-	249.75
	<u>3,741.35</u>	<u>-</u>	<u>3,741.35</u>	-	-	<u>1,075.78</u>	<u>3,741.35</u>

(1) Assets that are not financial assets such as receivables from statutory authorities, export benefit receivables, prepaid expenses, advances paid, are not included.

(2) Other liabilities that are not financial liabilities such as statutory dues payable, deferred revenue, advances from customers and certain other accruals, are not included.

FINO PayTech Limited

Notes to the financial statements (Continued)

For the year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

32 1. Financial instruments – Fair values and risk management (Continued)

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

a. Fair value of cash and cash equivalent, other bank balance, loan to employees, loan to related parties, trade and short term receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

b. The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values.

Financial instruments measured at fair value

Type	Valuation technique
Investment in equity instruments	For valuation of investment in equity instruments, discounted cash flow method is used to capture the present value of expected future economic benefits. Under the discounting cash flow method, the net cash flows expected to be generated are discounted using weighted average cost of capital.
Security deposits	The valuation model considers present value of expected payments discounted using the Government of India bond rate for the remaining maturity of the instrument.

Sensitivity analysis on level 3 fair values

For the fair values of Investment in equity instruments, reasonably possible changes at the reporting date to one of the significant observable inputs, holding other inputs constant, would have the following effects:

31 March 2023				
Significant observable inputs	Input considered	Equity	Input considered	Equity
	Increase		Decrease	
Long term growth rate	4.50%	6.43	3.50%	(6.10)
Cost of equity	22.30%	22.44	24.30%	(19.97)

31 March 2022				
Significant observable inputs	Input considered	Equity	Input considered	Equity
	Increase		Decrease	
Long term growth rate	4.50%	6.43	3.50%	(6.10)
Cost of equity	22.30%	22.44	24.30%	(19.97)

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ;
- Market risk ; and
- Interest rate risk

FINO PayTech Limited

Notes to the financial statements (*Continued*)

For the year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

i. Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

FINO PayTech Limited

Notes to the financial statements *(Continued)*

For the year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

32 Financial instruments – Fair values and risk management *(Continued)*

C. Financial risk management *(Continued)*

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and other financial assets including security deposits.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables and security deposits as mentioned below. Both trade receivables and security deposits are unsecured.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. Accordingly, the Company makes specific provisions against such trade receivables wherever required and monitors the same at periodic intervals.

a. Credit concentration and collaterals held

Concentration of credit risk with respect to trade receivables are limited, due to the Company's customer base being diverse. All trade receivables are reviewed and assessed for default on a periodic basis. The company does not hold any collaterals as security.

b. Amounts arising from ECL

i. Inputs, assumptions and techniques used for estimating impairment on trade receivables

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

For financial assets other than trade receivables company applies general expected credit loss model for measurement and recognition of impairment loss.

FINO PayTech Limited

Notes to the financial statements (Continued)

For the year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

32 Financial instruments – Fair values and risk management (Continued)

C. Financial risk management (Continued)

ii. Ageing of trade receivables

Gross Trade receivables	31 March 2023	31 March 2022
Less Than 180 days	571.44	2,638.19
More than 180 days	616.60	616.24
Closing balance	1,188.04	3,254.43

iii. Loss allowance

The following table shows movement in the loss allowance in respect of trade receivables and other loans and advances:

Trade receivables	31 March 2023	31 March 2022
Opening balance	616.24	502.45
Net Impairment loss recognised	0.36	113.79
Balance written back	-	-
Closing balance	616.60	616.24

First Loss Default Guarantee*	31 March 2023	31 March 2022
Opening balance	442.89	807.65
Net Impairment loss recognised	-	-
Balance written back	(242.89)	(364.76)
Closing balance	200.00	442.89

*First Loss Default Guarantee is provided to Fino Finance Private Limited for the BC (Business correspondent) business.

Security Deposit	31 March 2023	31 March 2022
Opening balance	86.21	102.55
Balance written back	(70.28)	(16.34)
Closing balance	15.91	86.21

FINO PayTech Limited

Notes to the financial statements (Continued)

For the year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

32 Financial instruments – Fair values and risk management (Continued)

C. Financial risk management (Continued)

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Maturity profile of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include estimated interest payments.

31 March 2023	Contractual cash flows						
	Carrying amount	Total	Less than 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Borrowings:							
Working capital loans from banks	37.16	37.16	37.16	-	-	-	-
Trade and other payables	659.37	659.37	659.37	-	-	-	-
Lease Liability	938.67	1,269.10	133.89	136.19	263.14	646.65	89.22
Other current financial liabilities	18.45	18.45	18.45	-	-	-	-
31 March 2022	Contractual cash flows						
	Carrying amount	Total	Less than 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Borrowings:							
Working capital loans from banks	71.29	71.29	71.29	-	-	-	-
Trade and other payables	2,344.53	2,344.53	2,344.53	-	-	-	-
Lease Liability	1,075.79	1,532.37	130.54	132.74	270.08	686.24	312.77
Other current financial liabilities	249.75	249.75	249.75	-	-	-	-

FINO PayTech Limited

Notes to the financial statements (Continued)

For the year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

32 Financial instruments – Fair values and risk management (Continued)

C. Financial risk management (Continued)

iv. Market risk

In the course of its business, the Company is exposed to certain financial risks namely interest risk, currency risk and liquidity risk. The Company's preliminary focus is to achieve better predictability of financial markets and seeks to minimize potential adverse effects on its financial performance.

Currency risk

The Company is not exposed to currency risk on account of its trade receivables, trade payables and other financial assets in foreign currency. The functional currency of the Company is Indian Rupee.

v. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates primarily to the Company's borrowings with floating interest rates.

Exposure to interest rate risk

Company's interest rate risk arises from borrowings. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows:

	31 March 2023	31 March 2022
Borrowings		
Fixed rate borrowings	-	-
Variable rate borrowings	37.16	71.29
Total borrowings	37.16	71.29

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased/ (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit / (loss)		Equity (net of tax)	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 March 2023				
Variable-rate instruments	(0.37)	0.37	(0.28)	0.28
Cash flow sensitivity	(0.37)	0.37	(0.28)	0.28
31 March 2022				
Variable-rate instruments	(0.71)	0.71	(0.53)	0.53
Cash flow sensitivity	(0.71)	0.71	(0.53)	0.53

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

FINO PayTech Limited

Notes to the financial statements (*Continued*)

For the year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

33 Capital management

The Company's objectives when managing capital are to (a) maximise shareholders value and provide benefit to the stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital using a ratio of "adjusted net debt" to "adjusted equity". For this purpose, adjusted net debt is defined as total liabilities (Non current and Current liability) less cash and cash equivalents. Equity comprises all components of equity.

	31 March 2023	31 March 2022
Total liabilities	2,193.89	4,538.75
Gross debt	2,193.89	4,538.75
Less - cash and cash equivalents	(465.04)	(72,439.13)
Less - other bank deposits	(4,430.06)	(592.95)
Adjusted net debt	(2,701.21)	(68,493.33)
Total equity	44,928.06	118,358.39
Adjusted net debt to equity ratio	(0.06)	(0.58)

FINO PayTech Limited

Notes to the financial statements (Continued)

For the year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

34 Share-based payment arrangements:

A. Description of share-based payment arrangements

i. Share option programs (equity-settled)

The Company has only one Employee Stock Option Plan ESOP II 2007 ('Plan') in force for a total grant of 2,34,63,000 options across the various schemes under the said plan. The plan provides that the Company's employees are granted an option to acquire equity shares of the Company that vests in a graded manner. During the current year an amendment has been made to the employee stock option scheme with reference to exercise of vested option by option grantee's nominee or legal heirs in case of death of option holder in accordance with which, all vested options may be exercised by the option grantee's nominee or legal heirs immediately after, but in no event later than five years from the date of death of the option holder. This amendment has come into force from 24th May, 2017.

ESOP

Grant Date	No. of Options	Exercise Price	Vesting Period (years)	Vesting Conditions
1-Jan-07	2,135,000	10.00	2 to 5	At the end of 1 year Nil and 25% of options at the end of years 2, 3, 4 and 5 respectively.
3-Sep-07	1,345,000	20.00	2 to 5	At the end of 1 year Nil and 25% of options at the end of years 2, 3, 4 and 5 respectively.
1-Sep-08	1,870,000	20.00	1 to 4	25% of the options at the end of years' 1 2 3 and 4 respectively
1-Apr-09	3,265,000	20.00	1 to 4	25% of the options at the end of years' 1 2 3 and 4 respectively
1-Aug-10	3,035,000	30.00	1 to 4	25% of the options at the end of years' 1 2 3 and 4 respectively
1-Oct-11	2,366,500	75.00	1 to 4	25% of the options at the end of years' 1 2 3 and 4 respectively
1-Mar-12	82,500	75.00	1 to 4	25% of the options at the end of years' 1 2 3 and 4 respectively
1-Aug-12	1,894,000	80.00	1 to 4	25% of the options at the end of years' 1 2 3 and 4 respectively
1-Mar-14	200,000	80.00	1 to 4	25% of the options at the end of years' 1 2 3 and 4 respectively
6-Feb-15	2,500,000	80.00	1 to 4	25% of the options at the end of years' 1 2 3 and 4 respectively
1-Jul-15	75,000	80.00	1 to 4	25% of the options at the end of years' 1 2 3 and 4 respectively
1-Dec-15	1,000,000	80.00	1 to 4	25% of the options at the end of years' 1 2 3 and 4 respectively
15-Apr-16	10,000	70.64	1 to 4	25% of the options at the end of years' 1 2 3 and 4 respectively
1-Dec-16	50,000	70.64	1 to 4	25% of the options at the end of years' 1 2 3 and 4 respectively
16-Aug-17	1,995,000	100.00	1 to 4	25% of the options at the end of years' 1 2 3 and 4 respectively
3-Apr-18	100,000	100.00	1 to 4	25% of the options at the end of years' 1 2 3 and 4 respectively
1-Aug-18	255,000	105.00	1 to 4	25% of the options at the end of years' 1 2 3 and 4 respectively
30-Aug-18	50,000	105.00	1 to 4	25% of the options at the end of years' 1 2 3 and 4 respectively
1-Mar-19	255,000	105.00	1 to 4	25% of the options at the end of years' 1 2 3 and 4 respectively
1-Jul-19	980,000	100.00	1 to 4	25% of the options at the end of years' 1 2 3 and 4 respectively

The weighted average share price as at the date of exercise of options exercised during previous year ended 31 March 2022 was INR 68.41). Since the company is not listed, the share price available during the year is taken as the weighted average share price. No shares are exercised in the current year.

Share options outstanding at the end of the period have the following exercise price. As per the ESOP scheme-II 2007, while in employment the employee can exercise the vested options till the time it is listed in a stock exchange and three years from the date of vesting. Additionally, in the case of resignation/termination, all the vested options as on the last working day of the employee shall be exercisable before the expiry of three years from the his/ her last working day. Hence, the contractual life of the options is not determinable.

FINO PayTech Limited

Notes to the financial statements *(Continued)*

For the year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

Share-based payment arrangements: *(Continued)*

Grant date	Exercise price	Share options 31 March 2023	Share options 31 March 2022
03-Sep -07 to 01 Apr-09	20	376,489	526,500
1-Aug-10	30	355,653	495,000
01-Oct-11 to 01-Mar-12	75	443,310	667,000
01-Aug-12 to 01-Jul-15	80	1,366,568	2,046,000
1-Dec-15 to 15-Apr-16	71	5,389	7,500
16-Aug-17 to 03-Apr-18	100	968,952	1,385,000
01-Aug-18 to 01-Mar-19	105	333,870	449,500
1-Jul-19	100	569,724	778,750

B. Measurement of fair values

i. Equity-settled share-based payment arrangements

The fair value of the employee share options has been measured using the Black-Scholes formula. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value.

The requirement that the employee has to save in order to purchase shares under the share purchase plan has been incorporated into the fair value at grant date by applying a discount to the valuation obtained. The discount has been determined by estimating the probability that the employee will stop saving based on historical behaviour.

	31 March 2023	31 March 2022
Grant date	Nil	Nil
Fair value at grant date	Nil	Nil
Share price at grant date	Nil	Nil
Exercise price	Nil	Nil
Expected volatility (weighted-average)	Nil	Nil
Expected life (weighted-average)	Nil	Nil
Expected dividends	Nil	Nil
Risk-free interest rate (based on government bonds)	Nil	Nil

FINO PayTech Limited

Notes to the financial statements (Continued)

For the year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

34 Share-based payment arrangements: (Continued)

C. Reconciliation of outstanding share options

Activity in the options outstanding under the employee's stock option scheme.

Particulars	31 March 2023		31 March 2022	
	Average exercise price per share per option	Number of options	Average exercise price per share per option	Number of options
Options outstanding as at the beginning of the year	78.79	6,355,250	77.07	7,741,750
Add: Options granted during the year	-	-	-	-
Less: Options exercised during the year	-	-	68.41	1,312,575
Less: Options lapsed during the year	82.34	302,125	65.05	73,925
Less : Options surrendered during the year*	77.66	1,638,170	-	-
Options outstanding as at the year end	78.97	4,414,955	78.79	6,355,250
Options exercisable as at the year end	78.01	4,227,455	101.00	535,000

*the liquidation of stock options was approved by the company at a price of Rs. 252 less exercise price to eligible option holders.

D. Expenses arising from share based payment transactions

The total expenses arising from share based payment transactions recognised profit or loss as part of employee benefit expenses is INR 5.53 lakhs (31 March 2022 : INR 36.13 lakhs).

FINO PayTech Limited

Notes to the financial statements *(Continued)*

For the year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

35 Employee benefits

The Company contributes to the following post-employment defined benefit plans in India.

A. Defined Contribution Plans:

The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service.

The Company has recognised INR 13.64 lakhs for 31 March 2023 (31 March 2022: 22.85 lakhs) as expenditure and included under 'Employee benefit expenses' in the Statement of Profit and Loss.

Gratuity

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The calculation of the Company's obligation under the plan is performed annually by a qualified actuary using the projected unit credit method.

Compensated absences

Compensated absences balance upto 7 days are encashed at the end of financial year on the basic salary. Encashment of more than 7 days of leave is not permitted.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity and compensated absense amount recognised in the Company's financial statements as at balance sheet date:

	Note	Compensated Absense		Gratuity	
		31 March 2023	31 March 2022	31 March 2023	31 March 2022
Liability at the end of the year	17, 24	2.08	1.66	36.96	34.91
Fair value of Plan Assets at the end of the year		-	-	-	-
Amount recognised in Balance sheet		2.08	1.66	36.96	34.91

FINO PayTech Limited

Notes to the financial statements (Continued)

For the year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

35 Employee benefits

B. Defined benefit obligations

i. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	31 March 2023	31 March 2022
Discount rate	7.30%	6.55%
Expected rate of return on plan assets		
Salary escalation rate	5.20%	5.20%
Withdrawal rate	15.00%	15.00%
Mortality rate	IALM 2012-14 Ultimate	IALM 2012- 14 Ultimate

ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Gratuity			
	31 March 2023		31 March 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(1.85)	2.03	(1.86)	2.07
Future salary growth (1% movement)	2.06	(1.91)	2.08	(1.90)
Withdrawal rate (1% movement)	0.75	(1.68)	0.61	(1.42)
Mortality Rate (10% movement)	0.01	(0.01)	0.01	0.00

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Expected future cash flows

The expected future cash flows in respect of gratuity as at 31 March 2023 were as follows:

Expected future benefit payments

31 March 2024	5.91
31 March 2025	6.02
31 March 2026	5.41
31 March 2027	4.85
31 March 2028	4.33
Thereafter	31.38

FINO PayTech Limited

Notes to the financial statements (Continued)

For the year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

35 Employee benefits (Continued)

C. Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

Particulars	Gratuity					
	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) liability	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Opening balance	34.91	62.90	-	-	34.91	62.90
Adjustments to opening balance on account of employee transfer		-			-	-
Adjusted opening balance	34.91	62.90			34.91	62.90
Included in profit or loss						
Current service cost	4.40	3.91	-	-	4.40	3.91
Past service cost			-	-		
Interest cost (income)	2.29	3.87	-	-	2.29	3.87
	41.60	70.68	-	-	41.60	70.68
Included in OCI						
Actuarial loss (gain) arising from:						
Demographic assumptions	-	-			-	-
Financial assumptions	(1.50)	(0.80)	-	-	(1.50)	(0.80)
Experience adjustment	0.28	(13.13)	-	-	0.28	(13.13)
Return on plan assets excluding interest income						-
	40.38	56.75	-	-	40.38	56.75
Other						
Contributions paid by the employer						
Benefits paid	(3.42)	(21.84)	-	-	(3.42)	(21.84)
Closing balance	36.96	34.91	-	-	36.96	34.91

FINO PayTech Limited

Notes to the financial statements *(Continued)*

For the year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

35 Employee benefits *(Continued)*

D. Components of defined benefit plan cost:

Particulars	Gratuity	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Recognised in Income Statement		
Current service cost	4.40	3.91
Interest cost / (income) (net)	2.29	3.87
Unrecognised past service cost- non vested benefits	-	-
Past service cost	-	-
Total	6.69	7.78
Recognised in other comprehensive income		
Remeasurement of net defined benefit liability/(asset)	(1.22)	(13.93)
Return on plan assets excluding net interest	-	-
Cumulative post employment (gains) recognised in the SOCIE	(1.22)	(13.93)

E. Category of assets

Category of assets	For the year ended 31 March 2023	For the year ended 31 March 2022
Corporate bonds	-	-
Equity shares	-	-
Government securities	-	-
Insurer managed funds	-	-
Bank balances	-	-
Others	-	-
Total	-	-

FINO PayTech Limited

Notes to the financial statements (continued)

For the year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

Note 36 : Leases

Right-of-use (ROU) asset

Particulars	Building	Office Equipment	Total
Gross Block			
Opening balance as on 1 April 2021	878.41	482.93	1,361.34
Additions	-	-	-
Deletions	-	-	-
Closing Balance as on 31 March 2022	878.41	482.93	1,361.34
Accumulated depreciation			
Opening balance as on 1 April 2021	163.97	62.89	226.87
Depreciation for the period	99.15	53.41	152.56
Depreciation on deletions	-	-	-
Closing Balance as on 31 March 2022	263.12	116.31	379.42
Net block	615.29	366.62	981.92
Gross Block			
Opening balance as on 1 April 2022	878.41	482.93	1,361.34
Additions	-	-	-
Deletions	-	-	-
Closing Balance as on 31 March 2023	878.41	482.93	1,361.34
Accumulated depreciation			
Opening balance as on 1 April 2022	263.12	116.31	379.42
Depreciation for the period	99.15	53.41	152.56
Depreciation on deletions	-	-	-
Closing Balance as on 31 March 2023	362.28	169.71	531.98
Net block	516.14	313.22	829.35

Lease liabilities included in the balance sheet	As at 31 March 2023	As at 31 March 2022
Current	162.63	137.12
Non-current	776.02	938.67
	938.67	1,075.79

Amounts recognised in the statement of profit and loss	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest on lease liabilities	126.15	142.08
Income from sub-leasing right-to-use assets	(141.94)	(124.53)
Expenses relating to short-term leases	-8.88	22.90
Total	-24.66	40.45

The maturity analysis of lease liabilities are disclosed in Note no. 32 of Financial instruments-Liquidity risk.

