FINO FINANCE PRIVATE LIMITED

Annual Report for the F.Y. 2023-2024

BOARDS' REPORT

Dear Members,

Your Board of Directors is pleased to present the Thirtieth (**30th**) Annual Report of Fino Finance Private Limited (**"Company"**) together with the Audited Financial Statements for the Financial Year ended March 31, 2024.

FINANCIAL HIGHLIGHTS & PERFORMANCE

The highlights of the financial performance of the Company for the financial year ended March 31, 2024 as compared to the previous financial year are as under:

(**₹.** in Lakhs)

Particulars	**2023-2024**	**2022-2023**
Net Sales and other income	226.47	470.86
Profit /(Loss) before Interest, Depreciation and Tax	**(75.22)**	**(269.64)**
Interest	297.57	292.09
Depreciation	3.79	11.96
Profit /(Loss) before Tax and prior period items	(376.58)	(573.68)
Prior period items	-	-
Profit /(Loss) before Tax	**(376.58)**	**(573.68)**
Tax expenses:		
Current tax (MAT)	-	-
Deferred tax	-	-
Tax provision for earlier years	(31.64)	-
Net Profit /(Loss) after Tax	**(344.94)**	**(573.68)**
Balance of Profit /(Loss) carried forward to next year	**(344.94)**	**(573.68)**

The revenue of the Company was ₹ 226.47 lakhs for the year ended March 31, 2024 as compared to ₹ 470.86 lakhs in the previous year. The Company's Loss before tax was ₹ 376.58 lakhs as against ₹ 573.68 lakhs loss in the previous year.

NON BANKING FINANCIAL COMPANY LICENSE

During the year under review, the Company was a Systematically Important- Non deposit accepting Company (NBFC- NSI- ND) registered with Reserve Bank of India (**“RBI”**) and continues to comply with all the applicable regulations prescribed by RBI, from time to time. The Company has been granted NBFC – Micro Finance Institution (**“NBFC-MFI”**) license.

Further, RBI vide its Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 introduced a new classification system of NBFC based on layers i.e Base, Middle, Upper and Top. As on March 31, 2024, the Company was classified as Base Layer NBFC-MFI with an asset size of less than ₹ 100 crores.

During the period under review, the Company has applied for voluntary surrender of Certificate of Registration (“CoR”) to RBI. Further, the RBI vide its letter dated June 10, 2024 has accorded its approval for voluntary surrender of CoR stating that CoR of the Company as an Non-Banking Financial Company (“NBFC’) has been cancelled with effect from May 30, 2024 vide its cancellation order of even date. Accordingly, the Company ceases to engage in any activities that fall under the purview of NBFC from the effective date. The Company has also informed the same to all its stakeholders and the same information is also displayed on the website of the Company.

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

Your Company has been inter-alia engaged in the business of providing customer-centric financial services, mainly in the form of micro-credit, to the under-served and un-served women population and MSMEs in the country. The credit extended were utilized majorly in agriculture and allied activities as well as in small businesses. The Company used to operate in the rural and semi urban area of 9 states, across more than 100 districts in India. Through the Company’s products and services, the Company aimed at empowering the economically active poor households and MSMEs to grow their businesses and thus improve their overall quality of lives.

At present, majority of the regular portfolio of the Company has rundown and consists majorly of overdue customers. The last disbursement made by the Company was in August 2021 and thereafter, the Company has stopped any lending activities.

DIVIDEND

Your Board of Directors has expressed their inability to recommend dividend to the Shareholders due to loss for the financial year ended March 31, 2024.

TRANSFER TO RESERVES

During the year under review, no amount was transferred to the reserves.

MATERIAL CHANGES AND COMMITMENTS

Apart from the details given in this Board's 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, 2024 and up to the date of this report.

CAPITAL STRUCTURE

Authorised Share Capital

During the year under review the Company has not changed its Authorised Share Capital. As on March 31, 2024, the Authorised Share Capital of the Company was ₹53,50,00,000/- (Rupees fifty three crores fifty lakhs only) divided into 5,35,00,000 (Five crores thirty five lakhs) Equity Shares of ₹ 10/- (Rupees ten only).

Paid-up Share Capital

During the financial year 2023-24, the Company has allotted 60,00,000 (Sixty lakhs) Equity Shares of ₹10/- (Rupees ten only) to all the existing shareholders of the Company i.e. Fino PayTech Limited, Holding Company through rights issue at an issue price of ₹10/- (Rupees ten only) i.e. at par amounting to ₹6,00,00,000 (Rupees six crores only).

As on March 31, 2024, the issued, subscribed and paid-up share capital of the Company was ₹47,57,68,070/- (Rupees forty seven crores fifty seven lakhs sixty eight thousand and seventy only) divided into 4,75,76,807 (Four crores seventy five lakhs seventy six thousand eight hundred and seven) equity shares of ₹10/- (Rupees ten only).

BOARD OF DIRECTORS' AND KEY MANAGERIAL PERSONNEL

As on March 31, 2024, the Composition of the Board of the Directors of the Company was in compliance with the provisions of Companies Act, 2013 ("Act") and applicable laws as issued by the Reserve Bank of India and the Articles of Association of the Company and is in conformity with the same.

The Board of the Company is duly constituted with an optimum combination of Executive and Non-Executive Directors including Independent Director.

In the opinion of the Board, all the Directors as well as the Directors appointed / re-appointed during the year possess the requisite qualifications, experience and expertise and hold high standards of integrity.

Appointment of Directors during the financial year ("F.Y.") 2023-24:

Based on the recommendation of Nomination and Remuneration Committee (**"NRC"**), the Board approved the appointment of the following Director during F.Y. 2023-24:

Mr. Amit Kumar Jain (DIN: 08353693) was appointed as an Additional Director in the capacity of Whole-time Director and Key Managerial Personnel in the board meeting held on November 24, 2022, subject to approval of RBI and shareholders. The RBI vide its letter dated June 21, 2023 has accorded its approval for the appointment of Mr. Amit Kumar Jain.

Further, the Members at the 29th Annual General Meeting held on September 26, 2023, approved the appointment of Mr. Amit Kumar Jain as Whole-time Director and Key Managerial Personnel of the Company for a term of three (3) years with effect from June 21, 2023 to June 20, 2025 (both days inclusive).

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 30th Annual General Meeting ("AGM') and being eligible, has offered himself for re-appointment. The resolution seeking the re-appointment of Mr. Amit Kumar Jain forms part of the Notice convening the ensuing AGM.

The profile and particulars of experience, attributes and 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 AGM.

Cessation of Directors during the financial year 2023-24

During the year under review, none of the directors have tendered their resignation.

Appointment/Resignation of Key Managerial Personnel

During the year under review:

i. Mr. Rakesh Tripathi tendered his resignation from the post of Chief Financial Officer and Key Managerial Personnel with effect from May 20, 2023;

ii. Mr. Suraj Gujja was appointed as Company Secretary and Key Managerial Personnel with effect from June 29, 2023.

The Board places on record its appreciation for the valuable services and support rendered by Mr. Rakesh Tripathi during his tenure as Chief Financial Officer of the Company.

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 DIRECTOR

The Independent Director ("ID") of the Company have submitted declaration that ID meet the criteria of independence as provided in Section 149(6) of the Act. There has been no change in the circumstances affecting their status as ID of the Company. In the opinion of the Board, the ID possess the requisite integrity, experience, expertise and proficiency required under all applicable laws and the policies of the Company.

The ID 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 from time to time, and have also declared that ID are enrolled in the databank of Independent Directors maintained by Indian Institute of Corporate Affairs and have qualified the online proficiency self-assessment test, as applicable.

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

A. Board of Directors' Meetings

During the year under review, four (4) Board meetings were convened and held on April 25, 2023, June 28, 2023, October 26, 2023 and December 11, 2023.

The maximum gap between any of the two consecutive meetings was in compliance with the provisions of Act, relevant rules made thereunder and Secretarial Standard-I Issued by Institute of Company Secretaries of India. 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 as on date are as follows:

Sr. No	Name	Category	No of Meetings attended
1.	Mr. Ashok Kini	Independent Director	4/4
2.	Mrs. Srividya Venkataraman	Nominee Director	3/4
3.	Mr. Amit Kumar Jain*	Whole-time Director	4/4

**Mr. Amit Kumar Jain was appointed as Whole-time Director and Key Managerial Personnel of the Company by the Board of Directors at its meeting held on November 24, 2022 subject to approval of Reserve Bank of India ("RBI"). The RBI vide its letter dated June 21, 2023 has accorded its approval for the appointment of Mr. Amit Kumar Jain.*

B. Audit Committee

The Board has constituted Audit Committee under section 177 of the Act and applicable laws prescribed by RBI. As on date of this report, the Committee was in accordance with the applicable provision of Act and RBI.

During the year under review, two (2) meetings of Audit Committee were held on June 28, 2023 and December 11, 2023.

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

Sr. No	Name	Category	No of Meetings attended
1.	Mr. Ashok Kini	Chairman, Independent Director	2/2
2.	Mrs. Srividya Venkataraman	Member, Nominee Director	2/2
3.	Mr. Amit Kumar Jain*	Member, Whole-time Director	2/2

**Mr. Amit Kumar Jain was appointed as Whole-time Director and Key Managerial Personnel of the Company by the Board of Directors at its meeting held on November 24, 2022 subject to approval of Reserve Bank of India ("RBI"). The RBI vide its letter dated June 21, 2023 has accorded its approval for the appointment of Mr. Amit Kumar Jain.*

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 Act and applicable laws prescribed by RBI. As on date of this report, the Committee was in accordance with the applicable provision of Act and RBI.

During the year under review, one (01) meeting of Nomination and Remuneration Committee was held on June 28, 2023.

Details of Members of the Committee and their attendance at the Nomination and Remuneration Committee Meeting as on date are as follows:

Sr. No	Name	Category	No of Meetings attended
1.	Mr. Ashok Kini	Chairman, Independent Director	1/1
2.	Mrs. Srividya Venkataraman	Member, Nominee Director	1/1
3.	Mr. Amit Kumar Jain*	Member, Whole-time Director	1/1

**Mr. Amit Kumar Jain was appointed as Whole-time Director and Key Managerial Personnel of the Company by the Board of Directors at its meeting held on November 24, 2022 subject to approval of Reserve Bank of India ("RBI"). The RBI vide its letter dated June 21, 2023 has accorded its approval for the appointment of Mr. Amit Kumar Jain.*

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

D. Risk and Asset Liability Management Committee

The Board has constituted Risk and Asset Liability Management Committee as per the laws prescribed by RBI along with the Master Directions as amended from time to time if any, specifying the Risk and Asset Liability framework to be adopted for the NBFC sector. As on date of this report, the Committee was in accordance with the applicable provision of RBI.

During the year under review, no meeting of Risk and ALM Committee was held.

Details of Members of the Committee as on date are as following:

Sr. no	Name	Category
1.	Mr. Ashok Kini	Chairman, Independent Director
2.	Mrs. Srividya Venkataraman*	Member, Nominee Director
3.	Mr. Amit Kumar Jain*	Member, Whole-time Director

**Mr. Amit Kumar Jain was appointed as Whole-time Director and Key Managerial Personnel of the Company by the Board of Directors at its meeting held on November 24, 2022 subject to approval of Reserve Bank of India (“RBI”). The RBI vide its letter dated June 21, 2023 has accorded its approval for the appointment of Mr. Amit Kumar Jain.*

E. IT Strategy Committee

The Board has constituted IT Strategy Committee as per the laws prescribed by Reserve Bank of India (“RBI”), along with the Master Directions as amended from time to time if any, specifying the IT framework to be adopted for the NBFC sector. As on date of this report, the Committee was in accordance with the applicable provision of RBI.

The scope of the Committee inter alia, includes review and approval of IT strategy and policy documents and any other matter related to IT governance.

During the year under review, two (2) meetings of the IT Strategy Committee meeting were held on June 28, 2023 and December 11, 2023.

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

Sr. No	Name	Category	No of Meetings attended
1.	Mr. Ashok Kini	Chairman, Independent Director	2/2
2.	Mr. Amit Kumar Jain*	Member, Whole-time Director	2/2
3.	Mr. Roshan Shrirao	Member,	2/2

**Mr. Amit Kumar Jain was appointed as Whole-time Director and Key Managerial Personnel of the Company by the Board of Directors at its meeting held on November 24, 2022 subject to approval of Reserve Bank of India (“RBI”). The RBI vide its letter dated June 21, 2023 has accorded its approval for the appointment of Mr. Amit Kumar Jain.*

COMPLIANCE WITH SECRETARIAL STANDARDS

During the year under review, the Company has complied with the applicable Secretarial Standard on meetings of the Board of Directors ("SS-1") and Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India.

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 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 Act read along with the Rules made thereunder. There were no material changes in the policy during the financial year 2023-24. The Policy is available on the website of the Company i.e. www.finofinance.in.

The Independent Director receives remuneration by way of sitting fees for attending each meeting of the Board and its Committees. The Board approved the payment of sitting fees of ₹50,000/- per Board meeting and ₹25,000/- per Committee meeting, respectively to the Independent Director.

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 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 element of risk which may threaten the existence of the Company.

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

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. The Audit Committee reviews the functioning of the Vigil Mechanism from time to time. None of the Whistle Blowers has been denied access to the Audit Committee.

Details of the Vigil Mechanism policy are made available on the Company's website i.e. www.finofinance.com.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 134 (3)(c) of the Companies Act, 2013, it is hereby confirmed that:

(a) in the preparation of the annual accounts for the financial year ended March 31, 2024, 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 at March 31, 2024 and loss of the Company for the financial year ended March 31, 2024;

(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 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;

(e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(f) 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.

AUDITORS

Statutory Auditors and their Report

M/s. Tibrewal Chand & Co., Chartered Accountants (ICAI Firm Registration No. 311047E) were appointed as the Statutory Auditor of the Company for a term of five (5) years, commencing from the conclusion 28th AGM till the conclusion of the 32nd AGM of the Company to be held in the year 2026.

