FINO FINANCE PRIVATE LIMITED

ANNUAL REPORT 2020-21

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BOARDS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their Twenty Seventh Annual Report together with the Audited Financial Statements for the financial year ended 31st March, 2021.

Financial Highlights

Particulars	2020-21 (Rs.)	2019-20 (Rs.)
Net Sales and other income	51,31,22,707	1,06,49,50,543
Profit /(Loss) before Interest, Depreciation and Tax	**-24,00,02,122**	**52,77,69,219**
Interest	25,75,74,730	41,95,94,615
Depreciation	4,96,86,748	5,51,97,138
Profit /(Loss) before Tax and prior period items	-54,72,63,600	5,29,77,466
Prior period items	-	-
Profit /(Loss) before Tax	**-54,72,63,600**	**5,29,77,466**
Tax expenses:		
Current tax (MAT)	-	-
Deferred tax	-	65,53,343
MAT credit entitlement	-	-
Tax provision for earlier years	-	-
Net Profit /(Loss) after Tax	**-54,72,63,600**	**4,64,24,123**
Balance of Profit /(Loss) carried forward to next year	**-54,72,63,600**	**4,64,24,123**

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Implementation Of Indian Accounting Standards ("Ind As")

Ministry of Corporate Affairs (MCA) vide its notification dated 30th March 2016, has mandated, Non-Banking Financial Companies (NBFCs) whose debt securities are listed and having net worth less than rupees five hundred crore to comply with the Indian Accounting Standards (Ind AS) in preparation of their financial statements for the accounting periods beginning on or after 1st April 2019.

Accordingly, your Company has prepared the Financial Statements in accordance with Indian Accounting Standards ("IND AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016. The Company has adopted IND AS from 1st April, 2019 and accordingly, these Financial Statements together with the Financial Statements for the comparative reporting period have been prepared with the recognition and measurement principles stated therein, prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with relevant Rules issued there under and the other accounting principles generally accepted in India.

Company Performance

The net revenue of the Company was Rs. 5131.22 lakhs as against Rs. 10649.51 lakhs in the previous year. The Loss before tax is Rs. 5472.63 lakhs as against Profit for Rs. 530.34 lakhs in the previous year. The Loss for the year was Rs. 5472.63 lakhs as against profit for Rs. 464.23 lakhs in previous year.

Brief Description of the Company's working during the Year/State of Company's Affairs

The Company is inter-alia engaged in the business of providing customer-centric financial services, mainly in the form of credit, to the underserved and un-served women population and MSMEs of the country. The credit extended is utilized majorly in agriculture and allied activities as well as in small businesses. Through the Company's products and services, the Company aims at empowering the economically active poor households and MSMEs to grow their businesses and thus improve their overall quality of lives.

Payment of Dividend

In order to conserve its profit and for future expansion/investment in the business of the Company, your Board of Directors has expressed its inability to recommend any dividend to the Shareholders for the financial year ended 31st March, 2021.

Reserves

During the financial year ended 31st March, 2021 no amount is proposed to carry to any reserves.

Material changes and commitments

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the Financial Year to which the Financial Statements relate and the date of this Report.

Attention is drawn to notes to the Financial Statements which describes that extent to which the Covid-19 pandemic will impact the Company financial statement will depend on future developments, which are highly uncertain and the Company shall continue to closely monitor any material changes to future economic conditions.

Except, as disclosed elsewhere in the report, there have been no material changes and commitments, which can affect the financial position of the Company between the end of the financial year and the date of this report.

Changes in Capital Structure: Issued, subscribed and Paid-up Share Capital

The Company had not issued any Equity Shares or sweat equity shares or shares with differential voting rights during the year under review.

During the year under review the Company has not changed its Authorised Share Capital. As on 31st March, 2021 the Authorised Share Capital of the Company is Rs. 16,00,00,000 (Rupees Sixteen Crore) divided into 1,60,00,000 (One Crore Sixty lakhs only) Equity Shares of Rs. 10/- each (Rupees Ten only).

Further, during the year under review, there was no change in the Issued, Subscribed and Paid up share capital of the Company. As on 31st March, 2021 the Issued, Subscribed and Paid up share capital of the Company is Rs. 11,07,68,070 (Rupees Eleven Crore Seven Lakhs Sixty Eight Thousand and Seventy only) divided into 1,10,76,807 (One Crore Ten lakhs Seventy Six Thousand Eight Hundred Seven) Equity shares of Rs. 10/- each (Rupees Ten only).

Board of Directors and Key Managerial Personnel

During the year under review, at the Annual General Meeting of the Company held on 30th September, 2020, the Shareholders of the Company had confirmed the re-appointment of Mr. Ashok Kini as Independent Director of the Company for a further period of Five (5) years with effect from August 20, 2020 to August 19, 2025 (both days inclusive).

Ms. Riya Devulkar tendered her resignation as Company Secretary with effect from December 05, 2020. Mr. Jitendra Garg was appointed as Company Secretary with effect from March 02, 2021.