FINO PayTech Limited

Notes to the financial statements (Continued)

For the year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

38 Tax expense

(a) Amounts recognised in profit and loss

	For the year ended 31 March 2023	For the year ended 31 March 2022
Current income tax		
Current period	-	8,191.09
Changes in estimated related to prior years	-	-
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	1,181.80	-
Deferred tax expense	1,181.80	-
Tax expense for the year	1,181.80	8,191.09

(b) Amounts recognised in other comprehensive income

	For the year ended 31 March 2023			For the year ended 31 March 2022		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of defined benefit liability (asset)	1.22		1.22	13.93		13.93
Equity instrument through OCI	-	-	-	-	-	-
Items that will be reclassified to profit or loss						
Items that will be reclassified to profit or loss	-		-	-		-
	1.22	-	1.22	13.93	-	13.93

(c) Reconciliation of effective tax rate

	For the year ended 31 March 2023		For the year ended 31 March 2022	
Profit before tax		(4,530.04)		60,554.95
Tax using the Company's domestic tax rate	26.00%	(1,177.81)	26.00%	15,744.29
Tax effect of:				
Tax effects of amounts which are deductible for taxable income	0.00%	-	0.00%	-
Tax effects of amounts which are not deductible for taxable income	-0.01%	0.29	0.01%	4.07
Items on which no deferred tax was recognized	-52.08%	2,359.31	8.99%	5,443.14
Effect of change in tax rate	0.00%	-	-21.47%	(13,000.41)
	-26.09%	1,181.80	13.53%	8,191.09

FINO PayTech Limited

Notes to the financial statements (Continued)

For the year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

38 Tax Expense (Continued)

(d) Movement in deferred tax balances

	Net balance 01 April 2022	Recognised in profit or loss	31 March 2023			Net	Deferred tax asset	De fer
			Recognised in OCI	Other				
Deferred tax asset / liability								
Property, plant and equipment	359.68	(63.78)	-	-	295.90	295.90	#	
Security deposits	10.63	(2.56)	-	-	8.07	8.07	#	
Leases	24.41	4.01	-	-	28.42	28.42	#	
Provisions	1,108.44	(850.61)	-	-	257.83	257.83	#	
Unabsorbed Business Loss	263.82	(263.82)	-	-	-	-	#	
Equity instrument through OCI	(6.30)	-	-	-	(6.30)	-	#	
Others	7.32	(5.05)	-	-	2.27	2.27	#	
Deferred tax assets (net)	1,768.00	(1,181.80)	-	-	586.20	592.50	#	
Set off tax								
Net tax assets	1,768.00	(1,181.80)	-	-	586.20	592.50	#	

(e) Movement in deferred tax balances

	Net balance 01 April 2021	Recognised in profit or loss	31 March 2022			Net	Deferred tax asset	De fer red tax lia bili ty
			Recognised in OCI	Other				
Deferred tax asset / liability								
Property, plant and equipment	419.54	(59.86)	-	-	359.68	359.68	#	
Security deposits	12.47	(1.84)	-	-	10.63	10.63	#	
Leases	14.55	9.86	-	-	24.41	24.41	#	
Provisions	981.24	127.20	-	-	1,108.44	1,108.44	#	
Unabsorbed Business Loss	332.75	(68.93)	-	-	263.82	263.82	#	
Equity instrument through OCI	(6.30)	(0.00)	-	-	(6.30)	-	#	
Others	13.75	(6.43)	-	-	7.32	7.32	#	
Deferred tax assets (net)	1,768.00	(0.00)	-	-	1,768.00	1,774.30	#	
Set off tax								
Net tax assets	1,768.00	(0.00)	-	-	1,768.00	1,774.30	#	

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

FINO PayTech Limited

Notes to the financial statements (Continued)

For the year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

Tax losses & unabsorbed depreciation carried forward

	31 March 2023	Expiry for 31 March 2023	31 March 2022	Expiry for 31 March 2022
Business losses	460.98	3/31/2026	1,108.18	3/31/2026
Business losses	201.77	3/31/2029	201.77	3/31/2029
Business losses	2,898.54	3/31/2031	-	
Unabsorbed depreciation	1,315.92	No expiry	1,020.82	No expiry
	4,877.19		2,330.77	

Tax Credits carried forward

	31 March 2023	Expiry for 31 March 2023	31 March 2022	Expiry for 31 March 2022
MAT credit entitlement	259.40	3/31/2026	259.40	3/31/2026
	259.40		259.40	

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the company can use the benefits therefrom:

	31 March 2023	31 March 2022
Deductible temporary differences	4,921.16	3,755.62
MAT Credit entitlement	259.40	259.40
Tax losses & unabsorbed depreciation	1,228.70	342.18
	6,409.26	4,357.20

FINO PayTech Limited

Notes to the financial statements (Continued)

For the year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

39 Related party disclosures

A. Names of related parties

Sr. No.	Particulars	Country of Incorporation	Proportion of ownership interest
1	<u>Related party by whom significance influence is exercised</u>		
	Bharat Petroleum Corporation Limited	India	26.75%
2	<u>Entities which are controlled by the company and with whom the Company had transactions during the year</u>		
	FINO Trusteeship Services Limited	India	49%
	Fino Finance Private Limited (Formerly known as Intrepid Finance and Leasing Private Limited)	India	100%
	Fino Payments Bank Limited (Formerly known as FINO Fintech Private Limited)	India	75%
	FINO Financial Services Private Limited	India	100%
3	<u>Key Management Personnel</u>		
	Mr. Sudeep Gupta – Whole-time Director – Cessation w.e.f 28.11.2022		
	Mr. Amit Kumar Jain – Whole-time Director – Appointed w.e.f. 25.11.2022		
	Mr. Ravindra Gupta – Company Secretary – Appointed w.e.f 26.08.2022 and Ceased w.e.f 11.01.2023		
	Mr. Rakesh Tripathi – Chief Financial Officer – Appointed w.e.f 26.07.2022		
	Mr. Ashok Kini – Independent Director		
	Dr. Apurva Joshi – Independent Director		
	Mr. Rajeev Deoras – Independent Director		
	Mr. Manoj Heda – Nominee Director of Bharat Petroleum Corporation Limited (BPCL)		
	Mr. Prateek Roongta – Nominee Director of Blackstone GPV Capital Partners (Mauritius) VI-B FDI Ltd.		
	Mr. Marcus Peter Strutt Thompson – Nominee Director of HAV3 Holdings (Mauritius) Limited		

B. Transactions with key management personnel

i. Key management personnel compensation

Sr. No.	Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
i.	Short-term employee benefits	78.89	36.13
ii.	Post-employment benefits	5.41	10.35
iii.	Share-based payment	-	-

FINO PayTech Limited

Notes to the financial statements (*Continued*)

For the year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

39 Related party relationships, transactions and balances

Note 39 above provides the information about the Group's structure including the details of the subsidiaries and the holding company. The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year. All the related party transactions are at arm's length price.

Nature of Transaction	Subsidiaries	Related party by whom significant influence is exercised	Key Management Personnel	Total
Corporate Guarantee				
March 31, 2023	245.76	-	-	245.76
March 31, 2022	1,932.62	-	-	1,932.62
Recovery of expenses				
March 31, 2023	403.42	-	-	403.42
March 31, 2022	447.17	-	-	447.17
Sale of services / fixed assets				
March 31, 2023	-	322.97	-	322.97
March 31, 2022	-	343.26	-	343.26
Purchase of Services				
March 31, 2023	258.38	-	-	258.38
March 31, 2022	274.61	-	-	274.61
Director sitting fees				
March 31, 2023	-	-	10.00	10.00
March 31, 2022	-	-	12.00	12.00
Advance paid				
March 31, 2023	23.32	-	-	23.32
March 31, 2022	5.74	-	-	5.74
Advance received				
March 31, 2023	-	-	-	-
March 31, 2022	245.76	-	-	245.76
Loan Taken				
March 31, 2023	-	-	-	-
March 31, 2022	-	-	-	-
Loan repaid				
March 31, 2023	-	-	-	-
March 31, 2022	-	-	-	-
Interest on loan taken				
March 31, 2023	-	-	-	-
March 31, 2022	-	-	-	-
Guarantee Commission				
March 31, 2023	-	-	-	-
March 31, 2022	5.13	-	-	5.13

FINO PayTech Limited

Notes to the financial statements (*Continued*)

For the year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

Balance Outstanding				
Corporate Guarantee				
March 31, 2023	-	-	-	-
March 31, 2022	245.76	-	-	245.76
Trade Receivables (Gross)				
March 31, 2023	45.98	41.68	-	87.66
March 31, 2022	800.50	88.80	-	889.30
Trade Payables (Gross)				
March 31, 2023	95.99	-	-	95.99
March 31, 2022	356.01	-	-	356.01
Short term borrowings				
March 31, 2023	-	-	-	-
March 31, 2022	-	-	-	-
Short term loans				
March 31, 2023	8.44	-	-	8.44
March 31, 2022	4.74	-	-	4.74
Interest payable on loan taken				
March 31, 2023	-	-	-	-
March 31, 2022	-	-	-	-
Other payables				
March 31, 2023	-	-	-	-
March 31, 2022	245.76	-	-	245.76
Deemed Investment				
March 31, 2023	1,128.72	-	-	1,128.72
March 31, 2022	1,085.59	-	-	1,085.59

FINO PayTech Limited

Notes to the financial statements (Continued)

For the year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

40 Revenue from contract with customers

The Company derives revenues primarily from sale of device along with AMC, enrolment services, BC services, repairs and maintenance of devices, advertisement services, micro ATM running charges.

Revenue is recognized upon transfer of control of devices or services to customers in an amount that reflects the consideration expected to receive in exchange for those devices or services.

Revenues in excess of invoicing are classified as contract assets while invoicing in excess of revenues are classified as contract liabilities.

In case of sale of devices along with AMC, the Company has applied the guidance in Ind AS 115, Revenue from Contracts with Customers, by applying the revenue recognition criteria for each distinct performance obligation. Sale of devices and AMC services meet the criteria of distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. The revenue is recognised at point in time for sale of devices and over the period of time in case of AMC.

Enrolment services, BC services, repairs and maintenance of devices, advertisement services, micro ATM running charges are recognized over the period of time / term of the contract.

The Company presents revenues net of indirect taxes in its Statement of Profit and Loss.

Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by major revenue streams and timing of revenue recognition :

Major revenue streams	For the year ended 31 March 2023	For the year ended 31 March 2022
Sale of products	240.63	433.54
CBS Services, enrollment income and other service	1,068.26	1,432.05
Total	1,308.89	1,865.59
Timing of revenue recognition		
Products transferred at point in time	240.63	433.54
Services transferred over the period of time	1,068.26	1,432.05
	1,308.89	1,865.59

The information relating to trade receivables and contract liabilities relating to revenue from operations is disclosed in note no. 8 and 23 respectively.

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date.

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2023 other than those meeting the exclusion criteria mentioned above, is 8.74 lakh (March 2022 : 28.14 lakh) . Out of this, the Company expects to recognize revenue of around 70.71 % (March 2022 : 78%) within the next one year and the remaining thereafter.

FINO PayTech Limited

Notes to the financial statements (Continued)

For the year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

41 Ratios analysis & it's elements

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022	% change from 31 March 2022 to 31 March 2023	Reasons if change is more than 25%
Current Ratio	5.20	22.01	-76%	The change on asset side is on account of utilisation of OFS funds for payment of dividend and on liability side due to payment of issue expenses.
Debt-Equity Ratio	0%	0%	37%	The change is on account of increase in equity capital as on 31st March 2023.
Debt Service Coverage	-24.61	267.06	-109%	Change is due to loss incurred as on 31st March 2023.
Return on Equity Ratio	-13%	44%	-129%	Change is due to loss in CY as compared to profit in LY.
Inventory turnover Rat	83.56	0%	0%	
Trade Receivables turn	229%	71%	224%	Revenue and trade receivables as on 31st March 2023 has decreased as compared to LY.
Trade payables turnov	137%	49%	180%	Total purchases and trade payables as on 31st March 2023 has decreased in CY as compared to LY.
Net capital turnover Ra	24%	3%	848%	The change is on account of decrease in revenue and decrease in working capital.
Net profit Ratio	-436%	2807%	-116%	There is loss in FY23 as compared to profit in FY22.
Return on Capital emp	-10%	51%	-119%	There is loss in FY23 as compared to profit in FY22 along with decrease in capital employed.
Return on investment	-13%	44%	-129%	The change is on account loss in CY and corresponding decrease in equity

FINO PayTech Limited

Notes to the financial statements (Continued)

For the year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

Ratios	Numerator	Denominator	31-Mar-23		31-Mar-22	
			Numerator	Denominator	Numerator	Denominator
Current Ratio	Current assets	Current liabilities	6,661.12	1,280.41	76,195.35	3,461.37
Debt-Equity Ratio	Debt :- long term borrowings + short term borrowings	Equity :- Total Equity	37.16	44,928.06	71.29	118,358.39
Debt Service Coverage Ratio	Earning available for debt services :- net profit before tax + non cash expenses tax (Depreciation and Amortisation) + interest expense on borrowings	Interest + Installment :- interest expenses on borrowings and current maturities	-4193.31	170.39	60,906.87	228.07
Return on Equity Ratio	Total Profit / (loss) for the period / year	Total Equity	-5711.85	44,928.06	52,363.86	118,358.39
Inventory turnover Ratio	Cost of good sold :- Cost of material, operation and incidental cost+ changes in inventories of stock-in-trade	Average Inventory	4,060.24	48.59	1,153.10	-
Trade Receivables turnover Ratio	Revenue from operations	Average Trade Receivables	1,308.89	571.45	1,865.59	2,638.19
Trade payables turnover Ratio	Total Purchase	Average Trade Payables	901.95	659.37	1,145.09	2,344.53
Net capital turnover Ratio	Revenue from operations	Working capital	1,308.89	5,380.71	1,865.59	72,733.98
Net profit Ratio	Profit / (loss) after tax	Revenue from operation	-5711.85	1,308.89	52,363.86	1,865.59
Return on Capital Employed	Earning before interest & taxes (EBIT) :- profit / (loss) before tax + interest expenses on financial liabilities carried at amortised cost	Capital Employed :- total equity (parent+ non controlling interest) + borrowings	-4396.82	44,965.22	60,711.73	118,429.69
Return on investment	Profit / (loss) after tax attributable to owners of the company	Equity shareholders' fund	-5711.85	44,928.06	52,363.86	118,358.39

FINO PayTech Limited

Notes to the financial statements (Continued)

For the year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

42 Additional Regulatory Information

a. Details of benami property held

The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami

Details of loans and

b. advances

Loans and advances granted to promoters, directors, key managerial personnel (KMPs) and the related parties which are repayable on demand or without specifying any terms or period of repayment

Type of borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total loans and advances in the nature of loans
Promoters	-	-
Directors	-	-
KMPs	-	-

c. Willful defaulter

The company has not been declared as a willful defaulter by any financial institution or bank as at the date of balance sheet.

d. Relationship with struck off companies

The Company do not have any transactions with companies struck off.

e. Registration of charges or satisfaction with Registrar of Companies (ROC)

The company has no pending charges or satisfaction which are yet to be registered with the ROC beyond the statutory period.

f. Compliance with number of layers of companies

The company has complied with the provision of the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

g. Compliance with approved Scheme(s) of Arrangements

There are no Schemes of arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

h. Discrepancy in utilization of borrowings

The company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date. There are no discrepancy in utilisation of borrowings.

i. Utilisation of borrowed funds and share premium:

(A) The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries).

(B) the company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party).

The company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries); or

b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or;

b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

j. Borrowings taken against current assets

Where the Company has borrowings from banks or financial institutions on the basis of security of current assets, it shall disclose the following:-

(a) whether quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts;

(b) if not, summary of reconciliation and reasons of material discrepancies, if any to be adequately disclosed.

k. Undisclosed income

The Company has no transaction that is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

l. Details of Crypto Currency or Virtual Currency

The company has not traded or invested in Crypto currency or Virtual Currency.

FINO PayTech Limited

Notes to the financial statements (Continued)

For the year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

43 Contingent liabilities and commitments

	31 March 2023	31 March 2022
Contingent liabilities		
(i) Value added tax and entry tax	156.51	666.97
(ii) Corporate guarantee issued on behalf of subsidiaries	-	250.20
(iii) Bank Guarantees	331.04	-
(iv) Income tax	366.65	-
(v) District Court Thane	3,234.20	-
(vi) Service Tax	14,220.96	-

The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its Financial Statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its Financial results.

There are pending litigations under Income Tax Act for the year 2011-12 and 2012-13. Total liability under dispute is amounting to INR 426.65 lakhs against which the company has paid INR 60 lakhs under protest. Accordingly contingent liability amounts to INR 366.65 lakhs. Also the addition of INR 2111.17 lakhs has been made during the course of assessment and the same is adjusted against brought forward losses.

There are pending litigations under UP VAT Act, department has considered all the movement of assets from one state to other state as a deemed sale in the year 2008-09 & 2010-11 and in the year 2009-10, 2011-12, 2012-13 & 13-14 department has increased card price. There are pending litigation under Gujrat VAT Act, department has raised CST demand. There are pending litigation under Bihar VAT Act and company has paid the entire demand under protest amounting to INR 4.10 lakhs. Total liability under dispute is amounting to INR 275.20 lakhs against which company has paid INR 118.69 lakhs under protest. Accordingly contingent liability for value added tax and entry tax amounts to INR 156.51 lakhs.

Capital Commitments

a. The company has capital commitments of INR Nil as on 31 March 2023 (31 March 2022 : INR Nil).

44 Details of Dues to micro and small suppliers

	31 March 2023	31 March 2022
Dues to micro and small suppliers		
a. The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	-	3.07
- Interest	-	-
b. The amount of interest paid by the company as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) along with amount of the payment made to micro and small suppliers beyond the appointed day during each accounting year.	-	-
c. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
d. The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
e. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006.	-	-

FINO PayTech Limited

Notes to the financial statements (Continued)

For the year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

45 Foreign currency transactions

Expenditure incurred in foreign currency	31 March 2023	31 March 2022
Membership fees	0.67	0.68
Consultancy charges	-	18.96
Annual maintenance charges	-	-
	0.67	19.64

46 Corporate social responsibility (CSR)

The company does not fulfill the applicability criteria under section 135 of companies act 2013, so CSR expenses incurred for year ending 31 March 23 is NIL (Previous year : 5.31 Lakhs).

Particulars	31 March 2023	31 March 2022
Amount required to be spent by the company during the year	-	5.29
Amount of expenditure incurred	-	5.31
Shortfall at the end of the year	-	(0.02)
Total of previous years shortfall	(0.02)	-
Reason for shortfall		

Nature of CSR activities	31 March 2023	31 March 2022
Set up 18 water purifier units for safe drinking water	-	4.09
Distribution of School kit for promoting education to 300 students	-	1.22

(i) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,

(ii) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.