The Statutory Auditors of the Company have conducted the Statutory Audit of the Company for the financial year ended March 31, 2024. The Notes referred in the Auditors' Report are self-explanatory.

The Audited Financial Statements of the Company for the financial year ended March 31, 2024, have been prepared in accordance with the Indian 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. There are no qualification or reservation or adverse remark or disclaimers given by the Statutory Auditors.

REPORTING OF FRAUDS BY AUDITORS

During year under review, the Statutory Auditors of the Company has not reported any instances of frauds committed in the Company by its officers or its employees to the Audit Committee under section 143(12) of the Act.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & 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 Act read with Rule 8(3) of the Companies (Account) Rules, 2014 are set out in the **Annexure-A** to the Board's Report.

RELATED PARTY TRANSACTIONS

All the Related Party Transactions ("RPTs") that were entered into during the financial year were on an arm's length basis and were in ordinary course of business. Transactions entered into by the Company with related parties in the normal course of its business were placed before the Audit Committee. Prior omnibus/specific approval for normal transactions were also obtained from the Audit Committee for the RPTs which are of repetitive in nature and for the transactions which are of unforeseen nature. Also, ratification of the RPTs were made, wherever required. A statement giving details of all RPTs entered pursuant to the omnibus approval so granted, was placed before the Audit Committee for their review.

There were no transactions entered into individually or taken together with the previous transactions during the financial year with related parties, which were not in the normal / ordinary course of the business of the Company, nor were there any transactions with related parties or others, which were not on an arm's length basis. Hence, pursuant to Section 134(3)(h) of the Act, read with Rule 8(2) of the Companies (Accounts) Rules, 2014, there are no RPTs to be reported under Section 188(1) of the Act. Hence, Form AOC-2 is not applicable to the Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of Loans given, Investment 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, 2024, forms part of the Financial Statements.

ANNUAL RETURN

In accordance with the provision of Section 92 (3) of the Act, the copy of the Annual Return in the prescribed Form No. MGT-7 is uploaded on website of the Company at www.finofinance.com.

DETAILS OF HOLDING/SUBSIDIARY/ASSOCIATE COMPANIES

The Company does not have any subsidiary, joint venture or associate Company. The details of Holding Company are given below:

Sr. No.	Name of the Company	Whether incorporated/ acquired/ converted	Year of Incorporation/ acquisition	Status
1.	Fino PayTech Limited	Incorporated	2006	Holding Company

DISCLOSURES UNDER THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL 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.

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

The Company has formulated and adopted a Policy on Prevention of Sexual Harassment of Women at workplace. The Company has complied with the provisions relating to the constitution of Internal Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The information relating to complaints received and disposed off during the financial year 2023-24 are as follows:

- No. of complaints received : NIL
- No. of complaints disposed off : NIL
- Number of cases pending for more than 90 days : NIL
- Number of workshops/awareness programmes against sexual harassment carried out : One
- Nature of action taken by the employer or District Officer : Not Applicable

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 accepted any deposits during the year in accordance with Chapter V of the Act.

ii) No significant and material orders passed by the Regulators, Courts or Tribunals during the year impacting the going concern status and Company's operations in future.

iii) The Company has adopted adequate and effective internal financial controls with reference to the financial statements.

iv) There is no requirement to appoint Secretarial, Internal and Cost Auditor by the Company.

v) The provision for the Corporate Social Responsibility as under Section 135(1) of the Companies Act, 2013 is not applicable to the Company.

vi) 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.

vii) The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Companies Act, 2013 read with Rule 8(13) of the Companies (Share Capital and Debentures) Rules, 2014 is furnished.

viii) During the year under review, the Company had received approval letter from Reserve Bank of India ("RBI") for Prepayment of Subordinated Unsecured Term Loan of ₹20,00,00,000 (Rupees twenty crores only) granted by IDFC First Bank Limited (erstwhile Capital First Limited). The Company has paid the entire amount of the Subordinated Unsecured Term Loan to IDFC First Bank along with the proportionate interest.

ix) Apart from the details given in this Board's Report, there were no material changes commitments affecting the financial position of your Company between the end of financial year (March 31, 2024) and the date of the report.

DISCLOSURE OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE 2016 DURING THE YEAR ALONG WITH 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.

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 of Directors of your Company would like to place on record its sincere appreciation for the contribution made by the Employees of the Company during the year under review. Your Directors thank the 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, Financial Institutions and the Shareholders for their co-operation and assistance extended to the Company.

For and on behalf of the Board of Directors

	Ashok Kini	**Amit Kumar Jain**
Date: July 05, 2024	Independent Director	Whole-time Director
Place: Navi Mumbai	DIN: 00812946	DIN: 08353693

Annexure-A

Annexure to the Board's Report

INFORMATION RELATING TO CONSERVATION OF ENERGY AND FOREIGN EXCHANGE EARNINGS/ OUTGO FORMING PART OF THE DIRECTORS' 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.
- Switching off most of the lights and air condition units after 7 pm., with only essential lighting remaining on to prevent energy wastage. Additionally, all workstation area air conditioners are turned off during lunch hours from 1.00 p.m. to 2.00 p.m. except in the cafeteria.
- Maintaining a consistent power factor through the use of a capacitor bank.
- Installing sun control film and blinds throughout the office to keep it cool and reduce the air conditioning usage.

The Company is committed to continuously improving its energy performance year after year.

B. Foreign Exchange Earnings and Outgo

There is no Foreign Exchange Earnings and Outgo during the financial year ended March 31, 2024.

For and on behalf of the Board of Directors

	Ashok Kini	**Amit Kumar Jain**
Date: July 05, 2024	Independent Director	Whole-time Director
Place: Navi Mumbai	DIN: 00812946	DIN: 08353693

Fino Finance Private Limited

Financial Statements
together with Auditors' Report
for the year ended 31 March 2024

Independent Auditor's Report

To
The Members
Fino Finance Private Limited

Report on Audit of the Financial Statements

1. We have audited the accompanying Financial Statements of **Fino Finance Private Limited (the "Company")**, which comprise the Balance Sheet as at March 31, 2024, 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 ended on that date and notes to the financial statements, including a summary of the material accounting policies and other explanatory information (hereinafter referred to as the "Financial Statements").

   In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements, give the information required by the Companies Act, 2013 ("the Act") in the manner so required and are in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules , 2015 as amended and other accounting principles generally accepted in India and give a true and fair view of the state of affairs of the Company as at March 31, 2024 and its losses, other comprehensive income, statement of changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

2. We conducted our audit of the Financial Statements 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 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 Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Emphasis of Matter

3. We draw attention to Note 75 in the financial statements, which describes that the Reserve Bank of India (RBI) has approved the application for voluntary surrender of Certificate of Registration (CoR) of the Company on June 05, 2024 vide order dated May 30, 2024. This event is significant to the operations and future of the Company. Our opinion is not modified in respect of this matter.

Information other than the Financial Statements and Auditor's Report Thereon

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in Board's report, but does not include the Financial Statements and our Auditor's report thereon.

   Our opinion on the 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 Financial Statements, our responsibility is to read the other information 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.

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 to those charged with governance under SA 720 'The Auditors Responsibility Relating to other Information'. We have nothing to report in this regard.

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

5. 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 Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting standards and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and are fair view and free from material misstatement, whether due to fraud or error.

   In preparing the Financial Statements, Management and Board of Directors is responsible for assessing the Company's ability to continue as 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 the Company's operations, or has no realistic alternative but to do so.

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

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

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

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

   - Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system 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 going concern. If we conclude that material uncertainty exists we are required to draw attention in our Auditor's report to the related disclosures in the Financial Statements or if such disclosures are inadequate to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation structure and content of the Financial Statements including the disclosures and whether the Financial Statements represent the underlying transactions and events in the manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning of the scope of our audit work and evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

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

We also provide those charged with governance with a statement that we have complied 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements for the year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our Auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.

   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 Account, the statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid 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 as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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 over financial reporting 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 does not have any pending litigations which would impact its financial position;

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

   iii. There were no amounts which were required to be transferred to the Investors Education and Protection Fund by the Company;

   iv. A) Under Rule 11(e)(i)

   The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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) Under Rule 11(e) (ii)

   The Management has represented, that, to the best of it's knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company 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;

   C) Under Rule 11(e) (iii)

Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard, nothing has come to our notice that has caused us to believe that the representations under sub-clause A) and B) above, contain any material misstatement;

v. The Company has neither declared nor paid any dividend during the year;

vi. According to the information and explanations given to us, no managerial remuneration was paid by the Company. Therefore, the provisions of section 197 of the Act shall not attract to the Company.

vii. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 that has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, as amended is applicable for the Company only w.e.f. 1st April 2023, therefore, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

Yours Sincerely

For **Tibrewal Chand & Co**
Chartered Accountants
Firm Registration Number: 311047E

Deepesh Jain
Partner
Membership No.: 170085
UDIN:

Place: Mumbai
Date: July 05, 2024

ANNEXURE A TO BE THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on other Legal and Regulatory Requirements' section of our report of even date)

(1) In respect of the Company's Property, Plant and Equipment:

a. The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment and Intangible assets.

b. The Property, Plant and Equipment of the Company have been physically verified by the Management in accordance with the regular programme of verification, which in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies have been noticed on such verification.

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) which are held in the name of the Company. 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 assets) and its intangible assets. Accordingly, the requirements under paragraph 3(i)(d) of the Order are 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) According to the information and explanations given to us and based on our examination of the records of the company, we report that;

a. The Company is involved in the business of rendering services. Accordingly, the provisions stated in paragraph (ii) (a) of the Order are not applicable to the Company.

b. The Company has not been sanctioned working capital limits. Accordingly, the requirements under paragraph 3(ii)(b) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us and based on our examination of the records of the company, we report that:

a. As the principal business of the Company is to give loans. Accordingly, the provision stated in paragraph 3(iii) (a) is not applicable to the Company.

b. In relation to investments, guarantees provided, securities given, according to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the terms and conditions of the loans and advances provided are not prejudicial to the interest of the Company.

c. In case of the loans and advances in the nature of loan, schedule of repayment of principal and payment of interest have been stipulated and the borrowers have been regular in the payment of the principal and interest except for the instances where there are delays or defaults in repayment of principal and/ or interest and in respect of which the Company has recognised necessary provisions in accordance with the principles of Indian Accounting Standards (Ind AS) and the guidelines issued by the Reserve Bank of India ("RBI") for Income Recognition and Asset Classification. (which has been disclosed by the Company in Note 5 to the financial statements.

d. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the details of amount overdue for more than ninety days are as follows:

No. of Cases	Principal amount overdue(In Lacs)	Interest overdue (In Lacs)	Total overdue (In Lacs)	Remarks (specify whether reasonable steps have been taken by the Company for recovery of principal amount and interest)
24,461	2,486.74	385.72	2,872.46	The Company has made 100% provision on all overdue loans.

e. Since, the principal business of the Company is to give loans. Accordingly, the provisions stated in paragraph 3(iii)(e) is not applicable to the company.

(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) According to the information and explanations given to us, the Company has not accepted any deposit during the year and hence directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provision of the Act and Rules framed thereunder are not applicable.

(vi) Having regard to the nature of the Company's business/activities, reporting under clause (vi) of CARO 2020 with respect to maintenance of cost records under section 148 (1) of the Act is not applicable.

(vii) According to the information and explanations given to us and based on our examination of the records of the company, we report that in respect of statutory dues:

a. The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Goods and service tax and other material statutory dues applicable to it to the appropriate authorities.

Having regard to the nature of the company's business/activities, excise duty and cess is not applicable and activities of the company did not give rise to due on account of customs duty.

b. According to the information and explanations given to us, undisputed dues in respect of provident fund, employee's 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, 2024 for a period of more than six months from the date they became payable are as follows:

1. Nature of dues: **Income tax**

Nature	Amount	Period to which amount relates	Forum where dispute is pending	Remarks, if Any
Income tax	10,54,533	2017-18	CIT Appeals	NA

(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 is 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) According to the information and explanations given to us and based on our examination of the records of the company, we report that;

a. The Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.

b. 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, money raised by way of term loans during the year have been applied for the purpose for which they were raised.

d. According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the 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. 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. The Company has not raised loans during the year on the pledge of securities held in its securities, joint ventures or associate companies.

(x) According to the information and explanations given to us and based on our examination of the records of the Company, we report that;

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. 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) 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,

a. During the course of our 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 or on the Company during the course of our audit (Previous year Rs.1.02 Lakh) to the RBI.

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 financial statement for the year ended March 31, 2024, (Previous year Rs.1.02 Lakh) to the RBI.

c. As represented to us by the Management, there are no whistle-blower complaints received by the Company during the course of audit. Accordingly, the provision stated in paragraph (xi) (c) of the Order is not applicable to company.

(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 (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 financial statements as required by the applicable accounting standards.

(xiv) The Company has internal audit system commensurate with the size and nature of the business and we have considered Internal Audit reports issued by Internal Auditors during the audit.

(xv) In our opinion and according to the information and explanations given to us, during the year the company has not entered into any Non-Cash transactions with its directors or directors of its holdings, subsidiary or associates company or persons connected with them and hence provisions of sections 192 of the companies Act, 2013 are not applicable to the company. Accordingly, the provisions stated in paragraph (xv) of the Order are not applicable to the Company.

(xvi) According to the information and explanations give to us, in respect of Registration RBI Act:

a. The Company is required to and has been registered under Section 45-IA of the Reserve Bank of India Act, 1934 as Non-Banking Financial Company ("NBFC"). However, on June 05, 2024, the Company has received approval for surrender of Certificate of Registration (CoR).

b. In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities without any valid Certificate of Registration from 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 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 any CIC as part of its group. Hence the provisions stated in paragraph xvi (d) of the order are not applicable to the Company.