Except as mentioned above there were no further changes in the composition of the Board of Directors and Key Managerial Personnel of the Company during the year under review.

Independent Directors

The Independent Directors have submitted their disclosures under Section 149 (7) of the Act to the Board that they fulfill all the criteria of independence as mentioned in Section 149(6) of the Companies Act, 2013.

Board Evaluation

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

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

i. Attendance of Board Meetings and Board Committee Meetings.

ii. Quality of contribution at the Board/Committee Meetings deliberations.

iii. Strategic perspectives or inputs regarding future growth of Company and its performance.

iv. Providing perspectives/advice and feedback going beyond information provided by the management.

v. Commitment towards Shareholders and other Stakeholders' interests.

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

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

Accordingly, the Board of Directors had carried out annual performance evaluation of its own performance, the committees and Director individually including Independent Directors. The performance evaluation of the Non Independent Directors and the Board as a whole, Chairman of Company, taking into account the views of Executive Director and Non-Executive Director, was carried out by the Independent Directors.

The Board of Directors had expressed their satisfaction with the evaluation process.

Details of Board of Directors' Meetings

During the year under review, Five (5) Board meetings were held and the dates on which the meetings were held are:

1. 29.04.2020
2. 28.05.2020
3. 20.08.2020
4 24.09.2020
5 12.11.2020 and
6 02.03.2021

The details of the Directors and attendance at the meeting of the Board of Directors:

Sr. no	Name	Category	No of Meetings attended
1.	Mr. Ashok Kini	Independent Director	6
2.	Dr. Anjana Grewal	Independent Director	6
3.	Mr. Amit Jain	Nominee Director	4
4.	Mr. Sudeep Gupta	Whole-time Director	6
5.	Mr. Ramakrishna Gupta		5

Sr. no	Name	Category	No of Meetings attended
	Vetsa		

Further As per para 2.2 of Secretarial Standard-1 issued by Institute of Company Secretaries of India, the Board has set the minimum number and frequency of Committee meetings.

Audit Committee

The Board had constituted Audit Committee under Section 177 of the Companies Act, 2013. During the year under review, four (4) meetings of Audit Committee were held and the date on which the meetings were held are:

1. 28.05.2020
2. 20.08.2020
3. 12.11.2020 and
4. 02.03.2021

Details of members of the Committee and their attendance at the Audit Committee meetings:

Sr. no	Name	Category	No of Meetings attended
1.	Mr. Ashok Kini	Member	4
2.	Dr. Anjana Grewal	Member	4
3.	Mr. Ramakrishna Gupta Vetsa	Member	4

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

Authorised Member of the Audit Committee was present at the Annual General Meeting held on 30th September, 2020.

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Nomination and Remuneration Committee

The Board has constituted Nomination and Remuneration Committee under Section 178 of the Companies Act, 2013.

The Board of Directors has framed a policy which lays down guidelines in relation to remuneration of Directors, Key Managerial Personnel and other employee 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 Companies Act, 2013 read along with the Rules. There were no material changes in the policy during the F.Y. 2020-21. The Policy is annexed herewith as **Annexure A.**

During the year under review, two (2) meetings of Nomination and Remuneration Committee was held on 20.08.2020 and 24.09.2020 and the details of members of the Committee and their attendance at the Nomination and Remuneration Committee Meeting:

Sr. no	Name	Category	No of Meetings attended
1.	Mr. Ashok Kini	Member	2
2.	Dr. Anjana Grewal	Member	2
3.	Mr. Ramakrishna Gupta Vetsa	Member	2

Authorised Member of the Committee was present at the Annual General Meeting held on 30th September, 2020.

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

Risk And Asset Liability Management (ALM) Committee

During the year under review, two (2) meetings of Risk and ALM Committee were held on 28th May, 2020 and 12th November, 2020 and the details of members of the Committee and their attendance are as below:

Sr. no	Name	Category	No of Meeting attended
1.	Mr. Ashok Kini	Chairman	2
2.	Mr. Anjana Grewal	Member	2

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3.	Mr. Sudeep Gupta	Member	2

As on 31st March, 2021 the Committee comprises of Mr. Ashok Kini, Chairman of the Committee, Dr. Anjana Grewal, Member, and Mr. Sudeep Gupta, Member of the Committee.

IT Strategy Committee

In compliance with Clause 1.1 of Section-A on IT Governance of the Master Direction No. DNBS. PPD.No.04/66.15.001/2016-17 dated 8th June, 2017, issued by the Reserve Bank of India, specifying the IT framework to be adopted for the NBFC sector, the Board of Directors has re-constituted an IT Strategy Committee on 02nd March, 2021 comprising of Mr. Ashok Kini, (Independent Director) Chairman of the Committee, Mr. Sudeep Gupta, Member and Mr. Roshan Shrirao, Member of the Committee.