FINO PayTech Limited

Notes to the financial statements (*Continued*)

For the year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

47 Operating segment

The Company has presented segment information in the consolidated financial statements which are presented in the same financial report. Accordingly, in terms of Paragraph 4 of Ind AS 108 'Operating Segments', no disclosures related to segments are presented in the standalone financial statements.

48 Subsequent events

There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date.

49 Derivative contracts

The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

50 Prior year comparatives

Previous year figures have been regrouped and reclassified wherever necessary to confirm to current year's presentation.

As per our report of even date attached.

For A P Sanzgiri & Co

Chartered Accountants

Firm's Registration Number : 116293W

For and on behalf of the Board of Directors

FINO PayTech Limited

Abhijit Sanzgiri

Partner

Membership Number : 043230

Ashok Kini

Non-Executive Independent

Director

DIN 00812946

Amit Kumar Jain

Whole Time Director

DIN 08353693

Mumbai

28 June 2023

INDEPENDENT AUDITOR’S REPORT

To the Members of FINO PayTech Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of FINO PayTech Limited (hereinafter referred to as the “Company”) and its subsidiaries (Company and its subsidiaries together referred to as “the Group”), which comprise the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements and on the other financial information of subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2023, of consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

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

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the Director's report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Director's Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in

the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Other Matters

1. We did not audit the financial statements of subsidiaries Fino Finance Private Limited; whose financial statements reflect total assets of Rs. 2,907.90 Lakhs as at March 31, 2023, total revenues of Rs. 470.86 Lakhs and net cash flows amounting to Rs. (2,673.15) Lakhs for the year ended on that date; FINO Financial Services Private Limited, whose financial statements reflect total assets of Rs. 0.03 Lakhs as at March 31, 2023, total revenues of Rs. 0 and net cash flows amounting to Rs. 0 for the year ended on that date and FINO Trusteeship Services Limited, whose financial statements reflect total assets of Rs. 780.65 Lakhs as at March 31, 2023, total revenues of Rs. 133.94 Lakhs and net cash flows amounting to Rs. 3.06 Lakhs for the year ended on that date as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

2. The audit of consolidated financial statements for the year ended March 31, 2022 were audited by M S K C & Associates, Chartered Accountants who vide their report dated August 26, 2022 expressed an unmodified opinion on those financial results.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with Rule 7 of the (Companies Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors of the Company as on March 31, 2023 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197 (16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 44 to the consolidated financial statements.
- ii. The Group has long term contracts as at March 31, 2023 for which there were no material foreseeable losses. The Group does not have any derivative contracts as at March 31, 2023.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company, and its subsidiary companies.
- iv. **Under Rule 11(e)(i)** - The respective Managements of the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that such parties shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Under Rule 11(e)(ii) - The respective Managements of the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries that, to the best of their knowledge and belief, no funds have been received by the Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Under Rule 11(e)(iii) - Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, and according to the information and explanations provided to us by the Management of the company in this regard nothing has come to our or other auditors’ notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

- v. The Group has declared and/or paid dividend during the year which is in compliance with Section 123 of the Act.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable with effect from April 1, 2023 to the Company and its subsidiaries, which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of

Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. According to the information and explanations given to us and based on the CARO reports issued by us for the Company and on consideration of CARO reports by statutory auditors of subsidiaries included in the consolidated financial statements of the Company to which reporting under CARO is applicable, we report that there are no Qualifications/adverse remarks.

For A P Sanzgiri & Co
Chartered Accountants

ICAI Firm Registration Number: 116293W

Abhijit Sanzgiri

Partner

Membership No. 043230

UDIN:

Place: Mumbai

Date: 28th June 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF FINO PAYTECH LIMITED

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of FINO PayTech Limited on the consolidated Financial Statements for the year ended March 31, 2023.

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

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of FINO PayTech Limited (hereinafter referred to as "the Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI").

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the company and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) 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 consolidated financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements

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

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to its subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For A P Sanzgiri & Co
Chartered Accountants

ICAI Firm Registration Number: 116293W

Abhijit Sanzgiri

Partner

Membership No. 043230

UDIN:

Place: Mumbai

Date: 28th June 2023

FINO PayTech Limited

Consolidated balance sheet

As at 31 March 2023

(Currency: Indian Rupees in lakhs)

	Note	31 March 2023	31 March 2022
I. ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	2	12,467.21	8,785.68
(b) Right-of-use assets	39	3,019.26	3,472.30
(c) Capital work-in-progress	2	548.02	45.86
(d) Goodwill	50	-	-
(e) Other intangible assets	3	2,043.85	896.86
(f) Financial assets			
(i) Investments	4	5,489.69	4,330.15
(ii) Loans	5	0.01	5.10
(iii) Others	6	8,819.88	5,657.40
(g) Deferred tax assets (net)	41	586.20	1,768.00
(h) Advance tax assets (net)		1,492.04	1,805.40
(i) Other non-current assets	7	618.11	416.08
Total non current assets		35,084.27	27,182.83
(2) Current assets			
(a) Inventories	8	4,185.60	1,325.87
(b) Financial assets			
(i) Investments	9	109,089.15	59,073.31
(ii) Trade receivables	10	7,237.23	7,003.13
(iii) Cash and cash equivalents	11A	39,931.63	105,747.79
(iv) Bank balances other than (iii) above	11B	45,541.21	44,405.24
(v) Loans	12	103.45	631.53
(vi) Others	13	6,332.70	6,030.05
(d) Other current assets	14	14,506.65	4,018.33
Total current assets		226,927.62	228,235.25
TOTAL ASSETS		262,011.89	255,418.08
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	15	10,439.81	10,917.42
(b) Instruments entirely in nature of equity		2,278.86	2,383.12
(c) Other equity	16	37,310.67	100,553.52
Equity attributable to equity holders of the Company		50,029.34	113,854.06
Non-controlling interests		13,718.18	11,953.22
Total equity		63,747.52	125,807.28
(2) Non current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	1,993.07	1,991.03
(ii) Lease liabilities	18	2,762.59	3,253.57
(b) Provisions	19	1,071.96	191.78
(c) Other non-current liabilities	20	2.55	6.14
Total non current liabilities		5,830.17	5,442.53
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	43,479.73	27,079.69
(ii) Trade payables	22		
Due to micro and small enterprises		-	3.07
Due to other than micro and small enterprises		2,293.69	4,327.43
(iii) Lease liabilities	23	768.71	636.14
(iv) Other financial liabilities	24	141,540.71	86,117.29
(b) Other current liabilities	25	2,408.98	3,059.18
(c) Short-term provisions	26	1,722.85	2,727.13
(d) Current tax liabilities		219.53	218.35
Total current liabilities		192,434.20	124,168.28
Total liabilities		198,264.37	129,610.80
TOTAL EQUITY AND LIABILITIES		262,011.89	255,418.08

For A P Sanzgiri & Co
Chartered Accountants
Firm's Registration Number : 116293W

For and on behalf of the Board of Directors
FINO PayTech Limited

Abhijit Sanzgiri
Partner
Membership Number : 043230

Ashok Kini
Non-Executive
Independent Director
DIN 00812946

Amit Kumar Jain
Whole Time Director
DIN 08353693

Mumbai
28 June 2023

FINO PayTech Limited

Consolidated statement of profit and loss

For the Year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

	Note	Year ended 31 March 2023	Year ended 31 March 2022
Revenue			
I. Revenue from operations (Gross of excise duty)	28	114,942.96	100,081.90
II. Other income	29	14,187.16	4,981.12
III. Total income (I+II)		129,130.12	105,063.02
IV. Expenses			
Purchase of goods and services	30	18,464.58	17,536.89
Changes in inventories of finished goods, work-in-progress and stock-in-trade	31	347.15	(705.29)
Employee benefits expenses	32	17,068.62	15,558.88
Finance costs	33	5,415.37	3,009.70
Depreciation and amortization expenses		5,044.06	4,374.68
Other expenses	34	76,560.09	70,472.26
Total expenses (IV)		122,899.86	110,247.12
Profit/(loss) before exceptional items, and tax		6,230.26	(5,184.10)
V. Profit/(Loss) before exceptional items and tax		6,230.26	(5,184.10)
VI. Exceptional items		-	-
VII. Profit/(Loss) before tax (V - VI)		6,230.26	(5,184.10)
VIII. Tax expense:			
1. Current tax		37.26	130.59
2. Tax provision for earlier years		-	-
2. Deferred tax		1,181.80	-
IX. Profit/(Loss) for the year		5,011.19	(5,314.69)
X. Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit liability / (asset)		(2.47)	76.97
Equity investments through other comprehensive income - net change in fair value		-	-
Income tax related to items that will not be reclassified to profit or loss		-	-
		(2.47)	76.97
(ii) Items that will be reclassified to profit or loss			
Investments measured at FVOCI		(134.31)	21.12
Income tax related to items that will be reclassified to profit or loss		-	-
		(134.31)	21.12
Other comprehensive income for the year (net of tax)		(136.79)	98.09
XI. Total comprehensive income for the year (IX + X)		4,874.41	(5,216.60)
Profit attributable to:			
Owners of the Company		3,403.04	(5,975.06)
Non-controlling interests		1,608.16	660.37
Profit for the year		5,011.20	(5,314.69)
Other comprehensive income attributable to:			
Owners of the Company		(102.94)	96.00
Non-controlling interests		(33.85)	2.09
Other comprehensive income for the year		(136.79)	98.09
Total comprehensive income attributable to:			
Owners of the Company		3,300.11	(5,879.06)
Non-controlling interests		1,574.30	662.46
Total comprehensive income for the year		4,874.41	(5,216.60)
XIII. Earnings per share attributable to owners of the Company			
1. Basic earnings per share (INR)	40	2.61	(4.24)
2. Diluted earnings per share (INR)		2.61	(4.24)

For A P Sanzgiri & Co

Chartered Accountants

Firm's Registration Number : 116293W

Abhijit Sanzgiri

Partner

Membership Number : 043230

Mumbai

28 June 2023

For and on behalf of the Board of Directors

FINO PayTech Limited

Ashok Kini

Non-Executive Chairman &

Independent Director

DIN 00812946

Amit Kumar Jain

Whole Time Director

DIN 08353693

FINO PayTech Limited

Notes to the consolidated financial statements (Continued)

As at 31 March 2023

(Currency: Indian Rupees in lakhs)

2 Property, plant and equipment

A. Reconciliation of carrying amount

PARTICULARS	Owned assets					Office Equipment	Total
	Leasehold improvements	Computers / hardware	Plant and machinery	Furniture and fixtures	Vehicles		
Year ended 31 March 2022							
Gross block	2,477.15	6,694.76	7,725.81	256.37	111.42	1,277.78	18,543.29
Additions	3.20	2,078.16	3,392.22	2.67	-	624.35	6,100.60
Disposals	(300.48)	-	-	-	-	(2.55)	(303.03)
Closing gross block	2,179.87	8,772.92	11,118.03	259.04	111.42	1,899.58	24,340.86
Accumulated depreciation							
Balance at 01 April 2021	1,869.15	5,082.70	4,507.21	138.68	84.60	1,176.59	12,858.93
Depreciation charge during the year	158.71	1,124.70	1,261.14	9.31	11.92	395.90	2,961.68
Disposals	(263.13)	-	-	-	-	(2.30)	(265.43)
Closing accumulated depreciation	1,764.73	6,207.40	5,768.35	147.99	96.52	1,570.19	15,555.18
Net block	415.14	2,565.52	5,349.68	111.05	14.90	329.39	8,785.68
Year ended 31 March 2023							
Balance at 1 April 2022	2,179.87	8,772.92	11,118.03	259.04	111.42	1,899.58	24,340.86
Additions	-	5,708.87	437.68	14.84	266.54	1,003.32	7,431.25
Disposals	(10.82)	-	(43.50)	-	-	(5.80)	(60.12)
Closing gross block	2,169.05	14,481.79	11,512.21	273.88	377.96	2,897.10	31,711.99
Accumulated depreciation							
Balance at 01 April 2022	1,764.73	6,207.40	5,768.35	147.99	96.52	1,570.19	15,555.18
Depreciation charge during the year	74.76	1,697.47	1,388.06	11.34	33.63	511.91	3,717.17
Disposals	(9.41)	-	(12.66)	-	-	(5.49)	(27.56)
Closing accumulated depreciation	1,830.08	7,904.87	7,143.75	159.33	130.15	2,076.61	19,244.79
Net block	338.97	6,576.92	4,368.46	114.55	247.81	820.49	12,467.21

FINO PayTech Limited

Notes to the consolidated financial statements (*Continued*)

As at 31 March 2023

(Currency: Indian Rupees in lakhs)

2 CWIP aging schedule

(a) For Capital-work-in progress, following ageing schedule shall be given:

CWIP	Amount in CWIP for a period of				Total*
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
Balance as at 31 March 2023	548.02	-	-	-	548.02
Balance as at 31 March 2022	18.86	27.00	-	-	45.86
Projects temporarily suspended					
Balance as at 31 March 2023	-	-	-	-	-
Balance as at 31 March 2022	-	-	-	-	-

(b) For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan :

CWIP	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Balance as at 31 March 2023				
Project 1	-	-	-	-
Project 2	-	-	-	-
Balance as at 31 March 2022				
Project 1	-	-	-	-
Project 2	-	-	-	-

FINO PayTech Limited

Notes to the consolidated financial statements (Continued)

As at 31 March 2023

(Currency: Indian Rupees in lakhs)

3 Other intangibles assets

PARTICULARS	GROSS BLOCK			ACCUMULATED AMORTIZATION				NET BLOCK		
	Balance as at 01 April 2022	Additions	Disposals	Balance as at 31 March 2023	Balance as at 01 April 2022	Charge for the year	Eliminated on disposal of assets	Balance as at 31 March 2023	Balance as at 31 March 2023	Balance as at 31 March 2022
Computer Software	4,540.23	1,676.65	-	6,216.87	3,643.37	529.61	-	4,172.96	2,043.91	896.86
TOTAL	4,540.23	1,676.65	-	6,216.87	3,643.37	529.61	-	4,172.96	2,043.91	896.86

PARTICULARS	GROSS BLOCK			ACCUMULATED AMORTIZATION				NET BLOCK		
	Balance as at 01 April 2021	Additions	Disposals	Balance as at 31 March 2022	Balance as at 01 April 2021	Charge for the year	Eliminated on disposal of assets	Balance as at 31 March 2022	Balance as at 31 March 2022	Balance as at 31 March 2021
Computer Software	4,068.90	471.32	-	4,540.23	2,944.57	698.79	-	3,643.37	896.86	1,124.32
TOTAL	4,068.90	471.32	-	4,540.23	2,944.57	698.79	-	3,643.37	896.86	1,124.32

FINO PayTech Limited

Notes to the consolidated financial statements (Continued)

As at 31 March 2023

(Currency: Indian Rupees in lakhs)

	31 March 2023	31 March 2022
4 Financial assets - investments		
Investments measured at amortised cost		
Investments in government securities		
Unquoted		
- National saving certificate	0.35	0.35
Investment carried at fair value through other comprehensive income (FVTOCI)- debt instruments		
Quoted		
- Investments in government securities	4,967.32	4,057.58
Investment carried at fair value through other comprehensive income (FVTOCI)- equity instruments		
3,030 (Previous year : 3030) shares of Rs. 10 each fully paid up in TAP Smart Data Information Services Pvt.Ltd	272.22	272.22
Paysprint Private Limited	249.79	-
	<u>5,489.69</u>	<u>4,330.15</u>
(a) Aggregate amount of quoted investments	4,967.32	4,057.58
(b) Aggregate market value of quoted investments	4,967.32	4,057.58
(a) Aggregate amount of unquoted investments	522.36	272.58
(b) Aggregate amount of impairment in value of investments	-	-
5 Financial assets - loans		
Secured loans		
Considered good:		
Loans to MSME	(0.00)	5.09
Considered doubtful:		
Loans to MSME	204.79	198.79
Less: Loss allowance	(204.79)	(198.79)
	<u>(A) (0.00)</u>	<u>5.09</u>
Unsecured loans		
Considered good:		
Loans to JLG groups	0.01	0.01
Loans to MSME	-	-
Considered doubtful:		
Loans to JLG groups	0.05	0.04
Less: Loss allowance	(0.05)	(0.04)
	<u>(B) 0.01</u>	<u>0.01</u>
	<u>(A + B) 0.01</u>	<u>5.10</u>
6 Other non-current financial assets		
Unsecured		
Considered good:		
Security deposits	1,998.50	392.64
Considered doubtful:		
Security deposits	17.62	93.70
Less: Loss allowance	(17.62)	(93.70)
Deposits with banks (maturing after 12 months from the reporting date)*	996.54	1,242.16
Deposits for margin money with banks**	5,826.14	4,023.63
Less: Loss allowance	(1.30)	(1.03)
	<u>8,819.88</u>	<u>5,657.40</u>

* Represents deposits of Rs. NIL (Previous year Rs. 27.75 lakhs) provided against the pending litigations under Value Added Tax Act and sales tax registration purpose.

** Includes deposits of Rs. NIL (Previous Year : Rs. Nil) provided as cash collateral against borrowings, deposits of Rs. NIL (Previous Year : Nil) provided as cash collateral against loan securitised.