(xvii) Based on the overall review of financial statements, the Company has incurred cash losses in the current financial year and in the immediately preceding financial year. The details of the same are as follows:

Particulars	**March 31, 2024 (Rs. In Lakhs)**	**March 31, 2023 (Rs. In Lakhs)**
Cash Losses	-389.63	-974.03

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) is not applicable,

(xix) According to the information and explanations given to us and based on our examination of financial ratios, ageing and expected date of realization of financial assets and payment of liabilities, other information accompanying the financial statements, 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 audit report and the company is capable of meeting its liabilities existing at 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 explanations given to us, the provisions of section 135 of the Act are not applicable to the Company. Hence, the provisions of paragraph (xx) (a) to (b) of the Order are not applicable to the Company.

(xxi) Since company is standalone entity and hence reporting under clause (xxi) of CARO 2020 with respect to Qualification or adverse remarks in CARO reports of group companies is not applicable.

Yours Sincerely

For **Tibrewal Chand & Co**
Chartered Accountants
Firm Reg. No.: 311047E

Deepesh Jain
Partner
Membership No.: 170085
UDIN:

Place: Mumbai
Date: July 05, 2024

Annexure B to the Independent Auditor's Report

Independent Auditor's Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub – section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. We have audited the Internal Financial Controls over Financial Reporting of Fino Finance Private Limited ("the Company") as of 31 March 2024 in conjunction with our audit of financial statements of the Company for the period ended on that date.

Management's Responsibility for Internal Financial Controls over financial reporting.

2. The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ("ICAI"). 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 the 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

3. Our responsibility is to express an opinion on the Company's internal financial control over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and Standards on Auditing ("the Standard"), 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 control over financial reporting, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

5. 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 control over financial reporting.

Meaning of Internal Financial Control over Financial Reporting

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

Inherent Limitation of Internal Financial Control over Financial Reporting

7. Because of the inherent limitation of internal financial control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements

due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2024 based on the internal control over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

Yours Sincerely

For **Tibrewal Chand & Co**
Chartered Accountants
Firm Reg. No.: 311047E

Deepesh Jain
Partner
Membership No.: 170085
UDIN:

Place: Mumbai
Date: July 05, 2024

1. 1. Background

Fino Finance Private Limited (henceforth referred to as 'the Company') was incorporated on 8 March 1994. The Company is non-banking financial company – Non-systematically important - non-deposit accepting (NBFC-NSI-ND) registered with the RBI.

It is engaged in providing finance to poor women in rural areas of India who are organized as Joint Liability Groups ('JLG'). The company has been NBFC-Micro Finance Institution (NBFC-MFI) License with effect from 9th March 2015.

1.2 Material Accounting Policies

1.2.1 Basis of preparation of financial statements

These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) to comply with Section 133 of the Companies Act, 2013 ("the 2013 Act"), read with Companies (Indian Accounting Standards) Rules, 2015, and other relevant provisions of the Act and Rules there under, as amended from time to time.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to the existing accounting standard requires a change in the accounting policy hitherto in use.

1.2.2 Functional and presentation currency

These financial statements are presented in Indian rupees (INR), which is the Company's functional currency. All amounts have been rounded off to two decimal places to the nearest lakhs, unless otherwise indicated.

1.2.3 Basis of preparation

The financial statements have been prepared on the historical cost convention on the accrual basis except for the following items:

- certain financial assets and liabilities that may be measured at fair value; and
- share-based payments.

1.2.4 Presentation of Financial Statement

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III of Schedule III to the Companies Act, 2013 ("the Act") applicable for Non-Banking Finance Companies ("NBFC"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows".

1.2.5 Use of estimates and judgments

In the process of applying the Company's accounting policies, management has made the following estimates and judgments, which have a significant impact on the carrying amounts of assets and liabilities at each balance sheet date.

- **Determination of the estimated useful lives and residual value of assets**

  Useful lives of assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, useful lives and residual values are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

- **Recognition and measurement of defined benefit obligations**

  The obligation arising from defined benefit plan is determined on the basis of actuarial valuation using projected unit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy and withdrawal rate. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions.These assumptions are reviewed at each reporting date.

- **Recognition of deferred tax assets**

  Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits, at the rates that have been enacted or substantively enacted at the reporting date. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized. Accordingly, the Company exercises its judgment to reassess the carrying amount of deferred tax assets at the end of each reporting period.

- **Expected credit loss**

  Expected credit loss is to be recognised for financial assets when upon assessment, the credit risk on the financial asset has increased significantly since initial recognition. The measurement of ECL includes both quantitative and qualitative information and analysis, based on Company's historical experience and credit assessment including the incorporation of forward-looking information.

  The inputs used and process followed by the Company in determining the ECL have been detailed in Note 27.

1.2.5 Use of estimates and judgments (Continued)

- **Fair valuation of employee share options**

  The fair valuation of the employee share options is based on the Black-Scholes model used for valuation of options. Key assumptions made with respect to expected volatility includes share price, expected dividends and discount rate, under this option pricing model.The assumptions and models used for estimating fair value for share based payments transactions are discussed in Note 30.

- **Fair value measurement of financial instruments**

  When the fair values of the financial assets and liabilities recorded in the balance sheet cannot be measured based on the quoted market prices in active markets, their fair value is measured using valuation technique. The inputs to these models are taken from the observable market where possible, but where this is not feasible, a review of judgement is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

- **Recognition and measurement of other provisions**

  The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the amount included in other provisions.

- **Effective interest rate**

  All financial assets/liabilities are required to be measured at fair value on initial recognition. In case of financial assets which are required to subsequently measured at amortised cost, interest is accrued using the effective interest method.

  The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected behavioral life of the financial asset to the gross carrying amount of the financial asset.

  This estimation, by nature, requires an element of judgment regarding the expected behavior and life-cycle of the instruments, the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges) as well expected changes to the base rate and other transaction costs and fees paid or received that are integral parts of the instrument.

- **Leases**

  Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. Assessment is made on the expected lease term on a lease-by-leasebasis and thereby it assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to companies operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

1.2.5 Use of estimates and judgments (Continued)

After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contracts.The determination of the incremental borrowing rate used to measure lease liabilities.

- **Business model assessment**

Classification and measurement of financial assets depends on the results of the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

- **COVID 19**

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues and investment in subsidiaries. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

The preparation of financial statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the balance sheet, statement of profit and loss and disclosure of contingent liabilities. The actual amounts realized may differ from these estimates. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised,and future periods are affected. The estimates and judgements that have significant impact on the carrying amount of assets and liabilities at each balance sheet date are discussed in Note 1.2.5.

1.2.6 Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values for financial instruments.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- *Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.*

1.2.6 Measurement of fair values (Continued)

- *Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).*
- *Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).*

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

1.2.7 Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost of an item of property, plant and equipment comprises:

a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;

b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management;

c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period;

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in profit or loss.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment.

Property, plant and equipment is de-recognised on disposal or when no future economic benefits are expected from its use.Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date are disclosed as other non- current assets or other current assets as applicable. The cost of fixed assets not ready for their intended use at each balance sheet date is disclosed as capital work-in-progress.

1.2.7 Property, plant and equipment (Continued)

ii. Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation

Depreciation is provided as per the useful life on written down value as under Schedule II of the Companies Act, 2013, except in case of Computers (excluding servers), where the management estimates the useful lives to be 5 years instead of 3 years and plant & machinery , where the management estimates the useful lives to be 5 years instead of 8 years as prescribed under Schedule II.

Assets costing less than INR 5,000 are depreciated at 100% in the year of acquisition.The Company uniformly estimates a zero residual value for all these assets.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. Based on technical evaluation of management and consequent advice, the management believes that its estimates of useful lives as given below best represent the period over which management expects to use these assets.

Class of asset	Management estimate of useful life	Useful life as per Schedule II
Computer	5 Years	3 Years
Office equipment	5 Years	5 Years
Plant and machinery	5 Years	8 Years
Furniture and fixtures	10 Years	10 Years
Vehicle	8 Years	8 Years

Lease hold improvements are amortised on a straight-line basis over the period of lease.

1.2.8 Intangible asset

An Intangible asset is recognised only when its cost can be measured reliably, and it is probable that the expected future economic benefits that are attributable to it will flow to the Company. Intangible assets acquired separately are measured on initial recognition on cost. Following initial recognition intangible assets are carried at cost less accumulated amortization and any accumulated impairment losses.

Intangible assets are amortised over a period of five years with zero residual value.

1.2.9 Impairment of Non-Financial assets

The carrying values of assets at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and if the carrying amount of these assets exceeds their recoverable amount, impairment loss is recognised in the statement of profit and loss as an expense, for such excess amount.

1.2.9 Impairment of Non-Financial assets (Continued)

The recoverable amount is the greater of the net selling price and value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased such reversal of impairment loss is recognised in the statement of profit and loss.

1.2.10 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a. Financial assets

Classification

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

All financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at FVTPL) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at FVTPL are recognised immediately in profit or loss.Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Classification and Subsequent measurement

i. Debt instruments carried at amortised cost

- A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

  a) The asset is held within a business model whoseobjective is to hold assets for collecting contractual cash flows, and

  b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The EIR method is a method of calculating the amortised cost of a financial asset and of allocating interest over the relevant period. The EIR is the rate that exactly discounts estimated future cash flows (including all fees paid or received that form an integral part of the EIR, transaction costs and other premiums or discounts) through the expected life of the asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

1.2.10 Financial Instruments (Continued)

a. Financial assets (Continued)

Interest income is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. Assets recognised at amortised cost include trade and other receivables, fixed deposits, security deposits, cash and cash equivalents and bank balances in current account.

ii. Debtinstruments measured at fair value through other comprehensive income (FVOCI)

Any debt instrument is measured at FVOCI if it is held within a business model whose objectiveis achieved by collecting contractual cash flows and selling financial assets and the contractual terms of the debt instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Amounts recorded in OCI are subsequently transferred to the statement of profit and loss in case of debt instruments however, in case of equity instruments it will be directly transferred to reserves. Equity instruments at FVOCI are not subject to an impairment assessment.

iii. Debtinstruments at fair value through statement of profit and loss (FVTPL)

- Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.
- In addition, the Company may elect to classify a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as ‘accounting mismatch’).
- Financial asset that do not meet the SPPI criteria are measured at FVTPL with all subsequent changes in the fair value recognized in statement of profit and loss.

iv. Equity investments

- All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to classify the same either as at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.
- If the Company decides to classify an equity instrument as FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is norecycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.
- Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains

1.2.10 Financial Instruments (Continued)

substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

Impairment of financial assets

IndAS 109 replaces the incurred loss model with a forward looking ‘expected credit loss model’ (ECL). This requires considerable judgment over how changes in economic factors affect ECL’s, which will be determined on a probability-weighted basis.

The Company applies expected credit loss model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Loans and debt instruments that are measured at amortised cost e.g., loans, debt securities,deposits, and bank balance.

b) Other receivables - The application of simplified approach does not require the Companyto track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, security like letters of credit, security deposit collected etc. and expectations about future cash flows.

b. Financial liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss.

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable and incremental transaction cost.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost and the carrying amounts are determined based on EIR method. Interest expense is included as finance costs in the statement of profit and loss.

1.2.10 Financial Instruments (Continued)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

The Company's financial liabilities includes trade and other payables, loans and borrowings etc.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. A new liability based on the modified terms is recognised at fair value. The difference between carrying amount of original financial liability and a new financial liability with modified terms is recognised in the statement of profit or loss.

c. Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

d. Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recognised at the proceeds received net of direct issue cost.

e. Compound instrument

A compound financial instrument which contains both a liability and an equity component is separated at the issue date. The liability component of a compound financial instrument is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest rate method. The equity component of a compound financial instrument is not remeasured subsequently.

Interest related to the financial liability is recognised in profit or loss (unless it qualifies for inclusion in the cost of an asset). In case of conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognised.

1.2.10 Financial Instruments (Continued)

f. Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantees are initially recognised at fair value. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation recognised in the statement of profit and loss.

g. Reclassification

Financial assets are not reclassified subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line or in the period the Company changes its business model for managing financial assets. Financial liabilities are not reclassified.

1.2.11 Securitization Transactions

The company securitizes its loans through Special Purpose Vehicles (‘SPV’). Loans securitized to the SPV are analyzed in accordance with Ind AS 109 in order to determine whether the assets transferred to the vehicle shall be derecognized. Where the company continues to hold substantially all the risks and rewards of ownership of the financial assets, the company shall continue to recognize the financial assets.

Post securitization, the company continues to service the loans transferred to the SPV. The company provides credit enhancements in the form of cash collaterals to the SPV.

1.2.12 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of Companyat the exchange rates at the dates of the transactions.

At each balance sheet date, monetary assets and liabilities denominated in foreign currencies are reported at prevailing closing spot rate. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Exchange differences are recognized in profit or loss. Foreign currencynon-monetary items that are measured based on historical cost are not retranslated.

1.2.13 Revenue recognition

Revenue from contracts with the customers is based on the core principle that an entity recognizes revenue to depict the transfer of promised goods or services to customer in an amount that reflects the consideration to which it expects to be entitled in exchange for those goods and services. Revenue is recognised on satisfaction of performance obligations by applying five-step model.

i. Interest income on a financial asset at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ('EIR'). The EIR is the rate that exactly discounts estimated future cash flows of the financial assets through the expected life of the financial asset or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The internal rate of return on financial assets after netting off the fees received, and cost incurred approximates the effective interest rate method of return for the financial asset. The future cash flows are estimated taking into account all the contractual terms of the instrument.

   The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for ECLs).

ii. Loan processing fees are amortized over the tenor of the loan.

iii. Revenue from services charges is recognized over the period of time as the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.

1.2.14 Employee benefits

i. Short term employee benefits

Short term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid within twelve months if the Company has a present or legal constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. These benefits include salaries and wages, bonus and exgratia.

ii. Defined contribution plans

Provident fund

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.

iii. Defined benefit plans

The following post – employment benefit plans are covered under the defined benefit plans:

1.2.14 Employee benefits (Continued)

Gratuity Fund

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. Net interest expense /(income) on the net defined liability/ (assets) is computed by applying the discount rate, used to measure the net defined liability/ (asset), to the net defined liability /(asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

Compensated absences balance up to 7 days is 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. The obligation is measured on the basis of an annual independent actuarial valuation.

Share Based Payments

The grant date fair value of options granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The expense is recorded on straight line basis over the period over which the employee would be entitled to apply for the options (i.e. vesting period). The amount recognized as an expense is adjusted to reflect the actual number of stock options that vest at the end of each reporting period.

1.2.15 Leases

Company as a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the

1.2.15 Leases (Continued)

same basis as those of the underlying assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at amortised cost at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments.
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Carrying amount of lease liabilities is increased by interest on lease liability and reduced by lease payments.

Short-term leases and leases of low-value assets

The company has availed for the exemption as permitted under this standard, not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

1.2.16 Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash in hand at bank and short-term investments with original maturity of three months or less.

1.2.17 Taxation

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the Income Tax Act, 1961), deferred tax charge or benefit (reflecting the tax effect of timing differences between accounting income and taxable income for the period).

Current tax

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 in respect of taxable income for the year and any adjustment to the tax payable or receivable in respect of previous years.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in the computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the reporting date.The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences and carried forward to the extent that it is probable that future taxable profits will be available against which they can be used.

Transaction or event which is recognised outside profit or loss, either in other comprehensive income or in equity, is recorded along with the tax as applicable.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, to the extent it would be available for set off against future current income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably, and it is probable that the future economic benefit associated with the asset will be realized.

MAT Credit

MAT under the provisions of the Income Tax Act, 1961 is recognized as current tax in the statement of profit and loss. The credit available under the Income Tax Act, 1961 in respect of MAT paid is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT can be carried forward for set off against the normal tax liability. MAT credit recognized as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

1.2.18 Provisions and contingent liabilities

The Company recognises a provision when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

A disclosure for a contingent liability is made when there is a possible obligation arising from past events the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that may arise from past events but probably not require an outflow of resources to settle the obligation. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision disclosure is made.

Contingent assetsarenot recognized but disclosed in the financial statements where an inflow of economic benefit is probable.

1.2.19 Earnings per share

Basic Earnings per share is calculated by dividing the net profit for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

1.2.20 Borrowing cost

Expense related to borrowing cost are accounted using effective interest rate. Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowings of funds. Borrowing costs are directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as a part of the cost of that asset. Other borrowing costs are recognized as an expense in the period which they are incurred.

1.2.21 Standards issued but not yet effective

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as amended from time to time. There are no such recently issued standards or amendments to the existing standards for which the impact on the financial statements is required to be disclosed.

However, on 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 1 April 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head ‘financial liabilities’, duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under ‘additional regulatory requirement’ such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head ‘additional information’ in the notes forming part of the financial statements.

These amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

FINO Finance Private Limited

Balance sheet as at 31 March 2024

	Notes	As at 31 March 2024 INR Lakhs	As at 31 March 2023 INR Lakhs
I. ASSETS			
(1) Financial assets			
(a) Cash and cash equivalents	2	390.68	97.14
(b) Bank balances other than (a) above	3	2,478.66	2,467.16
(c) Receivables			
(i) Trade receivables	4	1.28	111.60
(d) Loans	5	-	87.62
(e) Other financial assets	6	2.37	5.80
Total financial assets		**2,872.99**	**2,769.32**
(2) Non-financial assets			
(a) Current tax assets (Net)		25.78	61.93
(b) Property, plant and equipment	7	36.26	40.79
(c) Right-of-use asset	27	-	-
(d) Other Intangible assets	8	-	-
(e) Other non-financial assets	9	42.56	35.86
Total non-financial assets		**104.60**	**138.58**
TOTAL ASSETS		**2,977.59**	**2,907.90**

		As at 31 March 2024 INR Lakhs	As at 31 March 2023 INR Lakhs
II. LIABILITIES AND EQUITY			
(1) Financial liabilities			
(a) Payables			
(i) Trade payables	10		
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		47.40	95.92
(b) Borrowings (other than debt securities)	11	-	-
(c) Subordinated liabilities	12	1,995.45	1,993.07
(d) Other financial liabilities	13	110.39	114.09
(e) Lease liabilities	14	-	-
Total financial liabilities		**2,153.24**	**2,203.08**
(2) Non-financial liabilities			
(a) Current Tax Liabilities		-	81.92
(b) Provisions	15	51.48	125.55
(c) Other non-financial liabilities	16	4.34	15.70
Total non-financial liabilities		**55.82**	**223.17**
(3) Equity			
(a) Equity share capital	17	4,757.68	4,157.68
(b) Other equity	18	(3,989.15)	(3,676.03)
Total equity		**768.53**	**481.65**
TOTAL LIABILITIES AND EQUITY		**2,977.59**	**2,907.90**

For Tibrewal Chand & Co
Chartered Accountants
Firm's Registration Number: 311047E

For and on behalf of the Board of Directors of
Fino Finance Private Limited

Deepesh Jain
Partner
Membership Number: 170085

Ashok Kini
Non Executive-
Independent Director
DIN 00812946

Amit Kumar Jain
Whole Time Director
DIN 08353693

Suraj Gujja
Company Secretary
Memb. No.: A49812

Mumbai
05 July 2024

FINO Finance Private Limited

Statement of profit and loss for the Year ended 31 March 2024

	Notes	For the Year ended 31 March 2024	For the year ended 31 March 2023
		INR Lakhs	**INR Lakhs**
Revenue from Operations			
(i) Interest income	19	205.09	276.32
(ii) Fees and comission income	20	21.38	193.72
I. Total Revenue from operations		**226.47**	**470.04**
II. Other income	21	-	0.82
III. Total Income (I+II)		**226.47**	**470.86**
Expenses			
(i) Finance costs	22	297.57	292.09
(iii) Impairment on financial instruments	23	(16.82)	(412.32)
(iv) Employee benefits expenses	24	137.21	809.91
(v) Depreciation and amortization expenses		3.79	11.96
(vi) Other expenses	25	181.30	342.90
Total Expenses (IV)		**603.05**	**1,044.54**
V. Profit/(loss) before Exceptional Items and Tax (III-IV)		**(376.58)**	**(573.68)**
VI. Exceptional Items		-	-
VII. Profit/(loss) before Tax (V-VI)		**(376.58)**	**(573.68)**
VIII. Tax expense:			
1. Current Tax		-	-
2. Deferred Tax		-	-
3. Tax provision for earlier years		(31.64)	-
IX. Profit/(Loss) for the year		**(344.94)**	**(573.68)**
X. Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
Items that will not be reclassified to profit or loss		31.11	(2.59)
Income tax related to items that will not be reclassified to profit or loss		-	-
		31.11	**(2.59)**
(ii) Items that will be reclassified to profit or loss			
Items that will be reclassified to profit or loss			-
Income tax related to items that will be reclassified to profit or loss			-
		-	-
Other comprehensive income (net of tax)		**31.11**	**(2.59)**
XI. Total comprehensive income for the year (IX + X)		**(313.83)**	**(576.28)**
XII. Earnings per equity share			
1. Basic earnings per share	38	(0.79)	(1.38)
2. Diluted earnings per share	38	(0.79)	(1.38)
Nominal value per share Rs.10 each			

For Tibrewal Chand & Co
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FINO Finance Private Limited

Statement of Changes in Equity (SOCIE) for the Year ended 31 March 2024

(a) Equity share capital

(INR in Lakhs)

	As at 31 March 2024		As at 31 March 2023	
	No. of Shares	**Amount**	**No. of Shares**	**Amount**
Balance at the beginning of the reporting period	41,576,807	4,157.68	41,576,807	4,157.68
Changes in equity share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the reporting period	**41,576,807**	**4,157.68**	**41,576,807**	**4,157.68**
Changes in equity share capital during the year	6,000,000	600.00	-	-
Balance at the end of the reporting period	**47,576,807**	**4,757.68**	**41,576,807**	**4,157.68**

(b) Other equity

(INR in Lakhs)

Particulars	Reserves & Surplus				Total
	Retained Earnings	**Statutory Reserve (as per RBI Act)**	**Deemed equity**	**Securities Premium Reserve**	
Balance at 01 April 2022	**(18,012.12)**	**175.87**	**229.34**	**14,504.47**	**(3,102.44)**
Total comprehensive income for the Year ended 31 March 2023					
Profit for the year	(573.68)	-	-	-	**(573.68)**
Other comprehensive income (net of tax)	(2.59)	-	-	-	**(2.59)**
Total comprehensive income for the Year	**(576.28)**	**-**	**-**	**-**	**(576.28)**
Deemed equity	-	-	2.68	-	**2.68**
Proceeds from Issue of Shares	-	-	-	-	**-**
Share issue expenses adjusted	-	-	-	-	**-**
Balance at 31 March 2023	**(18,588.39)**	**175.87**	**232.01**	**14,504.47**	**(3,676.04)**
Balance at 01 April 2023	**(18,588.39)**	**175.87**	**232.01**	**14,504.47**	**(3,676.04)**
Total comprehensive income for the Year ended 31 March 2024					
Profit for the period	(344.94)	-	-	-	**(344.94)**
Other comprehensive income (net of tax)	31.11	-	-	-	**31.11**
Total comprehensive income for the Year	**(313.82)**	**-**	**-**	**-**	**(313.82)**
Deemed equity	-	-	0.71	-	**0.71**
Balance at 31 March 2024	**(18,902.21)**	**175.87**	**232.72**	**14,504.47**	**(3,989.15)**

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 the Companies Act, 2013.

2) 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 statutory reserve.

3) Deemed equity
Deemed equity pertains to non-reimbursable expenditure incurred by parent company i.e. Fino PayTech Limited.

For Tibrewal Chand & Co
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Whole Time Director
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Suraj Gujja
Company Secretary
Memb. No.: A49812

Mumbai
05 July 2024

FINO Finance Private Limited

Statement of cash flows for the Year ended 31 March 2024

	For the Year ended 31 March 2024	For the year ended 31 March 2023
	INR Lakhs	**INR Lakhs**
A. Cash flows from operating activities		
(Loss) / Profit before tax from continuing operations	(344.93)	(573.67)
(Loss) / Profit before tax	**(344.93)**	**(573.67)**
Adjustments to reconcile (loss) / profit before tax to net cash used in operating activities		
Depreciation	3.79	11.96
Interest Income	(153.53)	(123.33)
Interest & finance charges	-	0.10
Net gain on sale of fixed assets	-	(0.82)
ESOP expenses	0.71	2.69
Impairment of financial instruments	(16.82)	(412.32)
Operating Profit / (Loss) Before Working Capital Changes	**(510.77)**	**(1,095.39)**
Working capital adjustments:		
Other non-financial assets	(6.70)	234.31
Other financial assets	3.43	11.11
Financial assets - loans	176.03	908.78
Trade Receivables	38.79	14.76
Trade payables	(48.53)	16.36
Proceeds / (repayment) of Debt securities	-	-
Proceeds / (repayment) of Borrowings (other than debt securities)	-	(2,039.39)
Proceeds / (repayment) of Subordinated liabilities	2.38	2.05
Other financial liabilities	(3.70)	113.96
Provisions	(42.96)	(76.74)
Other non-financial liabilities	(11.36)	(50.85)
Right-of-use asset	-	(2.35)
Cash generated from / (used) in operations	**(403.39)**	**(1,963.39)**
Income Tax Paid	(45.79)	164.81
Net cash flows from operating activities	**(449.18)**	**(1,798.58)**
B. Cash flows from investing activities		
Acquisition of property, plant and equipment	0.74	0.36
Proceeds from Sale of Fixed Assets	-	0.82
Proceeds from fixed deposits	(11.56)	(998.98)
Interest Received	153.53	123.33
Net cash flows from investing activities	**142.72**	**(874.47)**
C. Cash flows from financing activities		
Interest & Finance Charges Paid	-	(0.10)
Proceeds from issue of shares	600.00	-
Share issue expenses	-	-
Net cash flows from financing activities	**600.00**	**(0.10)**
Net increase / (decrease) in cash and cash equivalents	293.53	(2,673.15)
Cash and Cash Equivalents (opening balance)	97.14	2,770.29
Loans repayable on demand from banks - Overdraft		
Cash and cash equivalents at the end of the year	**390.67**	**97.14**
Cash and cash equivalents		
Cash on hand and balances with banks	390.68	97.14
Cash and cash equivalents	**390.68**	**97.14**

For Tibrewal Chand & Co
Chartered Accountants
Firm's Registration Number: 311047E

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Suraj Gujja
Company Secretary
Memb. No.: A49812

Mumbai
05 July 2024

FINO Finance Private Limited

Notes to the financial statements

Note-7 Property, Plant and Equipment

(INR in Lakhs)

PARTICULARS	Owned Assets					Total
	Leasehold improvements	Computers / hardware	Plant and Equipment	Furniture and Fixtures	Office Equipment	
As at 31 March 2024						
Gross Block						
Opening gross block as at 01 April 2023	864.84	464.51	9.49	14.39	354.48	**1,707.71**
Additions	-	-	-	-	-	**-**
Disposals	-	-	-	-	(0.85)	**(0.85)**
Closing Gross Block As at 31 March 2024	**864.84**	**464.51**	**9.49**	**14.39**	**353.63**	**1,706.86**
Accumulated Depreciation						
Opening accumulated depreciation as at 01 April 2023	864.84	441.83	9.49	14.39	336.30	**1,666.85**
Depreciation charge during the year	-	2.23	-	-	1.56	**3.79**
Disposals	-	-	-	-	-	**-**
Closing Accumulated Depreciation As at 31 March 2024	**864.84**	**444.06**	**9.49**	**14.39**	**337.86**	**1,670.64**
Net Block As at 31 March 2024	**-**	**20.45**	**-**	**-**	**15.77**	**36.22**

PARTICULARS	Owned Assets					Total
	Leasehold improvements	Computers / hardware	Plant and Equipment	Furniture and Fixtures	Office Equipment	
As at 31 March 2023						
Gross Block						
Opening gross block as at 01 April 2022	864.84	464.51	9.49	14.39	360.28	1,713.51
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	(5.80)	(5.80)
Closing Gross Block As at 31 March 2023	864.84	464.51	9.49	14.39	354.48	1,707.71
Accumulated Depreciation						
Opening accumulated depreciation as at 01 April 2022	864.26	436.68	9.49	14.39	337.15	1,661.97
Depreciation charge during the year	0.58	5.15	-	-	4.64	10.37
Disposals	-	-	-	-	(5.49)	(5.49)
Closing Accumulated Depreciation As at 31 March 2023	864.84	441.83	9.49	14.39	336.30	1,666.85
Net Block As at 31 March 2023	-	22.68	-	-	18.17	40.85

Notes:
1. Company does not own any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee).
2. No revaluation of Fixed Asset (including Intangible and ROU) is carried out during the year.