FINO PayTech Limited

Notes to the consolidated financial statements (Continued)

As at 31 March 2023

(Currency: Indian Rupees in lakhs)

	31 March 2023	31 March 2022
7 Other non-current assets		
Prepaid expenses	287.40	85.37
Deposits with Government Authorities (sales tax, income tax, cess etc.)	330.71	330.71
	<u>618.11</u>	<u>416.08</u>
8 Inventories		
Stock-in-trade	4,185.60	4,532.75
Less : Impairment of inventories	0.00	(3,206.88)
	<u>4,185.60</u>	<u>1,325.86</u>
Inventories are valued at lower of cost or net realisable value.		
9 Current investments		
Investment in government securities		
Quoted		
Investment in T-bills	109,089.15	59,073.31
	<u>109,089.15</u>	<u>59,073.31</u>
(a) Aggregate book value of quoted investments;	109,089.15	59,073.31
(b) Aggregate market value of quoted investments;	109,089.15	59,073.31
10 Trade receivables		
<i>Unsecured</i>		
- Considered Good	7,237.23	7,003.13
- Doubtful	1,187.71	1,187.35
Less: Loss allowance	(1,187.71)	(1,187.35)
	<u>7,237.23</u>	<u>7,003.13</u>
Of the above, trade receivables from related parties are as below:		
Total trade receivables from related parties	41.68	88.80
Less: Provision	-	-
Net trade receivables	<u>41.68</u>	<u>88.80</u>
(Outstanding from due date of payment / from date of transaction)		
(i) Undisputed trade receivables – considered good		
Less than 6 months	7,211.00	7,046.43
6 months - 1 year	26.23	52.04
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
	<u>7,237.24</u>	<u>7,098.48</u>
(ii) Undisputed trade receivables – which have significant increase in credit risk		
Less than 6 months	-	-
6 months - 1 year	-	-
1-2 years	-	-
2-3 years	-	-
	<u>-</u>	<u>-</u>
(iii) Undisputed trade receivables – credit impaired		
Less than 6 months	-	-
6 months - 1 year	194.89	602.10
1-2 years	72.74	169.18
2-3 years	150.25	99.39
	<u>769.83</u>	<u>221.34</u>
	<u>1,187.71</u>	<u>1,092.01</u>

FINO PayTech Limited

Notes to the consolidated financial statements (Continued)

As at 31 March 2023

(Currency: Indian Rupees in lakhs)

	31 March 2023	31 March 2022
(iv) Disputed trade receivables – considered good		
Less than 6 months	-	-
6 months - 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
	<u>-</u>	<u>-</u>
(v) Disputed trade receivables – which have significant increase in credit risk		
Less than 6 months	-	-
6 months - 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
	<u>-</u>	<u>-</u>
(vi) Disputed Trade Receivables – credit impaired		
Less than 6 months	-	-
6 months - 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
	<u>-</u>	<u>-</u>
(vii) Unbilled dues		
Less than 6 months	-	-
6 months - 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
	<u>-</u>	<u>-</u>
Less: Provision for doubtful receivables	1,187.71	1,187.35
	<u>7,237.24</u>	<u>7,003.13</u>
11A Cash and cash equivalents		
a. Balance with banks :		
In current account	39,020.55	103,441.63
In deposits with original maturity of less than 3 months	440.22	1,352.79
b. Cash on hand	478.45	973.79
Less: Loss allowance	(7.59)	(20.42)
	<u>39,931.63</u>	<u>105,747.79</u>
11B Bank balances other than cash and cash equivalents		
Deposits with Banks*	43,081.64	43,274.10
Other fixed deposits(with original maturity in excess of three months and due to mature within 12 months from the reporting date)	2,467.64	1,139.80
Less: Loss allowance	(8.06)	(8.66)
	<u>45,541.21</u>	<u>44,405.24</u>

* Includes deposits of Rs. 233.84 lakhs (Previous year 2021-22 : Rs. 174.35 lakhs) provided against the pending litigations under Value Added Tax Act & Rs. 23,637.84 lakhs (Previous Year 2021:22 : 13,051.31) provided as cash collateral against borrowings). A performance guarantee in favour of customers amounting to Rs. 3.31 crores has been issued against 100% lien marked on fixed deposits placed with the banks.

FINO PayTech Limited

Notes to the consolidated financial statements (Continued)

As at 31 March 2023

(Currency: Indian Rupees in lakhs)

	31 March 2023	31 March 2022
12 Current financial assets - Loans		
Secured loans		
Considered good:		
Loans to MSME (Secured)	86.62	267.82
Considered doubtful:		
Loans to MSME	92.10	124.31
Less: Loss allowance	(92.10)	(124.31)
	(A) 86.62	267.82
Unsecured loans		
Considered good:		
Loans to JLG groups	0.99	336.04
Loans to MSME	-	-
Loans to employees/contractual staff	11.68	25.16
Death claim receivable	4.16	2.51
Considered doubtful:		
Loans to MSME	33.92	30.43
Less: Loss allowance	(33.92)	(30.43)
Loans to JLG groups	2,210.89	2,537.24
Less: Loss allowance	(2,210.89)	(2,537.24)
Death claim receivable	-	-
Less: Loss allowance	-	-
	(B) 16.83	363.72
	(A + B) 103.45	631.54
13 Other current financial assets		
Unsecured		
Considered good:		
Security deposits	85.52	2,000.57
Considered doubtful:		
Security deposits	1.84	2.35
Less: Loss allowance	(1.84)	(2.35)
Other receivables	6,248.62	4,030.27
Less: Loss allowance	(1.44)	(0.79)
	6,332.70	6,030.05
14 Other current assets		
Prepaid Expenses	1,884.85	54.31
Security deposits	0.25	0.25
Advances to staff/agents/employees	43.70	31.32
Advance to Suppliers	10,567.02	1,525.83
Other Current Assets	2,010.84	2,406.62
	14,506.65	4,018.33
15 Share capital		
Equity share capital	10,439.81	9,937.52
	10,439.81	9,937.52

FINO PayTech Limited

Notes to the consolidated financial statements (Continued)

As at 31 March 2023

(Currency: Indian Rupees in lakhs)

	31 March 2023	31 March 2022
16 Other Equity		
Securities premium reserve	73,834.85	85,730.17
Statutory reserve	2,581.58	1,361.17
ESOP reserve	1,520.04	1,105.71
Investment fluctuation reserve	1,800.94	8.14
Retained earnings	(42,948.69)	12,308.57
Debt instrument through OCI	(78.92)	21.83
Equity instrument through OCI	17.93	17.93
Capital Redemption Reserve	582.94	-
	<u>37,310.67</u>	<u>100,553.53</u>
Securities premium reserve		
Opening balance	85,730.17	58,609.52
Additions during the year	(11,895.32)	27,120.65
Closing balance	<u>73,834.85</u>	<u>85,730.17</u>
Statutory reserve		
Opening balance	1,361.17	687.73
Changes in ownership interest in subsidiaries that do not result in loss of control - Acquisition of NCI		(127.96)
Additions during the year	1,220.41	801.40
Closing balance	<u>2,581.58</u>	<u>1,361.17</u>
ESOP reserve		
Opening balance	1,105.72	863.75
Additions during the year	414.32	241.96
Closing balance	<u>1,520.04</u>	<u>1,105.72</u>
Investment fluctuation reserve		
Opening balance	8.14	-
Additions during the year	1,792.80	8.14
Closing balance	<u>1,800.94</u>	<u>8.14</u>
Retained earnings		
Opening balance	12,308.57	(56,050.85)
Net loss for the year	3,403.04	(5,975.06)
ESOP lapsed	206.39	8.86
Transfer to Statutory and investment fluctuation reserve	(3,013.20)	(809.54)
Changes in ownership interest in subsidiaries that do not result in loss of control -	-	83,131.66
Movement in retained earnings for non-controlling interest	-	(8.33)
Income tax on sale shares of subsidiary recognised in equity as sale does not result in loss of control	-	(8,070.32)
Remeasurements of defined benefit liability / (asset) (net of tax)	(2.20)	82.15
Dividend	(50,244.19)	-
Trf. To Capital Redemption Reserve due to Buyback of Equity Shares	(582.94)	-
Buyback distribution Tax	(2,185.55)	-
Cancellation of ESOP Options	(2,838.62)	-
Closing balance	<u>(42,948.69)</u>	<u>12,308.57</u>
Other comprehensive income		
Debt instrument through OCI	21.81	7.98
Increase/(Decrease) during the year	(100.74)	13.85
Closing balance	<u>(78.92)</u>	<u>21.81</u>
Equity instrument through OCI		
As per Last Balance Sheet	17.93	17.93
Increase/(Decrease) during the year	-	-
Closing Balance	<u>17.93</u>	<u>17.93</u>
Capital Redemption Reserve		
Opening balance	-	-

FINO PayTech Limited

Notes to the consolidated financial statements (Continued)

As at 31 March 2023

(Currency: Indian Rupees in lakhs)

	31 March 2023	31 March 2022
Additions during the year	582.94	-
Closing balance	582.94	-
	37,310.67	100,545.38
17 Non-current financial liabilities - Borrowings		
Unsecured		
Subordinated debt (Non-convertible debenture)	1,993.07	1,991.03
	1,993.07	1,991.03
Unsecured loan :		
Subordinated debt of Rs. 2,000 lakhs is issued at an interest rate of 14.50% p.a. and is repayable on 01 October 2025 in a single bullet payment with interest payable monthly and is unsecured.		
18 Lease liabilities - Non-current		
Lease liabilities	2,762.59	3,253.57
	2,762.59	3,253.57
19 Non current liabilities - Provisions		
Provision for employee benefits		
Gratuity [Refer note 38]	897.70	83.70
Compensated Absences [Refer note 38]	72.06	5.88
Other provision :		
Provision for litigation *	102.20	102.20
	1,071.96	191.78
* During the year ended 31 March 2011, Navi Mumbai Municipal Corporation (NMMC) raised a demand of INR 102.20 lakhs towards cess on purchases within the NMMC jurisdiction.		
20 Other non-current liabilities		
Contract liability	2.55	6.14
	2.55	6.14
21 Current financial liabilities - Borrowings		
Secured		
Loans repayable on demand from banks*	43,479.73	27,044.00
Current maturities of long-term debt	0.00	35.69
	43,479.73	27,079.69
*Over draft facilities from banks are taken at an interest rate ranging from 5.50% to 9.25 % p.a. (previous year : 3.36 % to 8.20 %) and the same are secured against cash collaterals.		
22 Trade and other payables		
Dues to Micro, Small and Medium Enterprises	-	3.07
Others	2,293.69	4,327.43
	2,293.69	4,330.50

Disclosure of outstanding dues of Micro and Small Enterprise under Trade Payables is based on the information available with the Group regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006. There is no undisputed amount overdue as on 31 March 2022, to Micro, Small and Medium Enterprises on account of principal or interest.

Particulars	As at	As at
(Outstanding from due date of payment / from date of transaction)	-	-

FINO PayTech Limited

Notes to the consolidated financial statements (Continued)

As at 31 March 2023

(Currency: Indian Rupees in lakhs)

	31 March 2023	31 March 2022
(i) MSME		
Less than 1 year	-	3.07
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
	<u>-</u>	<u>3.07</u>
(ii) Others		
Less than 1 year	2,089.34	4,097.80
1-2 years	1.69	19.22
2-3 years	6.26	13.01
More than 3 years	196.40	197.40
	<u>2,293.69</u>	<u>4,327.43</u>
(iii) Disputed dues - MSME		
Less than 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
	<u>-</u>	<u>-</u>
(iv) Disputed dues – Others		
Less than 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
	<u>-</u>	<u>-</u>
(v) Accruals		
Less than 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
	<u>-</u>	<u>-</u>
	<u>2,293.69</u>	<u>4,330.50</u>
23 Lease liabilities - Current		
Lease liabilities	768.71	636.14
	<u>768.71</u>	<u>636.14</u>
24 Current - Other financial liabilities		
Unpaid dividends	14.67	-
Interest accrued but not due on borrowings	0.01	0.45
Deposit collected from agents	3.76	4.06
Deposit from customers	91,957.56	50,422.74
Collections payable on loan securitised	0.41	0.13
Earnest money deposits from BC/Merchants	-	2,766.48
CMS collection payable account	-	6,491.66
Payable on settlement account	-	1,607.55
Payable on account of BC business	113.69	22,137.44
Other payables	49,450.60	2,686.78
	<u>141,540.71</u>	<u>86,117.29</u>
25 Other current liabilities		
Advances from customers	26.88	30.28
Statutory dues payables (includes Professional Tax, ESIC, Provident Fund, Withholding Taxes, etc.)	487.88	1,160.17
Deferred revenue [Refer note 27]	6.18	22.01
Other current liabilities	1,888.03	1,846.72

FINO PayTech Limited

Notes to the consolidated financial statements (Continued)

As at 31 March 2023

(Currency: Indian Rupees in lakhs)

	31 March 2023	31 March 2022
	<u>2,408.98</u>	<u>3,059.18</u>
26 Current liabilities - Provisions		
Provision for employee benefits		
Gratuity [Refer note 38]	360.15	1,077.66
Bonus payable	1,080.99	1,001.45
Compensated absences [Refer note 38]	39.12	97.54
Other provision :		
Provision for expected loss on performance security	242.60	550.48
	<u>1,722.85</u>	<u>2,727.13</u>
27 Deferred income		
Contract liability	8.74	28.16
	<u>8.74</u>	<u>28.16</u>

FINO PayTech Limited

Notes to the consolidated financial statements (Continued)

As at 31 March 2023

(Currency: Indian Rupees in lakhs)

	31 March 2023	31 March 2022
15 Share capital		
a Authorised :		
Equity Shares of Rs.10 each		
120,000,000 (31 March 2022 : 120,000,000) Equity shares	12,000.00	#####
Fully convertible Preference Shares of Rs.10 each		
50,000,000 (31 March 2022 : 50,000,000) Preference shares	5,000.00	#####
TOTAL	17,000.00	#####
b Issued and subscribed and paid up:		
104,387,451 (31 March 2022 : 109,174,205) equity shares fully paid up*	10,439.81	#####
25,27,566 (31 March 2022 : 2,643,210) 9.00% fully convertible preference shares of class - A fully paid up	252.76	#####
94,85,691 (31 March 2022 : 9,919,694) 0.005% fully convertible preference shares of class - B fully paid up	948.57	#####
1,07,75,304 (31 March 2022 : 11,268,311) 12.00% fully convertible preference shares of class - C fully paid up	1,077.53	#####
TOTAL	12,718.66	#####

*On consolidation, 222,318 (31 March 2022 : 232,951) shares held by Fino ESOP trust are reduced from share capital.

c Reconciliation of number of shares outstanding at the beginning and end of the year :

Equity share :

Outstanding at the beginning of the year	109,174,205	#####
Equity Shares issued during the year in consideration for cash (Right issue)	-	#####
Equity Shares issued on account of conversion of share warrants	-	#####
Equity Shares issued during the year pursuant to exercise of ESOPs	-	#####
Treasury shares issued	10,633	#####
Equity Shares bought back during the year	(4,786,754)	-
Outstanding at the end of the year	104,398,084	#####

Preference share :

Outstanding at the beginning of the year	23,831,215	#####
Preference Shares bought back during the year	(1,042,654)	-
Outstanding at the end of the year	22,788,561	#####

d Terms / rights attached to each classes of shares

1. Rights, preferences and restrictions attached

Equity Shares : The Company has only one class of equity shares having a face value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors, if any is subject to the approval of the shareholders in the ensuing annual general meeting except in case of interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

During the current year i.e. FY 2022-23, the Company has declared an interim dividend on equity and preference shares as given below (Previous year: Nil)

FINO PayTech Limited

Notes to the consolidated financial statements (*Continued*)

Pursuant to provision of Section 123 of the Companies Act, 2013 read with the Companies (Declaration and Payment of Dividend) Rules, 2014, the Board of Directors of Company has declared an Interim Dividend to its shareholders out of the surplus in the profit and loss account and out of the profits of the Financial year in which such interim dividend is sought to be declared. In view of the above, Rs. 37.71 per share was paid as an interim dividend to each Equity and Preference Shareholders of the Company amounting to Rs. 502.44 crores.

Preference shares: All the Fully convertible preference share ('FCPS') holders carry one voting right for each share held by them. Holder of series A, B and C preference shares were entitled to dividend of Rs.195,938,615, Rs.230,342 and Rs.360,493,144, respectively, ("Past Dividend Amount") and it was paid in FY 21-22 in accordance with applicable laws. The full payment of the past dividend amounts was made by the Company before declaring any dividends (other than for purposes of payment of past dividend amounts) on or after the date of the shareholders agreement dated 29th July, 2016. The preference shareholders shall, in addition to the respective accumulated preference dividend noted above, were entitled to, a minimum guaranteed dividend of 0.001% on the face value of the preference shares in accordance with applicable laws; and the Company shall not, after full payment of past dividend amounts, declare any dividend that is payable only to a select class of shareholders.

e Shareholders holding more than 5% shares in the Group is set out below:

Equity share	31 March 2023		31 March 2022	
	No. of Shares	% holding	No. of Shares	% holding
Bharat Petroleum Corporation Limited	27,991,070	26.81%	29,271,759	26.81%
ICICI Prudential Life Insurance Company Ltd.	10,833,198	10.38%	11,328,854	10.38%
ICICI Bank Limited	9,485,140	9.09%	9,919,118	9.09%
Blackstone GPV Capital Partners (Mauritius) VI-B FDI Limited	7,183,536	6.88%	7,512,207	6.88%
HAV 3 Holdings (Mauritius) Limited	7,130,737	6.83%	7,456,993	6.83%
ICICI Lombard General Insurance Company Limited	5,984,658	5.73%	6,789,194	6.22%
International Finance Corporation	6,282,138	6.02%	6,569,567	6.02%

FINO PayTech Limited

Notes to the consolidated financial statements (Continued)

Fully convertible preference shares

	As at 31 March 2023		As at 31 March 2022	
	No. of Shares	% holding	No. of Shares	% holding
Blackstone GPV Capital Partners (Mauritius) VI-B FDI Limited	10,775,304	47.28%	11,268,311	47.28%
HAV 3 Holdings (Mauritius) Limited	6,500,566	28.53%	6,797,990	28.53%
International Finance Corporation	2,968,531	13.03%	3,104,350	13.03%
Intel Capital Corporation	2,544,160	11.16%	2,660,564	11.16%

f There are no promoter holding in the company for the year ended 31st March 2023 and 31st March 2022.

g Shares reserved for issuance under stock option plans of the Group

For details of shares reserved for issue under the employee stock option (ESOP) plan of the group, please refer note 37.

h Terms of conversion of fully convertible preference shares :

FCPS are convertible in equity shares at the option and discretion of the holders at any time into the whole or fractional number of equity shares obtained by dividing issue price of FCPS by the conversion price of INR 37, INR 48.44 and INR 79.87 for series A Preference shares, series B Preference shares and series C Preference shares respectively in accordance with the shareholders agreement. These Preference shares have been issued for the maximum period of 20 years from the date of issue.

If any Preference Shares have not been converted on or prior to the expiry of the maximum period, such unconverted Preference Shares shall be compulsorily converted into equity Shares. Below is the issue date and last date for conversion for all the classes of preference shares issued :

Class of Shares	Issue Date	Last date for conversion
Class - A	8-Jun-07	7-Jun-27
Class - B	3-Dec-09	2-Dec-29
Class - C	8-Jul-11	7-Jul-31

Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of 5 years immediately preceding the reporting date:

i The Company bought back 47,86,754 equity shares and 10,42,654 preference shares aggregating to 58,29,408 shares for amounting to Rs. 1,24,99,99,959 being 21.92% of the total paid up share capital at Rs. 214.43 per share consisting of face value of Rs. 10 each including a premium of Rs. 204.43. The equity and preference shares bought back were extinguished on November 12, 2022.