FINO Finance Private Limited

Notes to the financial statements

Note - 8 Other intangible assets

(INR in lakhs)

P A R T I C U L A R S	**Computer software**	**Total**
As at 31 March 2024		
Gross Block		
Opening gross block as at 01 April 2023	48.08	**48.08**
Additions	-	-
Disposals	-	-
		-
Closing Gross Block As at 31 March 2024	48.08	**48.08**
		-
Accumulated amortisation		-
Opening accumulated depreciation as at 01 April 2023	48.08	**48.08**
Amortisation charge during the year	-	-
Disposals	-	-
		-
Closing Accumulated Depreciation As at 31 March 2024	48.08	**48.08**
		-
Net Block As at 31 March 2024	-	-

P A R T I C U L A R S	**Computer software**	**Total**
As at 31 March 2023		
Gross Block		
Opening gross block as at 01 April 2022	48.08	**48.08**
Additions	-	-
Disposals	-	-
Closing Gross Block As at 31 March 2023	48.08	**48.08**
Accumulated amortisation		
Opening accumulated depreciation as at 01 April 2022	48.04	**48.04**
Amortisation charge during the year	0.04	**0.04**
Disposals	-	-
Closing Accumulated Depreciation As at 31 March 2023	48.08	**48.08**
Net Block As at 31 March 2023	-	-

FINO Finance Private Limited

Notes to the financial statements (continued)

		(INR in lakhs)
Particulars	**As at 31 March 2024**	**As at 31 March 2023**
Note 2		
Cash and cash equivalents		
Balance with banks :		
-In current account	390.75	80.23
In deposits with original maturity of less than 3 months	-	-
Cash on hand	-	16.93
Less: Loss allowance	(0.07)	(0.02)
	390.68	**97.14**
Note 3		
Bank balances other than cash and cash equivalent		
Fixed deposits	-	-
Deposits with Banks	2,479.14	2,467.64
Less: Loss allowance	(0.48)	(0.48)
	2,478.66	**2,467.16**
Note 4		
Trade and other receivables		
Trade Receivables		
Unsecured considered good	1.28	111.60
- Considered Doubtful	34.98	-
Less: Loss allowance	(34.98)	-
	1.28	**111.60**
Particulars		
(Outstanding from due date of payment / from date of transaction)		
(i) Undisputed Trade Receivables – considered good		
Less than 6 months	1.28	85.37
6 months - 1 year	34.98	26.23
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
	36.26	**111.60**
Less: Provision for doubtful receivables	34.98	-
	1.28	**111.60**

Note 5
Financial assets - Loans (At amortised cost)

Security Deposits		
Loans and Advances to Related Parties		
Loans to Joint liability groups	2,162.56	2,211.94
Loans to Joint liability groups - Securitised	(0.00)	-
Less: Loss allowance on Joint liability Groups	(2,162.56)	(2,210.95)
	(0.00)	0.99
Loans to MSME (Secured, considered good)	350.31	417.43
Loans to MSME (Secured, considered doubtful)	-	-
Loans to MSME (Unsecured, considered good)	-	-
Less: Loss allowance on MSME	(350.31)	(330.80)
	0.00	86.63
	0.00	**87.62**
Out of the Above		
(I) Secured	**350.31**	**417.43**
Less: Loss allowance	(71.25)	(71.25)
Total (I)	**279.06**	**346.18**
(II) Unsecured	**2,162.56**	**2,211.94**
Less: Loss allowance	(2,441.62)	(2,470.50)
Total (II)	**(279.06)**	**(258.56)**
Total (I+II)	**-**	**87.62**
Out of the Above		
Loans in India	**2,512.87**	**2,629.37**
Less: Loss allowance	**(2,512.87)**	**(2,541.75)**
Total	**-**	**87.62**

Note 6
Other financial assets

Security Deposits	3.18	3.27
Less: Loss allowance on security deposits	(2.02)	(1.63)
	1.16	1.64
Death claim receivable - Unsecured, considered good	1.21	4.16
Less: Provision for doubtful death claim receivable	-	-
	1.21	4.16
	2.37	**5.80**

Note 9
Other non-financial assets

Prepaid Expenses	0.30	10.29
Advances to employees	-	-
Other Assets	42.24	25.58
	42.54	**35.87**

Note 10
Trade payables

Dues to Micro, Small and Medium Enterprises	-	-
Others	47.40	95.92
	47.40	**95.92**

Particulars		
(Outstanding from due date of payment / from date of transaction)		
(i) MSME (Refer Disclosure no. 35)		
Less than 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
	-	-
(ii) Others		
Less than 1 year	**35.61**	94.16
1-2 years	**11.79**	0.76
2-3 years	-	1.00
More than 3 years	-	-
	47.40	**95.92**
(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	**47.40**	**95.92**

Note 11
Borrowings (At amortised cost)
Secured

(A) Term Loans		
(i) from Banks	-	-
(ii) from other parties	-	-
(B) Loans repayable on demand		
(i) From Banks		
Cash credit*	-	-
	-	**-**
Out of the Above		
Borrowings in India	-	-
Borrowings outside India	-	-
Total	**-**	**-**

Note 12
Subordinated liabilities (At amortised cost)

Subordinated debt (Non-convertible debenture)	1,995.45	1,993.07
	1,995.45	**1,993.07**
Out of the Above		
Subordinated debt in India	1,995.45	1,993.07
	1,995.45	**1,993.07**

Unsecured loans:
After the balance sheet date, on May 15, 2024, subordinated debt of Rs. 2,000 lakhs, issued at an interest rate of 14.50% per annum, was repaid in a single bullet payment, including interest

Note 13
Other financial liabilities

Collections payable on loan securitised	0.70	0.41
Other Payables	109.70	113.68
	110.39	**114.09**

Note 15
Provisions

Provision for employee benefits		
Gratuity [Refer note 30]	8.52	60.04
Bonus payable	-	18.26
Compensated Absences [Refer note 30]	0.37	4.65
	8.88	82.95
Other provision :		
Provision for expected loss on first loss default guarantee	42.60	42.60
	42.60	42.60
	51.48	**125.55**

Note 16
Other non-financial liabilities

Statutory dues payable (includes VAT, Excise Duty, Provident Fund, Withholding Taxes, etc.)	-	-
Other liabilities	4.34	15.70
	4.34	**15.70**

Note 18
Other Equity

Securities Premium Reserve	14,504.47	14,504.47
Statutory Reserve (as per RBI Act)	175.87	175.87
Retained Earnings	(18,902.21)	(18,588.39)
Deemed equity	232.73	232.02
	(3,989.15)	**(3,676.03)**
Securities Premium Reserve		
As per Last Balance Sheet	14,504.47	14,504.47
Additions during the year	-	-
Share issue expenses	-	-
Closing Balance	**14,504.47**	**14,504.47**
Statutory Reserve (as per RBI Act)		
As per Last Balance Sheet	175.87	175.87
Appropriations for the year	-	-
Closing Balance	**175.87**	**175.87**
Retained Earnings		
As per Last Balance Sheet	(18,588.39)	(18,012.12)
Net (loss) for the year	(344.94)	(573.68)
Remeasurements to net defined benefit plans	31.11	(2.59)
Closing Balance	**(18,902.21)**	**(18,588.39)**
Deemed equity		
As per Last Balance Sheet	232.02	229.34
Additions during the year	0.71	2.68
Closing Balance	**232.73**	**232.02**
	(3,989.15)	**(3,676.03)**
	-	

Notes to the financial statements (continued)

(INR in lakhs)

Particulars	For the Year ended 31 March 2024	For the year ended 31 March 2023
Note 19		
Interest income (On financial assets measured at amortised cost)		
Interest income on portfolio loans	50.51	138.26
Interest on fixed deposits*	153.53	123.33
Other interest	1.05	14.73
	205.09	**276.32**

*Represents interest on fixed deposits placed as cash collateral to avail term loans from banks, non-banking financial companies and on deposits placed as cash collateral in connection with BC Business.

Particulars	For the Year ended 31 March 2024	For the year ended 31 March 2023
Note 20		
Fees and comission income		
Loan processing fees	-	-
Service charges	21.38	193.72
	21.38	**193.72**
Note 21		
Other Income		
Net gain on sale of fixed assets	-	0.82
Gain on disposal of Right-of-use assets	-	-
	-	**0.82**
Note 22		
Finance Costs (On financial liabilities measured at amortised cost)		
Interest on borrowings	293.14	291.97
Unwinding of lease liabilities	-	0.10
Other finance costs	4.43	0.02
	297.57	**292.09**
Note 23		
Impairment on financial instruments (At amortised cost)		
Loans	-	-
First loss default guarantee	(16.82)	(412.32)
Others	-	-
	(16.82)	**(412.32)**

Note 24
Employee benefit expense

Salaries and Wages	125.31	745.39
Contribution to Provident and Other Funds	11.15	60.90
Staff Welfare Expenses	0.04	0.94
ESOP expense	0.71	2.68
	137.21	**809.91**

Note 25
Other Expenses

Repairs and Maintenance:		
- Buildings	-	-
- Others	6.32	20.87
Rent	27.59	90.82
Rates and Taxes	0.19	4.36
Insurance	9.45	26.55
Electricity charges	2.21	23.67
Communication cost	15.14	18.11
Bank charges	0.43	3.63
Travelling and Conveyance	0.55	10.18
Legal and Professional Charges	88.76	61.96
Infrastructure cost	0.07	2.19
Stationery & Printing Expenses	0.71	6.30
Directors sitting fees	2.75	3.57
Payment to auditors		
- Statutory Audit	13.82	15.91
- Reimbursement of expenses	-	-
Advertisement, publicity and sales promotion expenses	-	4.02
Miscellaneous Expenses	13.31	50.76
	181.30	**342.90**

(INR in Lakhs)

	Particulars	As at 31 March 2024	As at 31 March 2023
	Note 17		
	Share Capital		
a	**Authorised :**		
	Equity Shares of Rs. 10 each		
	53,500,000 (31 March 2023: 53,500,000) Equity shares	5,350.00	5,350.00
		5,350.00	**5,350.00**
b	**Issued and Subscribed and Paid up:**		
	47,576,807 (31 March 2023 : 41,576,807) Equity shares fully paid up	4,757.68	4,157.68
		4,757.68	**4,157.68**
c	**Reconciliation of number of shares outstanding at the beginning and end of the year :**		
	Equity share :		
	Outstanding at the beginning of the year	41,576,807	41,576,807
	Equity Shares issued during the year in consideration for cash	6,000,000	-
	Outstanding at the end of the year	**47,576,807**	**41,576,807**

d Terms / Rights attached to each classes of shares

1. Rights attached to Equity shares

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. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive 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.
The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the current year, the company has not declared any dividend (31 March 2023:Nil).

e Shares in respect of each class in the company held by its holding company

Equity share	As at 31 March 2024		As at 31 March 2023	
	No. of Shares	Amount in INR	No. of Shares	Amount in INR
Equity Shares held by FINO PayTech Limited*	47,576,807	4,757.68	41,576,807	4,157.68

* This Included one (1) equity share held by nominee of Fino Paytech Limited.

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

Equity share	As at 31 March 2024		As at 31 March 2023	
	No. of Shares	No of shares	No. of Shares	No of shares
FINO PayTech Limited*	47,576,807	100%	41,576,807	100%
			-	

* This Included one (1) equity share held by nominee of Fino Paytech Limited.

g 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: Nil (31 March 2023 : Nil).

h Shares held by promoters at the end of the year

Name of the Promoter	As at 31 March 2024		As at 31 March 2023		% change
Equity share capital	No. of shares	% held	No. of shares	% held	
FINO PayTech Limited*	47,576,807	100%	41,576,807	100%	No change

Name of the Promoter	As at 31 March 2023		As at 31 March 2022		% change
Equity share capital	No. of shares	% held	No. of shares	% held	
FINO PayTech Limited	41,576,807	100%	11,076,806	100%	No change

Notes to the financial statements (continued)

Note 26

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 2024 INR lakhs	Carrying amount		Fair value	
	Amotised Cost	Total	Level 3	Total
Financial assets				
Cash and cash equivalents	390.68	**390.68**	390.68	**390.68**
Other bank balances	2,478.66	**2,478.66**	2,478.66	**2,478.66**
Trade receivables	1.28	**1.28**	1.28	**1.28**
Loans				
Loans - JLG group	(0.00)	**(0.00)**	(0.00)	**(0.00)**
Loans to MSME	0.00	**0.00**	0.00	**0.00**
Other financial assets				
Death claim receivable	1.21	**1.21**	1.21	**1.21**
Security Deposits	1.16	**1.16**	1.16	**1.16**
	2,872.98	**2,872.97**	**2,872.97**	**2,872.97**
Financial liabilities				
Trade and other payables	47.40	**47.40**	47.40	**47.40**
Borrowings	-	**-**	-	**-**
Subordinated debts	1,995.45	**1,995.45**	2,000.00	**2,000.00**
Other financial liabilities				
Others	110.39	**110.39**	110.39	**110.39**
	2,153.25	**2,153.24**	**2,157.79**	**2,157.79**

31 March 2023 INR lakhs	Carrying amount		Fair value	
	Amotised Cost	Total	Level 3	Total
Financial assets				
Cash and cash equivalents	97.14	**97.14**	97.14	**97.14**
Other bank balances	2,467.16	**2,467.16**	2,467.16	**2,467.16**
Trade receivables	111.60	**111.60**	111.60	**111.60**
Loans				
Loans - JLG group	0.99	**0.99**	0.99	**0.99**
Loans to MSME	86.63	**86.63**	86.63	**86.63**
Other financial assets	4.16	**4.16**	4.16	**4.16**
Death claim receivable	1.63	**1.63**	1.63	**1.63**
	2,769.32	**2,769.32**	**2,769.32**	**2,769.32**
Financial liabilities				
Trade and other payables	95.92	**95.92**	95.92	**95.92**
Subordinated debts	1,993.07	**1,993.07**	2,000.00	**2,000.00**
Other financial liabilities				
Others	114.09	**114.09**	114.09	**114.09**
	2,203.08	**2,203.08**	**2,210.01**	**2,210.01**

(1) Assets that are not financial assets (such as unamortised guarnatee cost, prepaid guarnatee commission, prepaid expenses, advances to supplier etc.), are not included.

(2) Other liabilities that are not financial liabilities (such as statutory dues payable and certain other accruals) are not included.

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

a. Fair value of cash and bank balances, prepaid guarantee commission, other short term receivables, trade payables, other current liabilities, approximate their carrying amounts largely due to short term maturities of these instruments.

b. 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.
Security Deposits	The valuation model considers present value of expected payments discounted using an appropriate discounting rate.
Loans to joint liability groups	The valuation model considers present value of expected payments discounted using an appropriate discounting rate.

C. Financial risk management

The Company 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 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.

Financial instruments – Fair values and 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 loans and advances.

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 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. The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company offers any loan.

a. Collaterals held and concentrations of credit risk
The company does not hold any collaterals against any of its credit exposures except for loans to MSME Borrowers

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 Company 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 Company's operations are spread out across 6 states in India with no concentration in any single area within a particular state.

b. Amounts arising from ECL
i. Inputs, assumptions and techniques used for estimating impairment of 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.

ii. Inputs, assumptions and techniques used for estimating impairment on JLG loans

Inputs considered in the ECL model:

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Company 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 Company's historical experience, expert credit assessment and including forward looking information.

In assessing the impairment of loan assests 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 company 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.
- "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 Company.

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 after considering regulatory LGD as a starting point and adjusting for past recoveries.
- 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 Company 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 Company forms a 'base case' view of the future direction of relevant economic variables such as real GDP, private consumption, domestic demand and money supply . 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.

Assessment of significant increase in credit risk:
The credit risk on a financial asset of the Company 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 company 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.

iii. Ageing analysis
The following tables show the ageing of loans & receivables:

(INR in lakhs)

Trade receivables	**31 March 2024**	**31 March 2023**
Less than 180 days	1.28	85.37
More than 180 days	34.98	26.23
Closing balance	**36.26**	**111.60**

JLG loans	**31 March 2024**	**31 March 2023**
Stage 1	-	0.35
Stage 2	-	3.14
Stage 3	2,162.56	2,208.45
Closing balance	**2,162.56**	**2,211.94**

MSME loans	**31 March 2024**	**31 March 2023**
Stage 1	19.92	70.36
Stage 2	5.51	24.41
Stage 3	324.78	322.65
Closing balance	**350.21**	**417.43**

iv. Loss allowance

The following table shows reconciliations from the opening to the closing balance of the loss allowances and write offs:

(INR in lakhs)

Loans to Joint liability groups	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Balance as at 01 April 2022	**11.62**	**70.94**	**2,454.73**	**2,537.29**
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 derecognied	-	-	-	-
Balance as at 31 March 2023	**0.03**	**2.47**	**2,208.45**	**2,210.95**
Transfer to 12 month ECL	-	-	-	-
Transfer to Lifetime ECL not credit impaired	-	-	-	-
Transfer to Lifetime ECL credit impaired	-	-	-	-
Net remeasurement of loss allowance	(0.03)	(2.47)	(45.90)	**(48.39)**
New financial assets originated or purchased	-	-	-	-
Financial assets that have been derecognied	-	-	-	-
Balance as at 31 March 2024	**-**	**-**	**2,162.56**	**2,162.55**

(INR in lakhs)

Loans to MSME	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Balance as at 01 April 2022	**6.87**	**15.20**	**331.46**	**353.53**
Transfer to 12 month 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**
Transfer to 12 month ECL	-	-	-	-
Transfer to Lifetime ECL not credit impaired	-	-	-	-
Transfer to Lifetime ECL credit impaired	-	-	-	-
Net remeasurement on account of interest exposure	0.03	0.53	-	**0.57**
Net remeasurement of loss allowance	18.42	(1.69)	2.23	**18.96**
New financial assets originated or purchased	-	-	-	-
Balance as at 31 March 2024	**19.92**	**5.51**	**324.90**	**350.32**

ii. Credit risk (Continued)

(INR in lakhs)

Trade Receivables	31 March 2024	31 March 2023
Opening balance	-	-
Net Impairment loss recognised	34.98	-
Balance written back	-	-
Closing balance	**34.98**	**-**

FLDGs placed for BC lending	31 March 2024	31 March 2023
Opening balance	42.60	107.58
Net Impairment loss recognised	(0.00)	(64.98)
Balance written back	-	-
Closing balance	**42.60**	**42.60**

Other advances	31 March 2024	31 March 2023
Opening balance	1.63	7.72
Net Impairment loss recognised	0.39	(6.08)
Balance written back	-	-
Closing balance	**2.02**	**1.63**

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.

Financial instruments – Fair values and 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.

(INR in lakhs)

		Contractual cash flows					
31 March 2024	**Carrying amount**	**Total**	**Less than 6 months**	**6-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities							
Subordinated debt	1,995.45	**1,995.45**	1,995.45	-	-	-	-
Trade and other payables	47.40	**47.40**	47.40	-	-	-	-
Other financial liabilities	0.70	**0.70**	0.70	-	-	-	-

		Contractual cash flows					
31 March 2023	**Carrying amount**	**Total**	**Less than 6 months**	**6-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities							
Subordinated debt	1,993.07	**2,750.82**	146.19	144.60	290.00	2,170.03	-
Trade and other payables	95.92	**118.85**	118.85	-	-	-	-
Other financial liabilities	0.41	**0.41**	0.41	-	-	-	-

Financial instruments – Fair values and 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 Company'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.

The Company has its revenues and other transactions in its functional currency i.e. INR. Accordingly the Company is not exposed to any currency risk.

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.

	INR Lakhs	
Borrowings	**As at 31 March 2024**	**As at 31 March 2023**
Fixed rate borrowings	1,995.45	1,993.07
Variable rate borrowings	-	-
	1,995.45	**1,993.07**

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.

	Profit or (loss)		Equity	
INR Lakhs	**100 bp increase**	**100 bp decrease**	**100 bp increase**	**100 bp decrease**
31 March 2024				
Variable-rate instruments	-	-	-	-
Cash flow sensitivity (net)	**-**	**-**	**-**	**-**
31 March 2023				
Variable-rate instruments	-	-	-	-
Cash flow sensitivity (net)	**-**	**-**	**-**	**-**

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. The sensitivity has been calculated assuming the borrowings outstanding at the reporting date have been outstanding for the entire reporting period.

FINO Finance Private Limited

Notes to the financial statements (continued)

Note 27 : Leases
Right-of-use (ROU) asset

(INR in lakhs)

Particulars	Building	Total
Gross Block		
Opening Balance as on 01 April 2022	40.84	**40.84**
Additions	-	-
Deletions	40.84	**40.84**
Closing Balance as on 31 March 2023	-	-
Accumulated depreciation		
Opening Balance as on 01 April 2022	39.25	**39.25**
Depreciation for the period	1.59	**1.59**
Depreciation on deletions	40.84	**40.84**
Closing Balance as on 31 March 2023	**0.00**	**0.00**
Net block as at 31 March 2023	**(0.00)**	**(0.00)**

Particulars	Building	Total
Gross Block		
Opening Balance as on 01 April 2023	-	-
Additions	-	-
Deletions	-	-
Closing Balance as on 31 March 2024	-	-
Accumulated depreciation		
Opening Balance as on 01 April 2023	**0.00**	0.00
Depreciation for the period	-	-
Depreciation on deletions	-	-
Closing Balance as on 31 March 2024	**0.00**	**0.00**
Net block as at 31 March 2024	**(0.00)**	**(0.00)**

Lease liabilities included in the balance sheet	As at 31 March 2024	As at 31 March 2023
Current	-	0.00
Non-current	-	-
	-	**0.00**

Amounts recognised in the statement of profit and loss	For the Year ended 31 March 2024	For the year ended 31 March 2023
Interest on Lease Liabilities	-	0.10
Expenses relating to short-term leases	27.59	90.82
	27.59	**90.93**

Amounts recognised in the statement of cash flows	For the Year ended 31 March 2024	For the year ended 31 March 2023
Total cash outflow for leases for long term leases	**0.00**	**2.45**

FINO Finance Private Limited

Notes to the financial statements (continued)

Note 28
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,comprising interest bearing loans and borrowings less cash and cash equivalents. Equity comprises all components of equity.
The business of the company is subject to the capital adequacy requirements to the Reserve Bank of India (RBI). Under RBI's capital adequacy guidelines, the company is required to maintain a capital adequacy ratio consisiting of Tier I and Tier II Capital. The total of Tier II Capital at any point of time, shall not exceed 100 percent of Tier I Capital.

	INR Lakhs	
	As at 31 March 2024	**As at 31 March 2023**
Borrowings	**1,995.45**	**1,993.07**
Gross Debt	**1,995.45**	**1,993.07**
Less - Cash and Cash Equivalents	(390.68)	(97.14)
Less - Other Bank Deposits	(2,478.66)	(2,467.16)
Adjusted Net debt	**(873.89)**	**(571.23)**
Total equity	**768.53**	**481.65**
Adjusted Net debt to equity ratio	**(1.14)**	**(1.19)**

FINO Finance Private Limited

Notes to the financial statements (continued)

Note 29
Share-based payment arrangements
A. Description of share-based payment arrangements

i. Share option programmes (equity-settled)

The Fino PayTech Limited ('holding 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 groups’s employees are granted an option to acquire equity shares of the holding 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 09th August, 2019.

Grant date	Exercise price	Share options 31 March 2024	Share options 31 March 2023
01-Aug-10	30.00	-	-
01-Oct-11	75.00	-	-
01-Aug-12	80.00	-	-
06-Feb-15	80.00	10,000	10,000
01-Dec-15	70.64	-	-
16-Aug-17	100.00	79,386	79,386
01-Aug-18	105.00	75,441	75,441
01-Jul-19	100.00	23,474	23,474

No shares were exercised during the current year 2023-24 and previous year 2022-23.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.

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.

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 behavior.

	31 March 2024	31 March 2023
Grant date	Nil	Nil
Fair value at grant date	N.A	N.A
Share price at grant date	N.A	N.A
Exercise price	N.A	N.A
Expected volatility (weighted-average)	N.A	N.A
Expected life (weighted-average)	N.A	N.A
Expected dividends	N.A	N.A
Risk-free interest rate (based on government bonds)	N.A	N.A

The following table lists the average inputs to the models used for the plans for the year ended 31 March 2024.

Particulars	Description of the inputs used
Expected volatility (weighted-average)	Expected volatility of the option is based on historical volatility of market returns, during a period equivalent to the option life, and adjusted for companys's nature of operations and industry category.
Expected dividends	Dividend yield of the options is based on past trends of profitability and management's estimates of future dividends.
Risk-free interest rate (based on government bonds)	Risk-free interest rates are based on the government of india securities yield in effect at the time of the grant.

C. Reconciliation of outstanding share options

Activity in the options outstanding under the employee's stock option Scheme as at 31 March 2024

Particulars	31 March 2024		31 March 2023	
	Average exercise price per share per option	Number of options	Average exercise price per share per option	Number of options
Options outstanding at the beginning of the year	100.94	188,301	99.59	282,500
Add: Options granted during the year	-	-	-	-
Less: Options exercised during the year	-	-	-	-
Less: Options lapsed during the year	-	-	84.68	28,750
Options outstanding as at the year end	100.94	188,301	100.94	188,301
Options exercisable as at the year end	100.97	188,301	100.97	183,301

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 0.71 lakhs (31 March 2023 : INR 2.68 lakhs).

Note 30
Employee benefits

A. The Company contributes to the following post-employment defined contribution plan in India.

Provident Fund:
The Company makes specified monthly contributions towards Government administered provident fund schemes. The Company's obligation for such schemes is limited to the amount of contribution made.

The Company has recognised an amount of INR 9.61 Lakhs (31 March 2023: 51.38 Lakhs) as provident fund contributions in the Statement of Profit and Loss.

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

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. 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 Company’s financial statements as at balance sheet date:

(INR in Lakhs)

Particulars	**Note**	**Gratuity**	
		31 March 2024	**31 March 2023**
Liability at the end of the year	**15**	8.52	60.04
Fair value of Plan Assets at the end of the year		-	-
Amount recognised in balance sheet		**8.52**	**60.04**
Non-current liability		**-**	**47.14**
Current Liability		**8.52**	**12.90**

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	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Opening balance	60.04	67.71	-	-
Add: Adjustments to opening balance on account of transfer	-	-	-	-
Adjusted opening balance	**60.04**	**67.71**	**-**	**-**
Included in profit or loss				
Current service cost	0.89	9.26	-	-
Interest cost (income)	4.39	4.13	-	-
	65.32	**81.09**	**-**	**-**
Included in OCI				
Remeasurement loss (gain):				
Actuarial loss (gain) arising from:				
Demographic assumptions	1.53	-	-	-
Financial assumptions	(1.66)	(3.13)	-	-
Experience adjustments	30.99	5.73	-	-
	96.18	**83.69**	**-**	**-**
Other				
Contributions paid by the employer	-	-		
Benefits paid	(25.69)	(23.65)	-	-
Closing balance	**70.49**	**60.04**	**-**	**-**

i. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date.