FINO PayTech Limited

Notes to the consolidated financial statements (Continued)

For the Year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
28 Revenue from operations		
A. Sale of goods		
Cards and devices	240.63	433.54
B. Rendering of services		
Enrollment income	23,815.46	18,947.79
Commission, exchange, brokerage	11,370.88	11,370.88
Interest income on portfolio loans	138.26	621.49
Disbursement charges	1,401.12	3,095.26
Other services	77,976.62	65,612.94
Total revenue from operations	114,942.96	100,081.90
29 Other income		
Interest received on financial assets carried at amortised cost		
Deposits with banks	3,645.73	1,917.07
Other interest income	396.08	212.07
Interest received on financial assets carried at fair value through other comprehensive income (FVTOCI)		
Government securities	346.62	21.62
T-bills	6,110.59	2,276.69
Profit / (loss) on sale of fixed assets (net)	0.82	-
Gain on disposal of ROU asset	5.66	7.88
Rent concessions	-	12.55
Other miscellaneous income	355.74	533.24
Write back of liabilities	3,325.93	-
Total other income	14,187.16	4,981.12
30 Purchase of goods and services		
Purchase of goods:		
Cards and devices	3,367.65	1,509.55
Other direct cost	876.86	825.26
Purchase of services:		
Sourcing charges	12,109.57	13,762.82
Enrollment expenses	12.37	99.74
Others	2,098.12	1,339.52
Total purchases of goods and services	18,464.58	17,536.89
31 Changes in inventories of stock-in-trade and work-in-progress		
Opening Stock :		
Traded goods	4,532.76	3,827.46
Work-in-progress	-	-
Closing Stock:		
Traded goods	4,185.61	4,532.75
Purchases	-	-

FINO PayTech Limited

Notes to the consolidated financial statements (Continued)

For the Year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Traded goods	347.15	(705.29)
Work-in-progress	-	-
Less : Provision	-	-
Changes in inventories of stock-in-trade and work-in-progress	<u>347.15</u>	<u>(705.29)</u>
32 Employee benefit expense		
Salaries and wages	14,868.64	14,024.08
Contribution to provident and other funds	1,019.91	1,041.58
Share based payment expenses	827.71	459.61
Staff welfare expenses	352.37	33.61
Employee benefit expense	<u>17,068.62</u>	<u>15,558.88</u>
33 Finance costs		
Interest on borrowings measured at amortised cost	3,213.44	1,167.76
Interest on deposits	1,822.48	1,428.48
Other borrowing costs	0.02	31.56
Interest on unwinding of lease liability	379.44	381.90
Finance costs	<u>5,415.37</u>	<u>3,009.70</u>
34 Other expenses		
Repairs and maintenance:		
- Others	344.39	565.37
Rent	604.57	673.13
Rates and taxes	196.06	54.03
Insurance	586.67	464.81
Power and fuel	63.66	27.32
Communication cost	1,774.08	1,990.60
Infrastructure cost	2.19	37.03
Commission and brokerage	38,897.19	42,181.53
Bank charges	60.69	93.69
Technology and technical support expenses	-	-
Interchange fees	8,710.72	5,622.26
Travelling and conveyance	1,098.45	809.12
Training expenses	19.82	18.43
Legal and professional charges	4,263.19	4,228.74
Stationery & printing expenses	236.44	199.56
Directors sitting fees	14.07	22.75
Payment to auditors		
- Statutory audit	105.82	81.08
Provision for doubtful debts and advances	1.73	1,802.14
Provision for loan losses expenses	(412.32)	5,825.60
Impairment of Goodwill	-	716.66
Advertisement, publicity and sales promotion expenses	1,169.38	1,616.16
Corporate social responsibility (CSR)	-	5.31
Miscellaneous expenses	18,823.26	3,436.94
	<u>76,560.09</u>	<u>70,472.26</u>

FINO PayTech Limited

Consolidated statement of changes in equity

For the Year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

(A) Equity share capital	As at 31 March 2023		As at 31 March 2022	
	Number	Amount	Number	Amount
Balance at the beginning of the reporting period	109,174,205	10,917.42	99,375,160	9,937.52
Changes in equity share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting period	109,174,205	10,917.42	99,375,160	9,937.52
Changes in equity share capital during the year	(4,776,121) -	477.61	9,799,045	979.90
Balance at the end of the reporting period	104,398,084	10,439.81	109,174,205	10,917.42

(B) Instruments entirely in nature of equity	As at 31 March 2023		As at 31 March 2022	
	Number	Amount	Number	Amount
Share warrants				
Balance at the beginning of the reporting period	-	-	5,500,000	550.00
Changes in share warrants due to prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	5,500,000	550.00
Changes in share warrant capital during the year	-	-	(5,500,000)	(550.00)
Balance at the end of the reporting period	-	-	-	-
Fully convertible preference shares (Series A,B,C)				
Balance at the beginning of the reporting period	23,831,215	2,383.12	23,831,215	2,383.12
Changes in fully convertible preference shares due to prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting period	23,831,215	2,383.12	23,831,215	2,383.12
Preference shares bought back during the year	(1,042,654) -	104.27	-	-
Balance at the end of the reporting period	22,788,561	2,278.86	23,831,215	2,383.12
Total of instruments entirely in nature of equity	22,788,561	2,278.86	23,831,215	2,383.12

FINO PayTech Limited

Consolidated statement of changes in equity

For the Year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

(C) Other equity

Particulars	Attributable to owners of the Company								Total attributable to owners of the company	Attributable to Non-Controlling Interests	Total
	Reserves & Surplus						Items of Other comprehensive income				
	Retained Earnings	Statutory Reserve	Capital Redemption Reserve	ESOP Reserve	Securities Premium	Investment fluctuation reserve	Equity Instrument at FVTOCI	Debt instrument through OCI			
Balance as at 01 April 2021	(56,050.85)	687.73		863.75	58,609.52	-	17.93	7.98	4,136.06	45.86	4,181.92
Total comprehensive income for the period ended 31 March 2022											
Profit for the year	(5,975.06)	-		-	-	-	-	-	(5,975.06)	660.37	(5,314.69)
Other comprehensive income (net of tax)	-	-		-	-	-	-	-	-	-	-
- Remeasurements of FVTOCI debt instruments	-	-		-	-	-	-	13.85	13.85	7.27	21.12
- Remeasurements of defined benefit liability / (asset)	82.15	-		-	-	-	-	-	82.15	(5.19)	76.97
Total comprehensive income for the period ended 31 March 2022	(5,892.91)	-		-	-	-	-	13.85	(5,879.06)	662.45	(5,216.61)
Changes in Ownership Interests of Subsidiaries that do not result in loss of control - acquisition by Non Controlling Interest	83,131.66	(127.96)	-	-	19,029.98	-	-	-	102,033.68	11,156.93	113,190.61
Income Tax on sale of shares of subsidiary recognised in equity as sale does not result in loss of control	(8,070.32)	-	-	-	-	-	-	-	(8,070.32)	-	(8,070.32)
Movement in Non-controlling interest during the year	(8.33)	-	-	(79.65)	-	-	-	-	(87.98)	87.98	-
ESOP expense recognised under fair value approach	-	-	-	459.61	-	-	-	-	459.61	-	459.61
Premium on issue of shares under ESOP scheme	-	-	-	(129.14)	129.14	-	-	-	-	-	-
Premium on issue of rights shares of parent company	-	-	-	-	7,945.49	-	-	-	7,945.49	-	7,945.49
Premium of issue of treasury shares and others (net)	-	-	-	-	16.04	-	-	-	16.04	-	16.04
Effect of options vested lapsed	8.86	-	-	(8.86)	-	-	-	-	-	-	-
Appropriation towards statutory reserve and Investment fluctuation reserve	(809.54)	801.40	-	-	-	8.14	-	-	0.00	-	0.00
Premium on issue of 12% fully convertible preference shares	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2022	12,308.57	1,361.17	-	1,105.71	85,730.17	8.14	17.93	21.83	100,553.52	11,953.22	112,506.74

FINO PayTech Limited

Consolidated statement of changes in equity

For the Year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

Balance as at 01 April 2022	12,308.57	1,361.17	-	1,105.71	85,730.17	8.14	17.93	21.83	100,553.52	11,953.22	112,506.74
Total comprehensive income for the											
Profit for the period	3,403.04	-	-	-	-	-	-	-	3,403.04	1,608.16	5,011.20
Other comprehensive income (net of tax)											
- Remeasurements of FVTOCI debt instruments	-	-	-	-	-	-	-	(100.74)	(100.74)	(33.57)	(134.31)
- Remeasurements of defined benefit liability / (asset)	(2.20)	-	-	-	-	-	-	-	(2.20)	(0.28)	(2.48)
Total comprehensive income for the period ended 31 March 2023	3,400.85	-	-	-	-	-	-	(100.74)	3,300.11	1,574.29	4,874.40
Movement in non-controlling interest during the year	-	-	-	-	-	-	-	-	-	-	-
ESOP expense recognised under fair value approach	-	-	-	620.71	-	-	-	-	620.71	190.67	811.39
Premium on issue of shares under ESOP scheme	-	-	-	-	-	-	-	-	-	-	-
Premium on issue of treasury shares of parent company	-	-	-	-	21.74	-	-	-	21.74	-	21.74
Buy Back of equity shares	-	-	-	-	(11,917.06)	-	-	-	(11,917.06)	-	(11,917.06)
Effect of options vested lapsed	206.39	-	-	(206.39)	-	-	-	-	-	-	-
Trf. To Capital Redemption Reserve due to Buyback of Equity Shares	(582.94)	-	582.94	-	-	-	-	-	-	-	-
Buyback distribution Tax	(2,185.55)	-	-	-	-	-	-	-	(2,185.55)	-	(2,185.55)
Cancellation of ESOP Options	(2,838.62)	-	-	-	-	-	-	-	(2,838.62)	-	(2,838.62)
Appropriation towards statutory and investment fluctuation reserve	(3,013.20)	1,220.41	-	-	-	1,792.80	-	-	-	-	-
Dividends paid	(50,244.19)	-	-	-	-	-	-	-	(50,244.21)	-	(50,244.21)
									-		
Balance as at 31 March 2023	(42,948.69)	2,581.58	582.94	1,520.04	73,834.84	1,800.94	17.93	(78.91)	37,310.65	13,718.18	51,028.82

(b) Other equity (Continued)

Nature and purpose of reserves

1) Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of Section 52 of the Companies Act 2013.

2) ESOP reserve

ESOP reserve is used to recognise the grant date fair value of options issued to employees under the Employee stock option plan which are unvested as on the reporting date.

3) Statutory reserve (as per RBI Act)

In terms of the requirements of Section 45-IC of the RBI Act, every non-banking financial company is required to transfer a sum of not less than 20 (Twenty) percent of its net profit every year to

FINO PayTech Limited

Consolidated statement of changes in equity

For the Year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

4) Equity Instruments through FVTOCI

This represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, under an irrevocable option, net of amounts reclassified to retained earnings when such assets are disposed off.

5) Debt Instruments through FVTOCI

This represents the cumulative gains and losses arising on the revaluation of debt instruments measured at fair value through other comprehensive income that have been recognized in other comprehensive income, net of amounts reclassified to profit or loss when such assets are disposed off and for impairment losses on such instruments.

6) Investment fluctuation reserve

This represents reserve created as per "Prudential Norms for Classification, Valuation and Operation of Investment Portfolio by Banks – Spreading of MTM losses and creation of Investment Fluctuation Reserve (IFR

For A P Sanzgiri & Co

Chartered Accountants

Firm's Registration Number : 116293W

Abhijit Sanzgiri

Partner

Membership Number : 043230

Mumbai

28 June 2023

For and on behalf of the Board of Directors

FINO PayTech Limited

Ashok Kini

Non-Executive

Independent Director

DIN 00812946

Amit Kumar Jain

Whole Time Director

DIN 08353693

FINO PayTech Limited

Consolidated statement of cash flows

For the Year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
A. Cash flow from operating activities		
Profit before tax from continuing operations	6,230.26	(5,184.10)
Profit before tax	6,230.26	(5,184.10)
Adjustments to reconcile (loss) / profit before tax to net cash used in operating activities		
Depreciation	5,044.06	4,374.68
Profit / Loss on sale of fixed assets	(0.82)	-
ESOP expense	811.40	459.61
ESOP Cancellation Expenses	16.31	
ESOP Cancellation Compensation	(2,854.94)	
Interest income	(10,760.61)	(5,162.12)
Interest & finance charges	5,415.37	3,009.70
Provision (Write back) for doubtful debts and assets	(3,313.10)	-
Provision for loan losses expenses	(412.32)	5,825.60
Impairment of goodwill	-	716.66
Provision for doubtful debts and assets	1.73	1,802.14
Operating profit before working capital changes	177.33	5,842.17
Working capital adjustments:		
(Increase) in inventories	347.15	351.15
(Increase) / decrease in trade receivables	(234.46)	(4,193.46)
(Increase) / decrease in other current assets	(10,488.32)	(2,243.04)
Decrease in current financial assets - loans	1,134.00	8,305.47
Decrease / (increase) in other current financial assets	(302.80)	1,744.10
(Increase) / decrease in non current financial assets - others	(1,530.05)	(5,555.31)
Decrease in other non current assets	(202.03)	(6.10)
Decrease in non-current financial assets - loans	(0.92)	1,426.24
(Decrease) / increase in trade payables	(2,036.81)	(1,159.42)
Increase / (decrease) in other current liabilities	(650.19)	(103.38)
(Decrease) / increase in other current financial liabilities	55,459.56	25,981.73
(Decrease) in other non-current liabilities	(3.59)	(14.27)
(Decrease) in provisions	(34.74)	108.69
Cash generated from / (used in) operations before adjustments for interest received and interest paid	41,634.15	30,484.57
Interest paid	(3,213.44)	(1,167.76)
Interest received	10.75	870.44
Cash used in operations	38,431.45	30,187.25
Income tax paid	277.26	(8,447.81)
Net cash (used) / generated from operating activities (A)	38,708.71	21,739.44
B. Cash flows from investing activities		
Acquisition of property, plant and equipment	(8,730.64)	(6,679.63)
Proceeds from sale of property, plant and equipment	33.38	37.60
Acquisition of computer software	(1,676.65)	(471.32)
Acquisition of investments	(51,309.69)	(12,768.76)
Stake sale of subsidiary	-	113,190.61
Proceeds from fixed deposits	(2,691.98)	(30,591.59)
Interest received	10,499.02	4,405.83
Net Cash used in investing activities (B)	(53,876.56)	67,122.74

FINO PayTech Limited

Consolidated statement of cash flows (Continued)

For the Year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
C. Cash flows from financing activities		
Proceeds from issue of equity shares	22.80	8,391.44
Proceeds from subordinate debt	2.05	1.77
Proceeds from long term borrowings	(36.13)	(3,255.59)
Repayment of non current borrowings	-	(3,830.83)
Proceeds of short term borrowings (net)	16,400.04	2,470.08
Buy Back of equity shares	(12,500.00)	
Tax pertaining to buyback of equity shares	(2,185.55)	
Preference Dividend Paid	(50,244.19)	
Lease payments	94.63	100.37
Interest & finance charges paid	(2,201.97)	(1,841.94)
Net cash generated from financing activities (C)	(50,648.32)	2,035.30
Net increase / (decrease) in cash and cash equivalents (A + B + C)	(65,816.17)	90,897.48
Cash and cash equivalents at the beginning of the year	105,747.79	14,850.31
Cash and cash equivalents at the end of the year	39,931.63	105,747.79
Cash and cash equivalents		
Cash on hand and balances with banks	39,931.63	105,747.79
Cash and cash equivalents	39,931.63	105,747.79

For A P Sanzgiri & Co

Chartered Accountants

Firm's Registration Number : 116293W

Abhijit Sanzgiri

Partner

Membership Number : 043230

Mumbai

28 June 2023

For and on behalf of the Board of Directors

FINO PayTech Limited

Ashok Kini

Non-Executive

Independent Director

DIN 00812946

Amit Kumar Jain

Whole Time Director

DIN 08353693

FINO PayTech Limited

Notes to the consolidated financial statements (Continued)

For the Year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

35 Financial instruments – fair values and risk management

A. Accounting classification and fair values

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 March 2023	Carrying amount			Total	Fair value		Total
	FVTPL	FVOCI	Amortised Cost		Level 1	Level 3	
Financial assets measured at fair value							
Non-current investments							
Equity instruments	-	522.01	-	522.01	-	522.01	522.01
Debt instruments	-	4,967.32	-	4,967.32	4,967.32	-	4,967.32
Current investments	-	109,089.15	-	109,089.15	109,089.15	-	109,089.15
Financial assets not measured at fair value							
Non current financial assets							
Non current investments							
Loans	-	-	0.35	0.35	-	0.35	0.35
Loans							
Loans to JLG groups	-	-	0.00	0.00	-	0.00	0.00
Loans to MSME	-	-	(0.00)	(0.00)	-	(0.00)	(0.00)
Other non current financial assets	-	-	8,819.88	8,819.88	-	8,802.65	8,802.65
Current financial assets							
Trade receivables							
Cash and cash equivalents	-	-	7,237.23	7,237.23	-	-	-
Other bank balances	-	-	39,931.63	39,931.63	-	-	-
Loans	-	-	45,541.21	45,541.21	-	-	-
Loans							
Loans to JLG groups	-	-	0.99	0.99	-	-	-
Loans to MSME	-	-	86.62	86.62	-	-	-
Loans to employees	-	-	11.68	11.68	-	-	-
Others	-	-	4.16	4.16	-	-	-
Other current financial assets	-	-	6,332.70	6,332.70	-	-	-
	-	114,578.47	107,966.43	222,544.93	114,056.47	9,325.01	123,381.47
Financial liabilities not measured at fair value							
Long term borrowings							
Short term borrowings	-	-	1,993.07	1,993.07	-	2,000.00	2,000.00
Lease liability	-	-	43,479.73	43,479.73	-	-	-
Trade and other payables	-	-	3,531.30	3,531.30	-	3,531.30	3,531.30
Other current financial liabilities	-	-	2,293.69	2,293.69	-	-	-
	-	-	141,540.71	141,540.71	-	-	-
	-	-	192,838.50	192,838.50	-	5,531.30	5,531.30

FINO PayTech Limited

Notes to the consolidated financial statements *(Continued)*

For the Year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

- (1) Assets that are not financial assets such as receivables from statutory authorities, prepaid expenses, advances paid etc. are not included.
- (2) Other liabilities that are not financial liabilities such as statutory dues payable, deferred revenue, advances from customers and certain other accruals etc. are not included.
- (3) There are no level 2 items.
- (4) Group has not taken any derivative instrument.

FINO PayTech Limited

Notes to the consolidated financial statements (Continued)

For the Year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

35 Financial instruments – fair values and risk management (Continued)

A. Accounting classification and fair values (Continued)

31 March 2022	Carrying amount			Total	Fair value		Total
	FVTPL	FVOCI	Amortised Cost		Level 1	Level 3	
Financial assets measured at fair value							
Non-current investments							
Equity instruments	-	272.22	-	272.22	-	272.22	272.22
Debt instruments	-	4,057.58	-	4,057.58	4,057.58	-	4,057.58
Current investments	-	59,073.31	-	59,073.31	59,073.31	-	59,073.31
Financial assets not measured at fair value							
Non current financial assets							
Non current investments	-	-	0.35	0.35	-	0.35	0.35
Loans							
Loans to JLG groups	-	-	0.01	0.01	-	0.01	0.01
Loans to MSME	-	-	5.09	5.09	-	5.09	5.09
Other non current financial assets	-	-	5,657.40	5,657.40	-	5,690.13	5,690.13
Current financial assets							
Trade receivables	-	-	7,003.13	7,003.13	-	-	-
Cash and cash equivalents	-	-	105,747.79	105,747.79	-	-	-
Other bank balances	-	-	44,405.24	44,405.24	-	-	-
Loans							
Loans to JLG groups	-	-	336.04	336.04	-	-	-
Loans to MSME	-	-	267.82	267.82	-	-	-
Loans to employees	-	-	25.16	25.16	-	-	-
Others	-	-	2.51	2.51	-	-	-
Other current financial assets	-	-	6,030.05	6,030.05	-	-	-
	-	63,403.11	169,480.59	232,883.71	63,130.89	5,967.79	69,098.69
Financial liabilities not measured at fair value							
Long term borrowings	-	-	1,991.03	1,991.03	-	2,000.00	2,000.00
Short term borrowings	-	-	27,079.69	27,079.69	-	-	-
Lease liability	-	-	3,889.71	3,889.71	-	3,889.71	3,889.71
Trade and other payables	-	-	4,330.50	4,330.50	-	-	-
Other current financial liabilities	-	-	86,117.29	86,117.29	-	-	-
	-	-	123,408.22	123,408.22	-	5,889.71	5,889.71

(1) Assets that are not financial assets such as receivables from statutory authorities, prepaid expenses, advances paid etc. are not included.

(2) Other liabilities that are not financial liabilities such as statutory dues payable, deferred revenue, advances from customers and certain other accruals etc. are not included.

(3) There are no level 2 items.

(4) Group has not taken any derivative instrument.

FINO PayTech Limited

Notes to the consolidated financial statements (Continued)

For the Year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

35 Financial instruments – Fair values and risk management (Continued)

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

i. Fair value of cash and bank balances, loans to employees, trade and other short term receivables, trade payables, other current liabilities etc. approximate their carrying amounts largely due to short term maturities of these instruments.

ii. The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique
Fixed rates long term borrowings	The valuation model considers present value of expected payments discounted using an appropriate discounting rate.
Investment in equity instruments	For valuation of investment in equity instruments, discounted cash flow method is used to capture the present value of expected future economic benefits. Under the discounting cash flow method, the net cash flows expected to be generated are discounted using weighted average cost of capital.
Security deposits	The valuation model considers present value of expected payments discounted using the Government of India bond rate for the remaining maturity of the instrument.
Loans to JLG groups and MSME	The valuation model considers present value of expected payments discounted using an appropriate discounting rate.

Sensitivity analysis on level 3 fair values

For the fair values of Investment in equity instruments, reasonably possible changes at the reporting date to one of the significant observable inputs, holding other inputs constant, would have the following effects:

31 March 2023				
Significant observable inputs	Input considered	Equity	Input considered	Equity
	Increase		Decrease	
Long term growth rate	4.50%	6.43	3.50%	(6.10)
Cost of equity	22.30%	22.44	24.30%	(19.97)

FINO PayTech Limited

Notes to the consolidated financial statements (Continued)

For the Year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

Significant observable inputs	31 March 2022			
	Input considered	Equity	Input considered	Equity
	Increase		Decrease	
Long term growth rate	4.50%	6.43	3.50%	(6.10)
Cost of equity	22.30%	22.44	24.30%	(19.97)

The above sensitivity disclosure pertains to TAP Smart Data Information Services Private Limited only.

C. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors from time to time provide guidance to the management on overall risk framework and implementation of risk policy.

The audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

FINO PayTech Limited

Notes to the consolidated financial statements (Continued)

For the Year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

35 Financial instruments – fair values and risk management (Continued)

C. Financial risk management (Continued)

ii. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and loans and advances.

The following financial assets represents the maximum credit exposure:

	Financial assets	
	31 March 2023	31 March 2022
Loans to JLG	2,211.94	2,873.33
Trade receivables	8,424.94	8,190.48
	<u>10,636.88</u>	<u>11,063.81</u>

a. Trade receivables

Concentration of credit risk with respect to trade receivables are limited, due to the Group's customer base being diverse. All trade receivables are reviewed and assessed for default on a periodic basis. The Group does not hold any collaterals as security.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. Accordingly, the Group makes specific provisions against such trade receivables wherever required and monitors the same at periodic intervals. Concentration of credit risk with respect to trade receivables are limited, due to the Group's customer base being diverse. All trade receivables are reviewed and assessed for default on a periodic basis. The Group does not hold any collaterals as security.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

b. Credit risk related to financial services (NBFC) business

The maximum exposure to the credit risk at the reporting date is primarily from loans to Joint Liability Groups (JLG), loans to Micro, Small and Medium Enterprises (MSME) and other loans and advances (such as Mobile Loans, security deposits, FLDG placed for borrowings and securitisation, death claim receivable etc.) as mentioned below. Both trade receivables and other loans and advances are unsecured.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group offers any loan.

FINO PayTech Limited

Notes to the consolidated financial statements (*Continued*)

For the Year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

35 Financial instruments – fair values and risk management (*Continued*)

C. Financial risk management (*Continued*)

Credit concentration and collaterals held:

The group does not hold any collaterals against any of its credit exposures.

In case of loans to MSMEs, collateral is generally comprised of mortgage of immovable property of the MSME borrowers to cover any shortfall in outstanding loan principal and accrued interest. Such mortgage of immovable property provides a secondary source of repayment of funds advanced in the event that a customer cannot meet their contractual repayment obligations. The Loan to Value (LTV) of such loans is generally in the range of 35% to 70%.

The group evaluates the concentration of risk with after considering factors such as the geographical spread of its operations, the limit on lending to a single borrower and the past history of borrowers. The risk of concentration to credit risk is not considered to be significant with respect to loans made to the Joint Liability Group comprising women living in rural areas of India. The group's operations are spread out across 6 states in India with no concentration in any single area within a particular state.

Inputs considered in the ECL model:

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience, expert credit assessment and including forward looking information.

In assessing the impairment of loan assets under Expected Credit Loss (ECL) Model, the loans have been segmented into three stages based on the risk profiles. The three stages reflect the general pattern of credit deterioration of a financial instrument.

The Group categorises loan assets into stages based on the days past due status.

- Stage 1: 0-30 days past due
- Stage 2: 31- 90 days past due
- Stage 3: More than 90 days past due

Assumption considered in the ECL model:

- "Loss given default" (LGD) is an estimate of loss from a transaction given that a default occurs. However in absence of such data we have used proxy rate as prescribed by regulatory authority.
- "Probability of default" (PD) is defined as the probability of whether the borrowers will default on their obligations in the future. For assets which are in Stage 1, a 12 month PD is required. For Stage 2 assets a lifetime PD is required while Stage 3 assets are considered to have a 100% PD.
- "Exposure at default" (EAD) represents the expected exposure in the event of a default and is the gross carrying amount in case of the financial assets held by the Group.

Estimation techniques:

The Lending business has applied the following estimation technique for ECL model:

- The probability of default is computed using a "roll rate" method based on the probability of receivable progressing through successive stages based on past portfolio
- Loss given default is calculated at the rate prescribed by regulatory authority.
- For FLDGs placed for BC Lending business, the ECL shall be calculated as lower of :
 1. ECL on the underlying loan portfolio
 2. Amount of FLDGs provided

Forward looking information:

The group incorporates forward looking information into both assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Based on the consideration of a variety of external actual and forecast information, the group forms a 'base case' view of the future direction of relevant economic variables such as real GDP, private consumption, domestic demand and money supply as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. The base case represents a most likely outcome while the other scenarios represent more optimistic and more pessimistic outcomes.

FINO PayTech Limited

Notes to the consolidated financial statements (Continued)

For the Year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

35 Financial instruments – fair values and risk management (Continued)

C. Financial risk management (Continued)

Assessment of significant increase in credit risk:

The credit risk on a financial asset of the group are assumed to have increased significantly since initial recognition when contractual payments are more than 30 days past due. Accordingly the financial assets shall be classified as Stage 2, if on the reporting date, it has been 30 days past due.

Definition of default:

A default on a financial asset is when the counterparty fails to make the contractual payments within 90 days of when they fall due. This definition of default is determined by considering the business environment in which the group operates and other micro-economic factors. Accordingly the financial assets shall be classified as Stage 3, if on the reporting date, it has been 90 days past due.

Ageing analysis

The following tables show the ageing of loans & receivables:

Trade Receivables	31 March 2023	31 March 2022
Less than 180 days	7,237.23	7,003.13
More than 180 days	1,187.71	1,187.35
Closing balance	8,424.94	8,190.48

JLG Loans	31 March 2023	31 March 2022
Stage 1	0.35	253.77
Stage 2	3.14	164.91
Stage 3	2,208.45	2,454.65
Closing balance	2,211.95	2,873.33

MSME & other loans	31 March 2023	31 March 2022
Stage 1	70.36	239.73
Stage 2	24.41	55.26
Stage 3	322.65	331.45
Closing balance	417.43	626.43

Loss allowance

The following table shows movement in the loss allowance in respect of trade receivables:

	31 March 2023	31 March 2022
Trade receivables		
Opening balance	1,187.35	1,073.56
Net impairment loss recognised	0.36	113.79
Balance written back	-	-
Closing balance	1,187.71	1,187.35

FINO PayTech Limited

Notes to the consolidated financial statements (Continued)

For the Year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

35 Financial instruments – fair values and risk management (Continued)

C. Financial risk management (Continued)

Loss allowance

The following table shows reconciliations from the opening to the closing balance of the loss allowance:

	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Loans to joint liability groups				
Balance as at 31 March 2021	41.18	1,374.75	3,012.48	4,428.41
Transfer to 12 month ECL	0.95	(0.61)	(0.34)	-
Transfer to Lifetime ECL not credit impaired	(2.07)	(0.15)	2.22	-
Transfer to Lifetime ECL credit impaired	(6.46)	(109.38)	115.84	-
Net remeasurement of loss allowance	3.12	20.86	-	23.99
New financial assets originated or purch	99.96	2,252.17	2,049.35	4,401.48
Financial assets that have been derecogr	(125.06)	(3,466.70)	(2,724.82)	(6,316.59)
Balance as at 31 March 2022	11.62	70.94	2,454.73	2,537.28
Transfer to 12 month ECL	-	-	-	-
Transfer to Lifetime ECL not credit impaired	(0.00)	0.00	-	-
Transfer to Lifetime ECL credit impaired	(1.43)	(23.82)	25.25	-
Net remeasurement of loss allowance	(10.16)	(44.65)	(271.53)	(326.34)
New financial assets originated or purchased	-	-	-	-
Financial assets that have been derecognised	-	-	-	-
Balance as at 31 March 2023	0.03	2.47	2,208.46	2,210.94

	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Loans to MSME				
Balance as at 31 March 2021	4.28	14.09	69.76	88.13
Transfer to 12 months ECL	2.65	(0.14)	(2.51)	-
Transfer to Lifetime ECL not credit impaired	(0.13)	2.93	(2.80)	-
Transfer to Lifetime ECL credit impaired	(0.41)	(2.53)	2.94	0.01
Net remeasurement of loss allowance	1.03	2.95	-	3.98
New financial assets originated or purchased	(0.55)	(2.10)	264.07	261.42
Balance as at 31 March 2022	6.87	15.20	331.46	353.53
Transfer to 12 months ECL	-	-	-	-
Transfer to Lifetime ECL not credit impaired	-	-	-	-
Transfer to Lifetime ECL credit impaired	-	-	-	-
Net remeasurement of loss allowance	(5.40)	(8.53)	(8.80)	(22.73)
New financial assets originated or purchased	-	-	-	-
Balance as at 31 March 2023	1.47	6.67	322.66	330.80

FINO PayTech Limited

Notes to the consolidated financial statements (Continued)

For the Year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

35 Financial instruments – fair values and risk management (Continued)

C. Financial risk management (Continued)

FLDGs placed for BC lending	31 March 2023	31 March 2022
Opening balance	550.48	856.18
Net Impairment loss recognised	(307.88)	(305.70)
Balance written back	-	-
Closing balance	242.60	550.48

*First Loss Default Guarantee is provided to Fino Finance Private Limited for the BC (Business correspondent) business.

Other advances	31 March 2023	31 March 2022
Opening balance	96.06	280.50
Net Impairment loss recognised	-	-
Balance written back	(76.60)	(184.45)
Closing balance	19.46	96.06

'12 month ECL' and 'Lifetime ECL not impaired' are collectively assessed. 'Lifetime ECL credit impaired' are individually assessed. Loans which are written off continue to be subject to enforcement activity.

Significant changes in gross carrying value that contributed to change in loss allowance:

The lending business mostly provides loans to joint liability groups in rural areas which have significantly increased on a year on year basis and hence contributed to the change in loss allowance.

Credit concentration and collaterals held:

The group does not hold any collaterals against any of its credit exposures.

In case of loans to MSMEs, collateral is generally comprised of mortgage of residential house property of the MSME borrowers to cover any shortfall in outstanding loan principal and accrued interest. Such mortgage of residential house property provides a secondary source of repayment of funds advanced in the event that a customer cannot meet their contractual repayment obligations. The Loan to Value (LTV) of such loans is generally in the range of 35% to 40%.

The group evaluates the concentration of risk with after considering factors such as the geographical spread of its operations, the limit on lending to a single borrower and the past history of borrowers. The risk of concentration to credit risk is not considered to be significant with respect to loans made to the Joint Liability Group comprising women living in rural areas of India. The group's operations are spread out across 4 states in India with no concentration in any single area within a particular state.

FINO PayTech Limited

Notes to the consolidated financial statements *(Continued)*

For the Year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

35 Financial instruments – Fair values and risk management *(Continued)*

C. Financial risk management

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

Group's interest rate risk arises from borrowings. The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows.

	31 March 2023	31 March 2022
Borrowings		
Fixed rate borrowings	43,996.35	28,993.58
Variable rate borrowings	1,476.45	77.14
Total	<u>45,472.81</u>	<u>29,070.72</u>

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit / (loss)		Equity (net of tax)	
	100 bp increase	100 bp increase	100 bp increase	100 bp increase
31 March 2023				
Variable-rate instruments	(14.76)	14.76	(10.93)	10.93
Cash flow sensitivity (net)	<u>(14.76)</u>	<u>14.76</u>	<u>(10.93)</u>	<u>10.93</u>
31 March 2022				
Variable-rate instruments	(0.77)	0.77	(14.15)	14.15
Cash flow sensitivity (net)	<u>(0.77)</u>	<u>0.77</u>	<u>(14.15)</u>	<u>14.15</u>

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

FINO PayTech Limited

Notes to the consolidated financial statements (Continued)

For the Year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

35 Financial instruments – Fair values and risk management (Continued)

C. Financial risk management (Continued)

iii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Maturity profile of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

31 March 2023	Carrying amount	Total	Less than 6 months	Contractual cash flows			
				6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Working capital loans from banks	43,479.73	43,479.73	43,479.73	-	-	-	-
Subordinated debt	1,993.07	2,750.82	146.19	144.60	290.00	2,170.03	-
Trade and other payables	2,293.69	2,293.69	2,293.69	-	-	-	-
Other current financial liabilities	141,540.70	141,540.70	141,540.70	-	-	-	-
Lease liabilities	3,531.30	4,415.50	538.61	540.24	980.27	2,050.19	306.19

31 March 2022	Carrying amount	Total	Less than 6 months	Contractual cash flows			
				6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Working capital loans from banks	27,079.69	27,079.69	27,079.69	-	-	-	-
Subordinated debt	1,991.03	3,040.82	146.19	143.81	290.79	2,460.03	-
Trade and other payables	4,330.50	4,330.50	4,330.50	-	-	-	-
Other current financial liabilities	86,117.29	86,117.29	86,117.29	-	-	-	-
Lease liabilities	3,889.71	5,092.72	495.40	497.99	972.14	2,184.03	943.16

FINO PayTech Limited

Notes to the consolidated financial statements (Continued)

For the Year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

35 Financial instruments – Fair values and risk management (Continued)

C. Financial risk management (Continued)

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of our investments. Thus, our exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

Currency risk

The Group is exposed to currency risk on account of its trade receivables in foreign currency. The functional currency of the Group is Indian Rupee i.e INR.

Exposure to currency risk (Exposure in different currencies converted to functional currency i.e. INR)

The currency profile of financial assets and financial liabilities as at 31 March 2023, 31 March 2022 are as below:

	31 March 2023 USD	31 March 2023 EURO	31 March 2023 BDT
Financial assets			
Cash and cash equivalents	-	-	-
Trade and other receivables	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities			
Trade and other payables	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>

	31 March 2022 USD	31 March 2022 EURO	31 March 2022 BDT
Financial assets			
Cash and cash equivalents	-	-	-
Trade and other receivables	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities			
Trade and other payables	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>

FINO PayTech Limited

Notes to the consolidated financial statements (Continued)

For the Year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

35 Financial instruments – Fair values and risk management (Continued)

C. Financial risk management (Continued)

iv. Market risk (Continued)

The following significant exchange rates have been applied during the year.

	Year-end spot rate	
	31 March 2023	31 March 2022
USD 1	NA	NA
EUR 1	NA	NA
BDT 1	NA	NA

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against the foreign currencies at March 31 would have affected the measurement of financial instruments denominated in foreign currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit / (loss)		Equity (net of tax)	
	Strengthening	Weakening	Strengthening	
31 March 2023				
USD - 3% Movement	-	-	-	-
EUR - 3% Movement	-	-	-	-
BDT -3% Movement	-	-	-	-
	-	-	-	-
	-	-	-	-

	Profit / (loss)		Equity (net of tax)	
	Strengthening	Weakening	Strengthening	
31 March 2022				
USD - 1% Movement	-	-	-	-
EUR - 3% Movement	-	-	-	-
	-	-	-	-
	-	-	-	-

FINO PayTech Limited

Notes to the consolidated financial statements (*Continued*)

For the Year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

36 Capital Management

For the purpose of the Group's capital management, capital includes issued capital and other equity reserves . The the Group's objective when managing capital are to :

- a) maximise shareholders value and provide benefit to stakeholders and
- b) maintain an optimal capital structure to reduce the cost of capital,

The Group monitors capital using Adjusted net debt to equity ratio. For this purpose, adjusted net debt is defined as total liabilities (non-current and current liability) less cash and cash equivalent and other bank deposits. Equity comprises of all components of equity.

	31 March 2023	31 March 2022
Total liabilities	198,264.37	129,610.80
Gross Debt	198,264.37	129,610.80
Less - Cash and Cash Equivalents	(39,931.63)	(105,747.79)
Less - Other Bank Deposits	(45,541.21)	(44,405.24)
Adjusted Net debt	112,791.54	(20,542.23)
Total equity	63,747.52	125,807.28
Adjusted Net debt to equity ratio	1.77	(0.16)

FINO PayTech Limited

Notes to the consolidated financial statements (Continued)

For the Year ended 31 March 2023

Currency: Indian Rupees in lakhs

37 Share-based payment arrangements:

1. ESOP scheme under Fino Paytech Limited

A. Description of share-based payment arrangements

i. Share option programs (equity-settled)

The Company has only one Employee Stock Option Plan ESOP II 2007 ('Plan') in force for a total grant of 2,34,63,000 options across the various schemes under the said Plan. The Plan provides that the Company option to acquire equity shares of the Company that vests in a graded manner. During the current year an amendment has been made to the employee stock option scheme with reference to exercise of vested nominee or legal heirs in case of death of option holder in accordance with which, all Vested Options may be Exercised by the Option Grantee's nominee or legal heirs immediately after, but in no event later than the Death of the option holder. This amendment has come into force from 24th May, 2017.