Particulars	31 March 2024	31 March 2023
Discount rate	**7.10%**	**7.30%**
Expected Rate of Return on Plan Assets	**-**	**-**
Salary escalation rate	**0.00%**	**5.90%**
Withdrawal rate	**100.00%**	**22.00%**
Mortality rate	**IALM 2012-2014 Ultimate**	**IALM 2012-2014 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.

(INR in Lakhs)

Particulars	Gratuity			
	31 March 2024		31 March 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(0.08)	0.08	(2.39)	2.59
Future salary growth (1% movement)	0.09	(0.09)	2.60	(2.45)
Withdrawal rate (1% movement)	0.19	(0.52)	(0.33)	(1.20)

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 contribution

The expected contributions for defined benefit plan for the next financial year amounts to Nil.*
*Please note that since the scheme is managed on unfunded basis, the next year contribution is taken as nil.

Expected future benefit payments

March 31, 2025	8.52
March 31, 2026	-
March 31, 2027	-
March 31, 2028	-
March 31, 2029	-
Thereafter	-

FINO Finance Private Limited

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Notes to the financial statements (continued)

Note 31
Transfer of financial assets

The Company transfers financial assets, primarily loans to Joint Liability Groups, that are not derecognised as the Company has continuing involvement.

Securitisations:
Transfer of financial assets that do not result in derecognition

The Company was party to securitisation transactions involving its Joint Liability Group loan portfolio.
In these transactions, the assets, interests in the assets, or beneficial interest in the cash flows arising from the assets, are transferred to a special purpose entity, which then issues pass through certificates to third party investors.

In the securitisations in which the Company transfers loans and advances to an unconsolidated securitisation vehicle, it retains the credit risk principally by way of credit enhancements placed with the SPV's. The Company does not transfer substantially all of the risks and rewards of these assets.
Hence, the company continues to recognize the securitised portfolio in its books of accounts.

The following table shows the carrying amount of the securitised assets that have not resulted in derecognition, together with the associated liabilities:

INR lakhs

31 March 2024	**Loans to Joint liability group**	**Credit enhancements**
Carrying amount of assets	-	-
Carrying amount of associated liabilities	-	-

INR lakhs

31 March 2023	**Loans to Joint liability group**	**Credit enhancements**
Carrying amount of assets	-	-
Carrying amount of associated liabilities	-	-

FINO Finance Private Limited

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Notes to the financial statements (continued)

Note 32
Master netting or similar agreements

The following table presents the recognised financial instruments that are offset, or subject to enforceable master netting arrangements and other similar agreements but not offset, as at 31 March 2024.

Particulars	Effects of offsetting on the balance sheet			Related amounts not offset in the balance sheet		
	Gross Amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subject to master netting arrangements	Financial instrument collateral	Net amount
31 March 2024						
Financial assets						
Bank balances other than cash and cash equivalents	-	-	-	-	-	-
Total	-	-	-	-	-	-
Financial liabilities						
Long term borrowings	-	-	-	-	-	-
Total	-	-	-	-	-	-

Particulars	Effects of offsetting on the balance sheet			Related amounts not offset in the balance sheet		
	Gross Amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subject to master netting arrangements	Financial instrument collateral	Net amount
31 March 2023						
Financial assets						
Bank balances other than cash and cash equivalents	-	-	-	-	-	-
Total	-	-	-	-	-	-
Financial liabilities						
Long term borrowings	-	-	-	-	-	-
Total	-	-	-	-	-	-

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Notes to the financial statements (continued)

Note 33
Involvement with unconsolidated structured entities

The following table describes the types of structured entities that the Company does not consolidate but in which it holds an interest.

Type of structured entities	Nature and purpose	Interest held by the Company	Total Assets	
			31 March 2024	31 March 2023
Securitisation vehicle for loans and advances	To generate:			
	- Funding for the Company's lending activities,	- Credit enhancements placed with the SPV's	-	-

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Notes to the financial statements (continued)

Note 34
Related Party Disclosures

A. Names of Related Parties

Sr. No.	Particulars	Country of Incorporation	Proportion of ownership interest
1	**Holding Company**		
	FINO PayTech Limited	India	100.00%
2	**Other related parties with whom the Company had transactions during the year**		
	Fino Payments Bank Limited – Entity under common control	India	
3	**Key Management Personnel**		
i.	Amit Kumar Jain – Appointed with effect from 21.06.2023	NA	NA
ii.	Rakesh Tripathi (Chief financial officer – Cessation with effect from 20.05.2023	NA	NA
iii.	Suraj Gujja (Company Secretary & KMP – Appointed with effect from 29.06.2023)	NA	NA

B. Transactions with key management personnel
i. Key management personnel compensation

INR In lakhs

Sr. No.	Particulars	For the Year ended 31 March 2024	For the year ended 31 March 2023
	Remuneration to Key management personnel		
i.	Short-term employee benefits	-	48.97
ii.	Post-employment defined benefit	-	8.22
iii.	Share based payment	-	-

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Notes to the financial statements (continued)

Note 34
Related party relationships, transactions and balances

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

INR In lakhs

Particulars	FINO PayTech Limited	FINO Payments Bank Limited (Formerly known as Fino Fintech Limited)	FINO Trusteeship Services Limited	Total
Transactions:				
Reimbursement of expenses				
31 March 2024	19.82	-	-	19.82
31 March 2023	51.06	-	-	51.06
Infrastructure cost				
31 March 2024	-	0.07	-	0.07
31 March 2023	-	2.01	-	2.01
Service charges income				
31 March 2024	-	-	-	-
31 March 2023	-	-	-	-
Advance given				
31 March 2024	-	-	-	-
31 March 2023	-	-	-	-
Guarantee commission				
31 March 2024	-	-	-	-
31 March 2023	-	-	-	-
Balance Outstanding:				
Trade Receivables				
31 March 2024	-	1.28	-	1.28
31 March 2023	-	1.66	-	1.66
Other Receivables				
31 March 2024	-	-	-	-
31 March 2023	-	-	-	-
Trade Payables				
31 March 2024	4.55	-	-	4.55
31 March 2023	45.98	2.22	-	48.20

Note 35
Contingent liabilities and commitments

INR Lakhs

Contingent liabilities	31 March 2024	31 March 2023
(i) Credit enhancements provided by the company towards asset securitisation in the form of cash collaterals.	-	-
(Ii) Credit enhancements provided by the Company towards business correspondent arrangement in the form of cash collaterals	-	-
	-	-

Disclosures required under Section 22 of the Micro, Small & Medium Enterprises Development Act, 2006

Dues to micro and small suppliers	31 March 2024	31 March 2023
(i) The amounts remaining unpaid to micro and small suppliers as at the end of the year		
Principal	-	-
Interest	-	-
(ii) The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	-	-
(iii) The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	-	-
(iv) 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	-	-
(v) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(vi) 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	-	-

Note 36
Segment Information

The Board of Directors (the 'Board') have been identified as the Chief Operating Decision Maker (CODM). The Board regularly reviews the performance reports and make decisions about allocation of resources.

An operating segment is a component of the company that engages in business activities from which it may earn revenue and incur expenses, for which discrete financial information is available.

The main business of the Company is to provide micro finance in the rural areas to women organised as Joint Liability Groups (JLGs) and to the Micro, Small and Medium Enterprises (MSME) sector.

The Board reviews key management information such as revenues, margins, performance and operating expenses for the Company as a whole. Thus, the Board is of the opinion that the operations of the Company comprise of a single business segment.

The Company does not disclose separate segment information as the external reporting information provided in these financial statements reflects internal management information. Thus the results and the assets of the segment can be determined by reference to the Balance Sheet and Statement of Profit and Loss for year.

Information about major customers

The Company is not reliant on any one client or group of connected clients for generation of revenues.

FINO Finance Private Limited

Notes to the financial statements (continued)

Note 37
Revenue from contract with customers
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:

(INR in lakhs)

Major revenue streams	For the Year ended 31 March 2024	For the year ended 31 March 2023
Interest income (On financial assets measured at amortised cost)		
Interest income on portfolio loans	50.51	138.26
Interest on fixed deposits	153.53	123.33
Other interest	1.05	14.73
	205.08	**276.32**
Fees and comission income		
Loan processing fees	-	-
Service charges	21.38	193.72
	21.38	**193.72**
Total revenue from operations	**226.46**	**470.04**
As per Ind AS 115 - Revenue from contract with customers		
Timing of revenue recognition		
Services transferred at a point in time	-	-
Services transferred over time	21.38	193.72
	21.38	**193.72**
As per Ind AS 109 - Financial Instruments		
Interest Income	205.08	276.32
	205.08	**276.33**

Notes to the financial statements (continued)

Note 38

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.

i. Profit attributable to Equity holders of Company

Particulars	31 March 2024 INR	31 March 2023 INR
Profit attributable to equity holders of the Company:		
Continuing operations	(344.94)	(573.68)
Profit attributable to equity holders of the Company for basic and diluted earnings	**(344.94)**	**(573.68)**

ii. Weighted average number of ordinary shares

Particulars	31 March 2024 INR	31 March 2023 INR
Issued ordinary shares at April 1	415.77	415.77
Effect of shares issued for cash	23.01	-
Weighted average number of shares at March 31 for basic and diluted EPS	**438.78**	**415.77**

Basic and Diluted earnings per share

Particulars	31 March 2024 INR	31 March 2023 INR
Basic earnings per share	**(0.79)**	**(1.38)**
Diluted earnings per share	**(0.79)**	**(1.38)**

Notes to the financial statements (continued)

Note 39

Tax expense

(a) Amounts recognised in profit and loss

Particulars	**For the Year ended 31 March 2024 INR lakhs**	**For the year ended 31 March 2023 INR lakhs**
Current tax		
Current period (a)	-	-
Changes in estimate related to prior years (b)	**(31.64)**	-
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	-	-
Reduction in tax rate		
Recognition of previously unrecognised tax losses	-	-
Deferred tax expense (c)	-	-
Tax expense for the year (a)+(b)+(c)	**(31.64)**	**-**

(b) Reconciliation of effective tax rate

	For the Year ended 31 March 2024 INR lakhs	**For the year ended 31 March 2023 INR lakhs**
Profit before tax	(376.60)	(573.65)
Tax using the Company's domestic tax rate	(97.92)	(149.15)
Reduction in tax rate		
Tax effect of:		
Tax effect on items on which no deferred tax was recognized	97.92	149.15
	-	-

Fino Finance Private Limited

Notes to the financial statements - Scale Based Regulations

1. Intra Group Disclosure

Particulars	31 March 2024 INR lakhs	31 March 2023 INR lakhs
(i) Total amount of intra-group exposures	-	-
(ii) Total amount of top 20 intra-group exposures	-	-
(iii) Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	-	-

2. Related Party disclosure

Items	Parent (as per ownership or control)		Subsidiaries		Associates/Joint ventures		KMP		Relatives of KMP		Others*		Total	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Placement of deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest received	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	57.19	-	-	-	-	-	57.19

2. Disclosure of complaints

Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

Particulars	31 March 2024	31 March 2023
Complaints received by the NBFC from its customers	0	0
i. Number of complaints pending at beginning of the year	0	25
ii. Number of complaints received during the year	0	524
iii. Number of complaints disposed during the year	0	549
a. Of which, number of complaints rejected by the NBFC	0	0
iv. Number of complaints pending at the end of the year	0	0
Maintainable complaints received by the NBFC from Office of Ombudsman		
v. Number of maintainable complaints received by the NBFC from Office of Ombudsman	0	0
a. Of v, number of complaints resolved in favour of the NBFC by Office of Ombudsman	0	0
b. Of v, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	0	0
c. Of v, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	0	0
vi. Number of Awards unimplemented within the stipulated time (other than those appealed)	0	0

Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of		Number of complaints received during the year		% increase/ decrease in the number of complaints		Number of complaints pending at the end of		Of 5, number of complaints pending	
	31 March 2024									
Ground - 1	Loan	-	Loan	-	-	-	Loan	-	Loan	-
Ground - 2	Insurance	-	Insurance	-	-	-	Insurance	-	Insurance	-
Ground - 3										
Ground - 4										
Ground - 5										
Others										
Total		**-**		**-**	**-**	**-**		**-**		**-**
	31 March 2023									
Ground - 1	Loan	13	Loan	446	decreased by 3	-	Loan	-	Loan	-
Ground - 2	Insurance	12	Insurance	78			Insurance	-	Insurance	-
Ground - 3										
Ground - 4										
Ground - 5										
Others										
Total		**25**		**524**		**-**		**-**		**-**

3. Sectoral exposure

(INR in lakhs)

	Current Year ending Mar 24			Previous Year ending Mar 23		
Sectors	**Total Exposure (includes on balance sheet and off-**	**Gross NPAs**	**Percentage of Gross NPAs to total exposure in**	**Total Exposure (includes on balance sheet and off-**	**Gross NPAs**	**Percentage of Gross NPAs to total**
1. Agriculture and Allied Activities	1,965.75	1,965.75	100	2017.4	2017.4	100.00
Total	**1,965.75**	**1,965.75**	**100**	**2017.4**	**2017.4**	**100.00**
2. Industry						
a. ARTISAN	1.01	1.01	100	1.1	1.1	100.00
b. COTTAGE INDUSTRY	0.36	0.36	100	0.4	0.4	100.00
c. MANUFACTURING	0.91	0.91	100	1	1	100.00
d. Trading	89.09	89.09	100	90.5	90.5	100.00
e. Others	4.07	4.07	100	15	15	100.00
Total of industry	**95.43**	**95.43**	**100**	**108**	**108**	**100.00**
3.Services	101.37	101.37	100	88.4	88.4	100.00
Total of Services	**101.37**	**101.37**	**100**	**88.4**	**88.4**	**100.00**
4. Personal Loans	-	-	-	-	-	-
Total of Personal Loan	**-**	**-**	**-**	**-**	**-**	**-**
5. Others	-	-	-	-	-	-
Total of others	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total	**2,162.55**	**2,162.55**	**100**	**2213.8**	**2213.8**	**100.00**

Note 39

(c) Movement in deferred tax balances (INR In Lakhs)

Particluars	31 March 2024					
	Net balance 01 April 2023	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Deferred tax asset						
Property, plant and equipment	1.80	0.62	-	1.18	1.18	-
Borrowings	(1.80)	(0.62)	-	(1.18)	-	(1.18)
Loans	-	-	-	-	-	-
Tax assets (Liabilities)	-	-	-	-	**1.18**	**(1.18)**
Set off tax						
Net tax assets	-	-	-	-	**1.18**	**(1.18)**

Particluars	31 March 2023					
	Net balance 01 April 2023	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Deferred tax asset						
Property, plant and equipment	2.42	0.62	-	1.80	1.80	-
Borrowings	(2.42)	(0.62)	-	(1.80)	-	(1.80)
Loans	-	-	-	-	-	-
Tax assets (Liabilities)	-	-	-	-	**1.80**	**(1.80)**
Set off tax						
Net tax assets	-	-	-	-	**1.80**	**(1.80)**

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.