ESOP

Grant Date	No. of Options	Exercise Price	Vesting Period (years)	Vesting Conditions
1-Jan-07	2,135,000	10.00	2 to 5	At the end of 1 year Nil and 25% of options at the end of years 2, 3, 4 and 5 respectively.
3-Sep-07	1,345,000	20.00	2 to 5	At the end of 1 year Nil and 25% of options at the end of years 2, 3, 4 and 5 respectively.
1-Sep-08	1,870,000	20.00	1 to 4	25% of the options at the end of years' 1 2 3 and 4 respectively
1-Apr-09	3,265,000	20.00	1 to 4	25% of the options at the end of years' 1 2 3 and 4 respectively
1-Aug-10	3,035,000	30.00	1 to 4	25% of the options at the end of years' 1 2 3 and 4 respectively
1-Oct-11	2,366,500	75.00	1 to 4	25% of the options at the end of years' 1 2 3 and 4 respectively
1-Mar-12	82,500	75.00	1 to 4	25% of the options at the end of years' 1 2 3 and 4 respectively
1-Aug-12	1,894,000	80.00	1 to 4	25% of the options at the end of years' 1 2 3 and 4 respectively
1-Mar-14	200,000	80.00	1 to 4	25% of the options at the end of years' 1 2 3 and 4 respectively
6-Feb-15	2,500,000	80.00	1 to 4	25% of the options at the end of years' 1 2 3 and 4 respectively
1-Jul-15	75,000	80.00	1 to 4	25% of the options at the end of years' 1 2 3 and 4 respectively
1-Dec-15	1,000,000	80.00	1 to 4	25% of the options at the end of years' 1 2 3 and 4 respectively
15-Apr-16	10,000	70.64	1 to 4	25% of the options at the end of years' 1 2 3 and 4 respectively
1-Dec-16	50,000	70.64	1 to 4	25% of the options at the end of years' 1 2 3 and 4 respectively
16-Aug-17	1,995,000	100.00	1 to 4	25% of the options at the end of years' 1 2 3 and 4 respectively
3-Apr-18	100,000	100.00	1 to 4	25% of the options at the end of years' 1 2 3 and 4 respectively
1-Aug-18	255,000	105.00	1 to 4	25% of the options at the end of years' 1 2 3 and 4 respectively
30-Aug-18	50,000	105.00	1 to 4	25% of the options at the end of years' 1 2 3 and 4 respectively
1-Mar-19	255,000	105.00	1 to 4	25% of the options at the end of years' 1 2 3 and 4 respectively
1-Jul-19	980,000	100.00	1 to 4	25% of the options at the end of years' 1 2 3 and 4 respectively

The weighted average share price as at the date of exercise of options exercised during previous year ended 31 March 2022 was INR 68.41. Since the company is not listed, the share price available during the year is taken as the weighted average share price available during the year.

Share options outstanding at the end of the period have the following exercise price. As per the ESOP scheme-II 2007, while in employment the employee can exercise the vested options till the time it is listed in a stock exchange and thereafter. Additionally, in the case of resignation/termination, all the vested options as on the last working day of the employee shall be exercisable before the expiry of three years from the his/ her last working day. Hence, the contractual life of the

FINO PayTech Limited

Notes to the consolidated financial statements (Continued)

For the Year ended 31 March 2023

Currency: Indian Rupees in lakhs

37 Share-based payment arrangements: (Continued)

Grant date	Exercise price	Share options	
		31 March 2023	31 March 2022
03-Sep-07 to 01-Apr-09	20	376,489	526,500
1-Aug-10	30	355,653	495,000
01-Oct-11 to 01-Mar-12	75	443,310	667,000
01-Aug-12 to 01-Jul-15	80	1,366,568	2,046,000
1-Dec-15 to 15-Apr-16	71	5,389	7,500
16-Aug-17 to 03-Apr-18	100	968,952	1,385,000
01-Aug-18 to 01-Mar-19	105	333,870	449,500
1-Jul-19	100	569,724	778,750

B. Measurement of fair values

i. Equity-settled share-based payment arrangements

The fair value of the employee share options has been measured using the Black-Scholes formula. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value.

The requirement that the employee has to save in order to purchase shares under the share purchase plan has been incorporated into the fair value at grant date by applying a discount to the valuation obtained. The discount has been determined by estimating the probability that the employee will stop saving based on historical behaviour.

Grant date	31 March 2023	31 March 2022
	Nil	Nil
Fair value at grant date	Nil	Nil
Share price at grant date	Nil	Nil
Exercise price	Nil	Nil
Expected volatility (weighted-average)	Nil	Nil
Expected life (weighted-average)	Nil	Nil
Expected dividends	Nil	Nil
Risk-free interest rate (based on government bonds)	Nil	Nil

37 Share-based payment arrangements: (Continued)

C. Reconciliation of outstanding share options

Activity in the options outstanding under the employee's stock option Scheme as at 31 March 2021

Particulars	31 March 2023		31 March 2022	
	Average exercise price per share per option	Number of options	Average exercise price per share per option	Number of options
Options outstanding as at the beginning of the year	78.79	6,355,250	77.07	7,741,750
Add: Options granted during the year	-	-	-	-
Less: Options exercised during the year	-	-	68.41	1,312,575
Less: Options lapsed during the year	82.34	302,125	65.05	73,925
Less : Options surrendered during the year*	77.66	1,638,170	-	-
Options outstanding as at the year end	78.97	4,419,955	78.79	6,355,250
Options exercisable as at the year end	78.01	4,227,455	101.00	535,000

*the liquidation of stock options was approved by the company at a price of Rs. 252 less exercise price to eligible option holders.

FINO PayTech Limited

Notes to the consolidated financial statements (Continued)

For the Year ended 31 March 2023

Currency: Indian Rupees in lakhs

D. Expenses arising from share based payment transactions

The total expenses arising from share based payment transactions recognised profit or loss as part of employee benefit expenses is INR 64.97 Lakhs (31 March 2022 : INR 141.04 lakhs)

2. Fino Payments Bank (FPB)

Share option programs (equity-settled)

The FPB has issued a scheme of Employee Stock Option Plan ESOP 2021 ('Plan') under which the FPB has granted 7,80,236 employees stock options (ESOP). The Plan provides that the FPB's employees are granted an option to acquire equity shares of the FPB that vests in a graded manner.

Grant Date	No. of Options	Exercise Price	Vesting Period (years)	Vesting Conditions
19-Jul-21	780,236	600.00	1 to 3	33% of the options at the end of years' 1, 2 and 3 respectively

Remaining weighted contractual life of options is 3.30 years (Previous Year : 4.30 years)

The fair value of the employee share options has been measured using the Black-Scholes formula. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value.

The requirement that the employee has to save in order to purchase shares under the share purchase plan has been incorporated into the fair value at grant date by applying a discount to the valuation obtained. The discount has been determined by estimating the probability that the employee will stop saving based on historical behaviour.

Grant date	19-Jul-21
Fair value at grant date (weighted average)	176.02
Share price at grant date	600.00
Exercise price	600.00
Expected volatility (weighted-average)	29.76%
Expected life (weighted-average)	3.50
Expected dividends	Nil
Risk-free interest rate (based on government)	5.26%

There is no movement in number of options in the grant dated 19 July 2021 during the year due to vesting, lapse or exercise of options.

The total expenses arising from share based payment transactions recognised profit or loss as part of employee benefit expenses under this scheme is INR 762.74 lakhs (31 March 2022 : INR 318.57 lakhs).

FINO PayTech Limited

Notes to the consolidated financial statements (Continued)

For the Year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

38 Employee benefits

The Group contributes to the following post-employment defined benefit plans in India.

(i) Defined Contribution Plans (Provident Fund):

The Group makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Group's contribution is recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service.

The Group has recognised INR 931.22 lakhs (31 March 2022 : 903.68 lakhs) as expenditure and included under 'Employee benefit expenses' in the Statement of Profit and Loss.

(ii) Defined Benefit Plan:

Gratuity :

The Group's gratuity benefit scheme is a defined benefit plan. The Group's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted.

The calculation of the Group's obligation under the plan is performed annually by a qualified actuary using the projected unit credit method.

Compensated absences :

Compensated absences balance upto 7 days are encashed at the end of financial year on the basic salary. Encashment of more than 7 days of leave is not permitted. Leave balance over 7 days will lapse at the end of the financial year.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity and compensated absences amounts recognised in the Group's financial statements as at balance sheet date:

	Note	Gratuity		Compensated absences	
		31 March 2023	31 March 2022	31 March 2023	31 March 2022
Liability at the end of the year	19, 26	1,257.85	1,161.36	111.18	96.11
Fair value of Plan Assets at the end of the year		-	-	-	-
Net Obligation at the end of the year		1,257.85	1,161.36	111.18	96.11

FINO PayTech Limited

Notes to the consolidated financial statements (Continued)

For the Year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

38 Employee benefits (Continued)

B. Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

	Defined benefit obligation		Gratuity Fair value of plan assets		Net defined benefit (asset) liability	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Opening balance	1,066.76	962.21	-	-	1,066.76	962.21
Included in profit or loss						
Current service cost	176.93	147.69	-	-	176.93	147.69
Past service cost		-	-	-	-	-
Interest cost (income)	60.94	49.44	-	-	60.94	49.44
	1,304.63	1,159.34	-	-	1,304.63	1,159.34
Included in OCI						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
Demographic assumptions	(82.92)	96.42	-	-	(82.92)	96.42
Financial assumptions	92.96	(86.34)	-	-	92.96	(86.34)
Experience adjustment	1.59	16.81	-	-	1.59	16.81
	1,316.26	1,186.23	-	-	1,316.26	1,186.23
Other						
Contributions paid by the employer						
Benefits paid	(154.90)	(119.47)	-	-	(154.90)	(119.47)
Closing balance	1,161.36	1,066.76	-	-	1,161.36	1,066.76

C. Defined benefit obligations

i. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	31 March 2023	31 March 2022
Discount rate	5.6%- 6.55%	5.6%- 6.15%
Expected Rate of Return on Plan Assets	-	-
Salary escalation rate	5.20%- 8.40%	5.20%- 6.80%
Employee Turnover	15%- 30%	15%- 22%
Mortality rate	100% of IALM 2012-	100% of IALM 2012-
	14	14

FINO PayTech Limited

Notes to the consolidated financial statements *(Continued)*

For the Year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

38 Employee benefits *(Continued)*

ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Gratuity			
	31 March 2023		31 March 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	1,217.15	1,301.27	1,121.40	1,204.17
Future salary growth (1% movement)	1,300.52	1,217.10	1,202.81	1,121.90
Withdrawal rate (1% movement)	1,215.64	1,333.56	1,098.27	1,294.86

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Expected future cash flows

The expected future cash flows in respect of gratuity as at 31 March 2023 were as follows

Expected future benefit payments

March 31, 2024	360.15
March 31, 2025	289.73
March 31, 2026	228.85
March 31, 2027	179.43
March 31, 2028	141.62
Thereafter	372.08

FINO PayTech Limited

Notes to the financial statements (continued)

For the Year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

Note 39 : Leases

Right-of-use (ROU) asset

Particulars	Building	Office Equipment	Total
Gross Block			
Opening balance as on 01 April 2021	4,776.46	482.93	5,259.39
Additions	731.40	-	731.40
Deletions	(1,037.59)	-	(1,037.59)
Closing Balance as on 31 March 2022	4,470.27	482.93	4,953.20
Accumulated depreciation			
Opening balance as on 01 April 2021	1,701.02	62.90	1,763.92
Depreciation for the period	660.76	53.42	714.18
Depreciation on deletions	(997.20)	-	(997.20)
Closing Balance as on 31 March 2022	1,364.58	116.32	1,480.90
Net block	3,105.69	366.61	3,472.30
Gross Block			
Opening balance as on 01 April 2022	4,470.27	482.93	4,953.20
Additions	486.01	-	486.01
Deletions	(327.24)	-	(327.24)
Closing Balance as on 31 March 2023	4,629.04	482.93	5,111.97
Accumulated depreciation			
Opening balance as on 01 April 2022	1,364.58	116.32	1,480.90
Depreciation for the period	743.86	53.41	797.27
Depreciation on deletions	(185.46)	-	(185.46)
Closing Balance as on 31 March 2023	1,922.98	169.73	2,092.71
Net block	2,706.06	313.20	3,019.26

Lease liabilities included in the balance sheet	As at 31 March 2023	As at 31 March 2022
Current	768.71	636.14
Non-current	2,762.59	3,253.57
	3,531.30	3,889.71

Amounts recognised in the statement of profit and loss	Year ended 31 March 2023	Year ended 31 March 2022
Interest on lease liabilities	379.44	381.90
Expenses relating to leases of low-value assets (Net)	604.57	673.13
Lease Concessions	-	12.55
Total	984.01	1,067.58

The maturity analysis of lease liabilities are disclosed in Note no. 35 of Financial instruments-Liquidity risk.

FINO PayTech Limited

Notes to the consolidated financial statements (Continued)

For the Year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

40 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

	31 March 2023	31 March 2022
i. Profit attributable to Equity holders of Company		
Profit attributable to equity holders of the Company:		
Continuing operations	3,403.04	(5,975.06)
Less: Preference dividend including tax thereon	(0.02)	(0.03)
Profit attributable to equity holders of the Company for basic earnings	3,403.02	(5,975.09)
Profit attributable to equity holders of the Company adjusted for the effect of dilution	3,403.02	(5,975.09)
ii. Weighted average number of ordinary shares		
Issued ordinary shares at 1 April	109,174,205	99,375,160
Effect of shares bought back	(1,979,746)	
Effect of share options exercised	-	927,661
Treasury shares	8,274	15,671
Conversion of share warrants	-	5,500,000
Right Issue of shares during the period	-	1,503,553
Weighted average number of shares at 31 March	107,202,733	107,322,045
Convertible preference shares	23,399,870	23,831,215
Share warrants	-	-
Weighted average number of shares at 31 March for basic EPS	130,602,603	131,153,260
Weighted average number of shares at 31 March	130,602,603	131,153,260
Add: Potential Equity Shares	2,475,079	225,903
Weighted average number of shares at 31 March for diluted EPS	133,077,682	131,379,163
	31 March 2023	31 March 2022
Basic earnings per share	2.61	(4.56)
Diluted earnings per share	2.61	(4.56)

FINO PayTech Limited

Notes to the consolidated financial statements (Continued)

For the Year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

41 Tax expense

(a) Amounts recognised in profit and loss

	31 March 2023	31 March 2022
Current income tax		
Current period (A)	37.26	130.59
Changes in estimated related to prior years	-	-
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	1,181.80	-
Reduction in tax rate	-	-
Recognition of previously unrecognised tax losses	-	-
Change in recognised deductible temporary	-	-
Deferred tax expense (C)	1,181.80	-
Tax expense for the year (A)+(B)+(C)	1,219.06	130.59

(b) Amounts recognised in other comprehensive income

	Year ended 31 March 2023			Year ended 31 March 2022		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit						
Remeasurements of defined benefit liability (asset)	(2.47)	-	(2.47)	76.97	-	76.97
Equity investments through other comprehensive income - net change in fair value	-	-	-	-	55.27	55.27
Items that will be reclassified to profit or loss						
Investments measured at FVOCI	(134.31)	-	(134.31)	21.12	-	21.12
	(136.79)	-	(136.79)	98.09	55.27	153.36

(c) Reconciliation of effective tax rate

	Year ended 31 March 2023	Year ended 31 March 2022
Profit before tax	6,230.26	(5,184.10)
Tax using the Company's domestic tax rate	1,619.87	(1,347.87)
Tax effect of:		
Tax impact of income not subject to tax	-	-
Tax effects of amounts which are not deductible for taxable income	0.29	4.07
Tax effect on items on which no deferred tax was recognized	-	27.71
Deferred tax assets not recognized because realization is not probable	847.39	7,793.99
Effect of permanent difference on utilization of loss	-	(1,493.67)
On account of consolidation adjustments	(1,290.39)	(4,849.22)
Others	2.83	(4.42)
	1,219.10	130.59

FINO PayTech Limited

Notes to the consolidated financial statements (*Continued*)

For the Year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

41 Tax expense (*Continued*)

(d) Movement in deferred tax balances

	Net balance 01 April 2022	Recognised in profit or loss	31 March 2023		Net	Deferred tax asset	Deferred tax liability
			Recognised in OCI	Other			
Deferred tax asset							
Property, plant and equipment	362.10	(64.39)	-	-	297.70	297.70	-
leases	24.41	4.01	-	-	28.42	28.42	-
Security deposits	10.63	(2.56)	-	-	8.07	8.07	-
Borrowings	(2.42)	0.62			(1.80)	-	(1.80)
Loans	-	-			-	-	-
Provisions	1,108.44	(850.61)	-	-	257.83	257.83	-
Brought forward losses and unabsorbed depreciation	263.82	(263.82)	-	-	-	-	-
Equity instrument through OCI	(6.30)	-	-	-	(6.30)	-	(6.30)
MAT Credit	-	-	-	-	-	-	-
Other items	7.31	(5.04)	-	-	2.27	2.27	-
Tax assets (Liabilities)	1,768.00	-	-	-	586.19	594.29	(8.10)
Set off tax							
Net tax assets	1,768.00	-	-	-	586.19	594.29	(8.10)

FINO PayTech Limited

Notes to the consolidated financial statements (*Continued*)

For the Year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

41 Tax expense (*Continued*)

(e) Movement in deferred tax balances

	Net balance 01 April 2021	Recognised in profit or loss	31 March 2022		Net	Deferred tax asset	Deferred tax liability
			Recognised in OCI	Other			
Deferred tax asset							
Property, plant and equipment	462.52	(100.42)	-	-	362.10	362.10	-
Leases	14.55	9.86	-	-	24.41	24.41	-
Security deposits	12.47	(1.84)	-	-	10.63	10.63	-
Borrowings	(10.10)	7.68			(2.42)	-	(2.42)
Loans	9.27	(9.27)			-	-	
Provisions	966.99	141.45	-	-	1,108.44	1,108.44	-
Brought forward losses and unabsorbed depreciation	45.45	218.37	-	-	263.82	263.82	-
Equity instrument through OCI	(6.30)	0.00	-	-	(6.30)	-	(6.30)
MAT Credit	259.40	(259.40)			-	-	
Other items	13.75	(6.44)	-	-	7.31	7.31	-
Tax assets (Liabilities)	1,768.00	(0.00)	-	-	1,768.00	1,776.72	(8.72)
Set off tax							
Net tax assets	1,768.00	(0.00)	-	-	1,768.00	1,776.72	(8.72)

FINO PayTech Limited

Notes to the consolidated financial statements (*Continued*)

For the Year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

41 Tax expense (*Continued*)

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

Tax losses carried forward

	31 March 2023	Expiry date	31 March 2022	Expiry date
Business losses	2,592.80	3/31/2026	9,034.82	3/31/2026
Business losses	3,817.20	3/31/2027	4,037.54	3/31/2027
Business losses	580.35	3/31/2028	580.35	3/31/2028
Business losses	1,902.82	3/31/2029	1,902.82	3/31/2029
Business losses	7,757.63	3/31/2030	10,176.27	3/31/2030
Business losses	3,739.24	3/31/2031		
Unabsorbed depreciation	7,105.15	No expiry	6,662.05	No expiry
	<u>27,495.19</u>		<u>32,393.87</u>	

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the company can use the benefits therefrom:

	Year ended 31 March 2023	Year ended 31 March 2022
Deductible temporary differences [Gross amount]	7,700.10	7,319.66
MAT credit entitlement	259.40	259.40
Tax losses [Gross amount]	7,109.43	8,074.59
	<u>15,068.93</u>	<u>15,653.64</u>

FINO PayTech Limited

Notes to the consolidated financial statements *(Continued)*

For the Year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

Additional Information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the 42 Companies Act, 2013

Name of the entity	Net Assets, i.e. total assets minus total liabilities		Share of profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
<u>Parent</u>								
FINO PayTech Limited	44.88%	44,928.07	-11891.10%	(5,711.85)	-0.89%	1.22	6435.03%	(5,710.61)
<u>Subsidiaries</u>								
<u>Indian</u>								
FINO Payments Bank Limited	40.83%	40,872.09	9740.59%	4,678.86	74.24%	(101.55)	-5157.96%	4,577.31
FINO Finance Private Limited	0.48%	481.67	-1194.25%	(573.65)	1.89%	(2.59)	649.35%	(576.25)
FINO Trusteeship Services Limited	0.10%	104.51	97.34%	46.76	0.00%	-	-52.69%	46.76
FINO Financial Services Private Limited	0.00%	(4.04)	-0.49%	(0.23)	0.00%	-	0.26%	(0.23)
Non-controlling interests in all subsidiaries	13.70%	13,718.18	3347.91%	1,608.16	24.75%	(33.85)	-1774.01%	1,574.30
Total	100.00%	100,100.47	100.00%	48.03	99.98%	(136.79)	99.99%	(88.74)
Adjustments arising out of consolidation		(36,352.93)		4,963.17		-		4,963.17
As at 31 March 2023		63,747.52		5,011.20		(136.79)		4,874.41

FINO PayTech Limited

Notes to the consolidated financial statements *(Continued)*

For the Year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

Name of the entity	Net Assets, i.e. total assets minus total liabilities		Share of profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
FINO PayTech Limited	70.83%	118,358.39	106.89%	52,363.86	78.47%	13.93	106.71%	52,377.79
Subsidiaries								
Indian								
FINO Payments Bank Limited	21.35%	35,682.29	8.24%	4,035.48	66.69%	65.42	8.35%	4,100.90
FINO Finance Private Limited	0.63%	1,055.24	-15.19%	(7,438.80)	19.10%	18.74	-15.12%	(7,420.06)
FINO Trusteeship Services Limited	0.03%	57.74	0.03%	13.67	0.00%	-	0.03%	13.67
FINO Financial Services Private Limited	0.00%	(3.81)	0.00%	(0.88)	0.00%	-	0.00%	(0.88)
Non-controlling interests in all subsidiaries	7.15%	11,953.22	0.03%	14.23	0.00%	-	0.03%	14.23
Total	100.00%	167,103.07	100.00%	48,987.56	164.27%	98.09	100.00%	49,085.65
Adjustments arising out of consolidation		(41,295.79)		(54,302.25)		-		(54,302.25)
As at 31 March 2022		125,807.28		(5,314.69)		98.09		(5,216.60)

FINO PayTech Limited

Notes to the consolidated financial statements (Continued)

For the Year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

43 Related Party Disclosures

A. Names of Related Parties

Sr. Particulars No.	Country of Incorporation	Proportion of ownership interest
1 Subsidiary Companies		
FINO Finance Private Limited (formerly known as Intrepid Finance and Leasing private limited)	India	100.00%
FINO Payments Bank Limited (formerly known as FINO Fintech Private limited)	India	75.00%
FINO Trusteeship Services limited	India	49.00%
FINO Financial Services Private Limited	India	100.00%
2 Names of related parties by whom significant influence is exercised		
Bharat Petroleum Corporation Limited	India	26.81%
3 Key Management Personnel		
Mr. Sudeep Gupta – Whole-time Director – Cessation w.e.f 28.11.2022		
Mr. Amit Kumar Jain – Whole-time Director – Appointed w.e.f. 25.11.2022		
Mr. Ravindra Gupta – Company Secretary – Appointed w.e.f 26.08.2022 and Ceased w.e.f 11.01.2023		
Mr. Rakesh Tripathi – Chief Financial Officer – Appointed w.e.f 26.07.2022		
Mr. Ashok Kini – Independent Director		
Dr. Apurva Joshi – Independent Director		
Mr. Rajeev Deoras – Independent Director		
Mr. Manoj Heda – Nominee Director of Bharat Petroleum Corporation Limited (BPCL)		
Mr. Prateek Roongta – Nominee Director of Blackstone GPV Capital Partners (Mauritius) VI-B FDI Ltd.		
Mr. Marcus Peter Strutt Thompson – Nominee Director of HAV3 Holdings (Mauritius) Limited		

B. Transactions with key management personnel

i. Key management personnel compensation

Sr. Particulars No.	Year ended 31 March 2023	Year ended 31 March 2022
i. Short-term employee benefits	78.89	36.13
ii. Post-employment defined benefit	5.41	10.35
iii. Share based payments	-	-
iv. Compensated absences	-	-

FINO PayTech Limited

Notes to the consolidated financial statements (Continued)

For the Year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

43 Related party relationships, transactions and balances

Note 43 above provides the information about the Group's structure including the details of the subsidiaries and the holding company. The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Nature of Transaction	Related party by whom significant influence is exercised	Bharat Petroleum Corporation Limited	Key Management Personnel	Total
Purchase of services				
31 March 2023	-	-	-	-
31 March 2022	-	-	-	-
Sale of Services				
31 March 2023	322.97	-	-	322.97
31 March 2022	343.26	-	-	343.26
Loans given				
31 March 2023	-	-	-	-
31 March 2022	-	-	-	-
Loans repaid				
31 March 2023	-	-	-	-
31 March 2022	-	-	-	-
Interest on loan				
31 March 2023	-	-	-	-
31 March 2022	-	-	-	-
Salary and allowances				
31 March 2023	-	-	-	-
31 March 2022	-	-	-	-
Balance Outstanding				
Trade Receivables				
31 March 2023	41.68	-	-	41.68
31 March 2022	88.80	-	-	88.80
Share warrants				
31 March 2023	-	-	-	-
31 March 2022	-	-	-	-
Bank balances				
31 March 2023	-	-	-	-
31 March 2022	-	-	-	-
Other payables				
31 March 2023	-	-	-	-
31 March 2022	-	-	-	-
Vehicle loan				
31 March 2023	-	-	-	-
31 March 2022	-	-	-	-
Loan				
31 March 2023	-	-	-	-
31 March 2022	-	-	-	-
Equity shares held in Intrepid				
31 March 2023	-	-	-	-
31 March 2022	-	-	-	-

All transactions with these related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions.

Outstanding balances at the year-end are unsecured and settlement occurs in cash.

FINO PayTech Limited

Notes to the consolidated financial statements (Continued)

For the Year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

44 Contingent liabilities

Contingent liabilities	31 March 2023	31 March 2022
(i) Value added tax and entry tax	156.51	2,710.40
(ii) Bank Guarantees	331.04	-
(iii) Capital commitments*	339.51	196.51
(iv) Corporate guarantee issued on behalf of subsidiaries	-	250.20
(v) Employer's contribution to PF*	368.25	368.25
(vi) Income tax notice u/s 143(3)	366.65	-
(vii) Service Tax	14,220.96	-
(viii) Thane District Court	3,234.20	-

*Pertains to Fino Payments Bank Limited

The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its Financial Statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its Financial results.

45 Foreign currency transactions

Expenditure in foreign currency	31 March 2023	31 March 2022
Director sating fees	3.75	16.75
Membership fees	44.29	3.81
Legal and professional fees	-	18.96
	<u>48.04</u>	<u>39.52</u>
Income earned in foreign currency		
Sale of services	-	7.18
Other non operating income	-	-
	<u>-</u>	<u>7.18</u>

46 Other notes

a Social Security Code , 2020

The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.

The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

FINO PayTech Limited

Notes to the consolidated financial statements (Continued)

For the Year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

47 Segment reporting

The main business of the Group is to carry on the activity of promoting sustainable livelihood for the rural poor and underserved classes by helping them becoming economically self-reliant, through the provision of financial services and technical assistance in an integrated and sustainable manner. Since the business operations of the Group are primarily concentrated in India, the Group is considered to operate only in the domestic segment.

The Group has identified four reportable business segment viz. Corporate Business, Lending, Retail and Others. Corporate business includes customer acquisition on behalf of other banks and servicing them through the BC network. Lending includes distribution of small ticket size loans to SHGs in rural areas. We operate for our NBFC and as BCs to other NBFCs/ banks. Retail includes account opening (CASA), banking transactions, remittance and sale of other financial products like insurance, mutual fund etc. through branch network and merchant channel. Others consists of residuary incomes such as grants and Interest on Income tax refund. The Company has determined the reporting segments based on the information reviewed by the Company's Chief Operating Decision Maker (CODM). The accounting policies consistently used in the preparation of the financial statements are also consistently applied to record income and expenditure of individual segments.

Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Segment assets and segment liabilities represent assets and liabilities in respective segments.

Sr. No.	Particulars	Corporate		Lending		Retail		Others		Total	
		31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
1	Segment Revenue										
	External Turnover	13,792.94	17,507.68	455.32	1,306.27	99,887.77	80,512.77	806.94	755.18	114,942.96	100,081.90
	Inter Segment Turnover	-	-	-	-	-	-	-	-	-	-
	Total Turnover	13,792.94	17,507.68	455.32	1,306.27	99,887.77	80,512.77	806.94	755.18	114,942.96	100,081.90
	Other Income	4,664.22	1,272.00	15.54	14.13	-	-	9,507.40	3,694.99	14,187.16	4,981.12
	Inter Segment Turnover	-	-	-	-	-	-	-	-	-	-
	Total Income	18,457.15	18,779.68	470.87	1,320.40	99,887.77	80,512.77	10,314.34	4,450.17	129,130.12	105,063.02
2	Segment Result before Interest and Taxes	(4,368.90)	(4,824.23)	(279.57)	(6,455.78)	19,700.86	17,067.68	9,925.54	1,198.37	24,977.94	6,986.04
	Less : Interest Expense	737.46	310.56	292.08	1,084.44	2,024.10	1,093.32	2,361.73	398.99	5,415.37	2,887.31
	Less : Unallocated Expenses	-	-	-	-	-	-	-	-	13,332.36	11,313.78
	Profit Before Tax	(5,106.36)	(5,134.79)	(571.65)	(7,540.21)	17,676.76	15,974.36	7,563.81	799.38	6,230.20	(7,215.05)
	Tax	1,181.80	120.78	-	-	-	-	37.26	8.26	1,219.06	129.04
	Profit After Tax	(6,288.17)	(5,255.57)	(571.65)	(7,540.21)	17,676.76	15,974.36	7,526.55	791.12	5,011.14	(7,344.09)
3	Other Information										
	Segment Assets	17,520.46	131,881.83	2,907.90	5,515.84	34,158.08	17,345.43	5.95	2.80	54,592.39	154,745.90
	Add: Unallocated corporate assets	-	-	-	-	-	-	-	-	207,419.58	100,672.18
	Total segment assets									262,011.85	255,418.08
	Segment Liabilities	24,139.63	24,375.47	2,426.26	4,460.62	140,588.49	86,817.66	14.34	8.71	167,168.72	115,662.46
	Add: Unallocated corporate liabilities	-	-	-	-	-	-	-	-	31,095.66	13,948.34
	Total segment liabilities									198,264.37	129,610.80
	Depreciation and amortization expense									5,044.06	4,374.68

FINO PayTech Limited

Notes to the financial statements (*Continued*)

For the Year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

48 Subsequent Events

There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date.

49 Litigation

During the year ended 31 March 2011, Navi Mumbai Municipal Corporation (NMMC) raised a demand of INR 102.20 lacs towards cess on purchases within the NMMC jurisdiction. During the financial year 2020-21, same was provided fully. Hence, there is no contingent liability on account of NMMC cess.

There are pending litigations under UP VAT Act, department has considered all the movement of assets from one state to other state as a deemed sale in the year 2008-09 & 2010-11 and in the year 2009-10, 2011-12, 2012-13 & 13-14 department has increased card price. There are pending litigation under Gujrat VAT Act, department has raised CST demand. There are pending litigation under Bihar VAT Act and company has paid the entire demand under protest amounting to INR 4.10 lakhs. Total liability under dispute is amounting to INR 275.20 lakhs against which company has paid INR 118.69 lakhs under protest. Accordingly contingent liability for value added tax and entry tax amounts to INR 156.51 lakhs.

There are pending litigations under Income Tax Act for the year 2011-12 and 2012-13. Total liability under dispute is amounting to INR 426.65 lakhs against which the company has paid INR 60 lakhs under protest. Accordingly contingent liability amounts to INR 366.65 lakhs. Also the addition of INR 2111.17 lakhs has been made during the course of assessment and the same is adjusted against brought forward losses.

The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its Financial Statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its Financial results.

FINO PayTech Limited

Notes to the consolidated financial statements (*Continued*)

For the Year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

50 Impairment testing of Goodwill

For the purposes of impairment testing, goodwill has been allocated as follows:

	As at 31 March 2023	As at 31 March 2022
Acquisition of the lending business	716.66	716.66
Less: Impairment loss	(716.66)	(716.66)
Total	-	-

The recoverable amount was based on greater of fair value less costs of disposal and value in use estimated using discounted cash flows. The fair value measurement was categorised as a Level 3 fair value based on inputs in the valuation technique used.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

	As at 31 March 2023	As at 31 March 2022
Price to book value multiple	NA	NA

ii. Sensitivity analysis

Change in recoverable amount of Goodwill	As at 31 March 2023	As at 31 March 2022
Increase by 5% of price to book value multiple	NA	NA
Decrease by 5% of price to book value multiple	NA	NA

Impairment on investment in Fino Finance Private Limited and Goodwill written off

As at 31 March 2023, in the standalone financials of Fino Paytech Ltd, the Company has carried its investment in Fino Finance Private Limited at cost less impairment in value. The company had provided impairment loss of Rs. 142 crores against this investment in FY 2021-22. In the current year FY 2022-23, the company has impaired the remaining carrying amount of investment of Rs 47 crores in its standalone financials. Impairment has been provided at 100 % of investment in Fino Finance Private Limited. Such impairment has been reversed while preparing consolidated financial statements.

At Consol level, Goodwill amounting to 7.16 cr had arisen on acquisition of Fino Finance Private Ltd and same was written off during the FY 21-22 due to impairment of investment in Fino Finance Private Ltd at standalone level of Fino Paytech Ltd.

FINO PayTech Limited

Notes to the consolidated financial statements (Continued)

For the Year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

51 Revenue from contract with customers

Changes in significant accounting policies - Ind AS 115: Revenue from contracts with customers

The Company derives revenues primarily from sale of device along with AMC, enrolment services, BC services, repairs and maintenance of devices, advertisement services, micro ATM running charges.

Revenue is recognized upon transfer of control of devices or services to customers in an amount that reflects the consideration expected to receive in exchange for those devices or services.

Revenues in excess of invoicing are classified as contract assets while invoicing in excess of revenues are classified as contract liabilities.

In case of sale of devices along with AMC, the Company has applied the guidance in Ind AS 115, Revenue from Contracts with Customers, by applying the revenue recognition criteria for each distinct performance obligation. Sale of devices and AMC services meet the criteria of distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. The revenue is recognised at point in time for sale of devices and over the period of time in case of AMC.

Enrolment services, BC services, repairs and maintenance of devices, advertisement services, micro ATM running charges are recognized over the period of time / term of the contract.

The Company presents revenues net of indirect taxes in its Statement of Profit and Loss.

Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by major revenue streams and timing of revenue recognition :

Major revenue streams	Year ended 31 March 2023	Year ended 31 March 2022
Corporate		
Sale of products	240.63	433.54
CBS Services, enrollment income and other services	1,068.26	1,426.91
BC Banking	12,484.06	15,647.23
Total	13,792.94	17,507.68
Retail		
Sale products		
Other services description		
Cash management services	10,395.43	5,834.33
Insurance		
Remittances	42,091.47	35,510.80
Commission, exchange and brokerage	46,587.97	39,161.31
Miscellaneous income	1,619.83	761.51
	100,694.70	81,267.95
Income other than lending business	114,487.64	98,775.63
Interest income	261.60	770.12
Others	193.73	536.15
Income from lending business	455.32	1,306.27
Total revenue from operations	114,942.96	100,081.90
Timing of revenue recognition		
Products transferred at point in time	240.63	433.54
Services transferred over the period of time	114,440.74	98,878.24
Recognised as per Ind AS 109	261.60	770.12
	114,942.96	100,081.90

FINO PayTech Limited

Notes to the consolidated financial statements (Continued)

For the Year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

The information relating to trade receivables and contract liabilities relating to revenue from operations is disclosed in note no. 10 and 27 respectively .

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date.

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2023 other than those meeting the exclusion criteria mentioned above, is 8.73 lakh (March 2022 : 28.16 lakh) . Out of this, the Company expects to recognize revenue of around 70 % (March 2022 : 78%) within the next one year and the remaining thereafter.

52 Additional Regulatory Information

a. Details of Benami Property held

The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

b. Details of Loans and advances

Loans and advances granted to promoters, directors, key managerial personnel (KMPs) and the related parties which are repayable on demand or without specifying any terms or period of repayment

Type of borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total loans and advances in the nature of
Promoters	-	-
Directors	-	-
KMPs	-	-

c. Willful Defaulter

The Group has not been declared as a willful Defaulter by any Financial Institution or bank as at the date of Balance Sheet.

d. Relationship with Struck off Companies

The Group do not have any transactions with companies struck off.

e. Registration of charges or satisfaction with Registrar of Companies (ROC)

The Group has no pending charges or satisfaction which are yet to be registered with the ROC beyond the Statutory period.

f. Compliance with number of layers of companies

The Group has complied with the provision of the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

g. Compliance with approved Scheme(s) of Arrangements

There are no Schemes of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

h. Discrepancy in utilization of borrowings

The Group has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date. There are no discrepancy in utilisation of borrowings.

i. Utilisation of Borrowed funds and share premium:

(A) The Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries).

(B) the Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party).

FINO PayTech Limited

Notes to the consolidated financial statements (Continued)

For the Year ended 31 March 2023

(Currency: Indian Rupees in lakhs)

The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:

- a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries); or
- b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

- a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or;
- b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

j. Undisclosed income

The Group has no transaction that is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

k. Details of Crypto Currency or Virtual Currency

The Group has not traded or invested in Crypto currency or Virtual Currency.

For A P Sanzgiri & Co

Chartered Accountants

Firm's Registration Number : 116293W

For and on behalf of the Board of Directors

FINO PayTech Limited

Abhijit Sanzgiri

Partner

Membership Number : 043230

Mumbai

28 June 2023

Ashok Kini

Non-Executive

Independent Director

DIN 00812946

Amit Kumar Jain

Whole Time Director

DIN 08353693