Tax losses & unabsorbed depreciation carried forward (INR In Lakhs)

Particulars	31 March 2024	Expiry for 31 March 2024	31 March 2023	Expiry for 31 March 2023
Business losses	12,004.83	Upto 31-03-2031	12,431.42	Upto 31-03-2030
Unabsorbed depreciation	607.12	No expiry	624.11	No expiry
	12,611.95		**13,055.53**	

Tax Credits carried forward

Particulars	31 March 2024	Expiry for 31 March 2024	31 March 2023	Expiry for 31 March 2023
MAT credit entitlement	-	-	-	-

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:

Particulars	31 March 2024	31 March 2023
Deductible temporary differences	901.62	948.51
MAT Credit entitlement	-	-
Tax losses & unabsorbed depreciation	3,279.11	3,394.44
Total	**4,180.72**	**4,342.94**

Notes to the financial statements (continued)

41 Long term contract with foreseeable losses

There are no long term contracts including derivative contracts for which there were any material foreseeable losses.

42 Credit default swaps

In accordance with Master Direction No. DNBR.PD.007/03.10.119/2016-17 dated 01/09/2016 updated as on 22/02/2019 issued by Reserve Bank of India on Non-Banking Financial Company – Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016, the Company did not enter into any credit default swaps during the year ended 31 March 2024 (Previous Year: Rs. Nil)

43 Gold loan jewellery

In accordance with Master Direction No. DNBR.PD.007/03.10.119/2016-17 dated 01/09/2016 updated as on 22/02/2019 issued by Reserve Bank of India on Non-Banking Financial Company –Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016, the Company has not lent against gold jewellery during the year ended 31 March 2024 (Previous Year: Rs. Nil).

44 Terms and conditions of sub ordinated debt

(INR in Lakhs)

Name	Issue Date	Maturity Date	No	Rate	Repayment	As at 31 March 2024	As at 31 March 2023
IDFC First Bank Limited	NA	01-Oct-25	NA	14.50%	Bullet principal payment; Interest serviced monthly	2,000.00	2,000.00

45 Investments

The Company has not made any investments as at 31 March 2024 and 31 March 2023, hence the disclosure pertaining to value of investments and movement of provision held towards depreciation on investments is not applicable.

46 Derivatives

The company has not entered into any derivative transaction during the current and previous year. The company has no unhedged foreign currency exposure as on 31 March 2024 (31 March 2023 : Nil).

47 Details of Financial Assets sold to securitisation/reconstruction company for Asset reconstruction

The company has not sold financial assets to securitisation/reconstruction companies for asset reconstruction in the current and previous year.

48 Details of Assignment Transactions

The Company has sold some loans (measured at amortised cost) by way of direct bilateral assignment, as a source of finance.

As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been de-recognised from the Company's balance sheet. The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain/(loss) on derecognition, per type of asset.

Particulars	31 March 2024	31 March 2023
Carrying amount of de-recognised financial asset		-
Carrying amount of retained assets at amortised cost*		-
Gain on sale of the de-recognised financial asset		-

*excludes Excess Interest Spread (EIS) on de-recognised financial assets of NIL (previous year : 121.18)

Particulars	31 March 2024	31 March 2023
i) Number of Accounts		-
ii) Aggregate value (net of provisions) of account sold		-
iii) Aggregate consideration		-
iv) Additional consideration realised in respect of accounts transferred in earlier years		-
v) Aggregate gain/(loss) over net book value		-

49 Details of credit impaired financial assets purchased/sold

The Company has not purchased/sold any credit impaired financial assets during the previous year.

50 Asset Liability Management Maturity pattern of certain items of Assets and Liabilities as on 31 March 2024:

(INR in Lakhs)

Particulars	Up to 30/31 days	Over 1 month upto 2 Month	Over 2 months upto 3 months	Over 3 month & up to 6 month	Over 6 Month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	-	-	1,849.80	23.09	583.10	23.15	-	-	**2,479.14**
Advances	-	-	-	-	-	-	-	-	**-**
Investments	-	-	-	-	-	-	-	-	**-**
Borrowings	-	-	-	-	-	1,995.45	-	-	**1,995.45**
Foreign Currency assets	-	-	-	-	-	-	-	-	**-**
Foreign Currency liabilities	-	-	-	-	-	-	-	-	**-**

Asset Liability Management Maturity pattern of certain items of Assets and Liabilities as on 31 March 2023:

Particulars	Up to 30/31 days	Over 1 month upto 2 Month	Over 2 months upto 3 months	Over 3 month & up to 6 month	Over 6 Month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	467.23	1,564.09	93.92	27.75	256.35	58.30	-	-	**2,467.64**
Advances	69.61	16.61	8.71	17.81	60.05	2,456.58	-	-	**2,629.37**
Investments	-	-	-	-	-	-	-	-	**-**
Borrowings	-	-	-	-	-	1,993.07	-	-	**1,993.07**
Foreign Currency assets	-	-	-	-	-	-	-	-	**-**
Foreign Currency liabilities	-	-	-	-	-	-	-	-	**-**

51 Provisions and Contingencies

(INR in Lakhs)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	31 March 2024	31 March 2023
Provisions for depreciation on Investment	-	-
Provision towards NPA (excluding securitisation)	(2,180.90)	(331.97)
Provision made towards Income tax	-	-
Provision for securitized portfolio	-	-
Provision for business correspondent services	67.09	(64.99)
Provision for death claim	-	-
Contingent Provision for Standard Assets (excluding securitisation)	(131.60)	(15.36)

52 Movement of NPAs

(INR in Lakhs)

Sr no	Particulars	31 March 2024	31 March 2023
i)	Net NPAs to Net Advances (%)	0.00%	0.00%
ii)	Movement of NPAs (Gross)		
	a) Opening balance	2,531.03	2,786.10
	b) Additions during the year	(43.66)	(255.07)
	c) Reductions during the year	-	-
	d) Closing balance	2,487.36	2,531.03
iii)	Movement of Net NPAs		
	a) Opening balance	(0.00)	(0.00)
	b) Additions during the year	-	-
	c) Reductions during the year	-	-
	d) Closing balance	(0.00)	(0.00)
iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	a) Opening balance	2,531.03	2,786.10
	b) Provisions made during the year	(43.66)	(255.07)
	c) Write-off / write-back of excess provisions	-	-
	d) Closing balance	2,487.36	2,531.03

53 Capital Adequacy Ratio

(INR in Lakhs)

Particular	31 March 2024	31 March 2023
CRAR%	1333.93%	145.98%
CRAR - Tier I Capital %	1332.68%	96.49%
CRAR - Tier II Capital %	1.25%	49.49%
Amount of Subordinated Debt raised as Tier-II capital	2,000.00	2,500.00
Amount Raised by the issue of Perpetual Debt Instruments	NA	NA

54 Real Estate Exposure

The company had no exposure to real estate sector during the current and previous year.

55 Exposure to Capital Markets

The company had no exposure to capital market during the current and previous year.

56 Registration obtained from other financial sector regulators

The company is engaged in business of Non-banking financial institution and it has obtained certificate of registration no. B-13.01609 from Reserve Bank of India.

57 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

The company has not exceeded the prudential exposure limit for any single/Group borrower during the current and previous year.

58 Ratings assigned by credit rating agencies and migration of ratings during the year

The company has received rating on 28th June, 2021 from Acuite as follows

Particulars	Current Rating	Previous
Long Term	BB+(Stable)	BBB-(Stable)
Short Term	-	-

59 Overseas Assets

The company does not have any overseas assets during the current and previous year.

60 Off balance SPVs

The company has not subscribed to any off balance SPVs during the current and previous year.

61 Draw down from reserves

There has been no draw down from reserves during the year ended 31 March 2024 (31 March 2023 : Nil).

62 Concentration of advances, exposures and NPAs

(INR in Lakhs)

Particular	31 March 2024	31 March 2023
Concentration of Advances		
Total Advances to twenty largest borrowers	107.53	66.86
Percentage of Advances to twenty largest borrowers to Total Advances	0.79%	0.49%
Concentration of Exposures		
Total Exposure to twenty largest borrowers / customers	107.53	66.86
Percentage of Exposures to twenty largest borrowers / customers to Total Expos	0.79%	0.49%
Concentration of NPAs		
Total Exposure to top four NPA accounts	30.50	30.65

63 Sector-wise NPAs

Sector	Percentage of NPAs to Total Advances in that sector (2024)	Percentage of NPAs to Total Advances in that sector
Agriculture & allied activities	100.00%	100.00%
MSME	100.00%	79.44%
Corporate borrowers	-	-
Services	100.00%	100.00%
Unsecured personal loans	-	-
Auto loans	-	-
Other personal loans	-	-

64 Disclosure pursuant to Reserve Bank of India Circular DOR.No.BP.BC.63/21.04.048/2020-21 dated 17 April 2020 pertaining to Asset Classification and Provisioning in terms of COVID19 Regulatory Package

Particulars	(INR in Lakhs) 31 March 2024
i) Respective amounts in SMA/overdue categories, where the moratorium/deferment was extendec	**2,378.79**
ii) Respective amount where asset classification benefits is extended	**2,378.79**
iii) General provision made*	**-**
iv) General provision adjusted during the period against slippages and the residual provisions	**-**

65 Penalties imposed by RBI and other regulators

RBI and other regulators have not imposed any penalties on the company during current and previous year.

66 Financing of parent company product

The company has not financed any parent company product during current and previous year.

67 Details of Fraud

During the year, the company has reported frauds of Rs. NIL (Previous year Rs. 1.02 lakhs) based on management reporting to risk committee and to the RBI through

68 Disclosure under clause 28 of the Listing Agreement for Debt Securities

Particulars	31 March 2024	31 March 2023
a) Loans and advances in the nature of loans to subsidiaries	-	-
b) Loans and advances in the nature of loans to associates	-	-
c) Loans and advances in the nature of loans where there is -	-	-
(i) no repayment schedule or repayment beyond seven years	-	-
(ii) no interest or interest below section 186 of Companies Act, 2013	-	-
d) Loans and advances in the nature of loans to firms/companies in which directors are interested	-	-

69 Disclosure under clause 16 of the Listing Agreement for Debt Securities

No outstanding balance of Non Convertible Debentures during the year

70 A. Corporate social responsibility (CSR)

The company does not meet the criteria specified under section 135 of the Companies Act, 2013. Hence, CSR is not applicable to the company.

B. 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 Finance Private Limited

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Notes to the financial statements (continued)

Note 71
Additional Regulatory Information

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 property.

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 loans
Promoters	-	-
Directors	-	-
KMPs	-	-

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

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

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.

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.

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.

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.

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 has 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 has 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.

Note 72
Additional Information

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).

Details of Crypto Currency or Virtual Currency
The Company has not traded or invested in Crypto currency or Virtual Currency.

Fino Finance Private Limited

Notes to the financial statements (continued)

Note 73
Subsequent events
There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date.

Note 74
Prior year comparatives
Previous year figures have been regrouped and reclassified wherever necessary to confirm to current year's presentation.

Note 75
Going Concern
The Company had applied to Reserve Bank of India on 24th January 2024 for voluntary surrender of Certificate of Registration (COR) as a Non-Banking Financial Company(NBFC). Further, the company has received the RBI communication dated 5th June 2024 informing approval for cancellation of COR as NBFC vide order dated 30th May 2024.

The Company's financial statements for the year ended 31st March 2024 are prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of obligations in the normal course of business. The financial statements as on 31st March 2024 does not include any adjustments to the amount and classification of assets and liabilities that may be necessary should the Company's financials were prepared on not on going concern basis. Management is of the view such adjustments, if any, will not have any material impact on the financial statements as on 31st March 2024.

As per our report of even date attached.

For Tibrewal Chand & Co
Chartered Accountants
Firm's Registration Number: 311047E

Deepesh Jain
Partner
Membership Number: 170085

Mumbai
05 July 2024

For and on behalf of the Board of Directors of
Fino Finance Private Limited
(Formerly known as Intrepid Finance and Leasing Private Limited)

Ashok Kini
Non Executive-
Independent Director
DIN 00812946

Amit Kumar Jain
Whole Time Director
DIN 08353693

Suraj Gujja
Company Secretary
Memb. No.: A49812