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 IT Strategy Committee were held on 20th August, 2020 and 02nd March, 2021 and the details of members of the Committee and their attendance at the IT Strategy Committee meeting are as below:

Sr. no	Name	Category	No of Meeting attended
1.	Mr. Ashok Kini	Chairman	2
2.	Mr. Sudeep Gupta	Member	2
3.	Mr. Amit Talande*	Member	1
4.	Mr. Roshan Shrirao*	Member	1

* Mr. Amit Talande left the organization, accordingly he ceased to be Chief Technology Officer and Member of the Committee. Mr. Roshan Shrirao has appointed Chief Technology Officer and Member w.e.f. 02nd March, 2021.

As on 31st March, 2021 the Committee comprises of Mr. Ashok Kini, Chairman of the Committee, Mr. Sudeep Gupta, Member, and Mr. Roshan Shrirao, Member of the Committee.

Secretarial Standards

The Directors confirm that the Company is in compliance with applicable secretarial standards issued by Institute of Company Secretaries of India.

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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.

Reporting of Frauds by Auditors

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

Additional disclosures

i) Financial highlights are given in the beginning of the report.

ii) Change in the nature of business, if any : None

iii) The Company has not accepted any deposits during the year in accordance with Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

iv) There are 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.

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

vi) There is no requirement to appoint Cost Auditor by the Company.

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

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

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

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

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

The following is a summary of sexual harassment complaints received and disposed off during the year 2019-20

- No. of complaints received : 0 (Previous year Two).
- No. of complaints disposed off. : 0 (Previous year Two).
- Number of cases pending for more than 90 days : 0
- Number of workshops/awareness programmes against sexual harassment carried out – 0
- Nature of action taken by the employer or District Officer – Not Applicable

Directors' Responsibility Statement

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

(a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
(b) that 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, 2021 and profit of the Company for that period;

(c) the directors had taken proper and sufficient care for the 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 fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis;

(e) the directors had down internal financial controls to be followed by the company and that such internal 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 & Auditors' Report

The Shareholders in their meeting held on 30th September, 2019 had appointed M/s. MSKC & Associates (Formerly known as M/s. R. K. Kumar & Co. (ICAI Firm Registration No. 001595S), Chartered Accountants, as Statutory Auditors of the Company in place of M/s. B S R & Associates LLP (Registration No. 116231 W/W 100024), Chartered Accountants, for a term of 5 years, commencing from the conclusion of the 25th AGM till the conclusion of the 30th AGM of the Company to be held in the year 2024.

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

The Company exempted the presence of Statutory Auditors in the AGM.

Disclosures under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014

As required under Section 134 of the Companies Act, 2013, the disclosures regarding Conservation of Energy, Research and Development, Technology Absorption are set out in the **Annexure B** included in this Report.

There is no Foreign Exchange Earnings and Outgo during the financial year ended 31st March, 2021.

Disclosures under the Companies (Appointment & Remuneration of Managerial Remuneration of Managerial Personnel) Rules 2014

Disclosures as per Rule 5 (1) & (2) of the Companies (Appointment & Remuneration of Managerial Remuneration of Managerial Personnel) Rules 2014, is appended as **Annexure C**.

Related Party Transactions

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

The related party disclosures as per Regulations 53(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached herewith as **Annexure E**.

Particulars of Loans, Guarantees or investments

Details of Loans, Guarantees and Investments covered under the provisions of the section 186 of the Companies Act, 2013 are given in Notes to Financial statements.

Internal Auditor

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

Secretarial Audit Report and qualifications

M/s. D M & Associates, Company Secretaries LLP, the Secretarial Auditor has conducted Secretarial audit for the financial year 2020-21 as required under Section 204 of the Companies Act, 2013.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark. The report is provided in **Annexure F** which is included in this report.

The Company exempted the presence of Secretarial Auditors in the AGM.

Internal Controls and their adequacy

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

Extract of Annual Return

The details forming part of the extract of the annual return in Form MGT-9 is enclosed in **Annexure G.**

RBI Guidelines

As on 31st March, 2021, the Company is a Systematically Important- Non deposit accepting Company (NBFC- NSI- ND) registered with Reserve Bank of India (RBI). The Company has been granted NBFC – Micro Finance Institution (NBFC-MFI) license.

Details of Holding/Subsidiary/Associate Companies

Sr. no.	Name of the Company	Whether incorporated / acquired/ converted	Year of Incorporation/ acquisition	Status
1.	FINO PayTech Limited	Incorporated	2006	Holding Company
2	Fino Trusteeship Services Ltd	Incorporated	2009	Associate Company of Holding Company

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Sr. no.	Name of the Company	Whether incorporated / acquired/ converted	Year of Incorporation/ acquisition	Status
3	Fino Payments Bank Ltd	Converted	2017	Fellow Subsidiary
4	Fino Financial Services Pvt Ltd	Incorporated	2014	Fellow Subsidiary

Debenture Trustees

The details of the Debenture trustees with full contact details are attached herewith as **Annexure H.**

Acknowledgement

The Board wishes to place on record its sincere appreciation to the contribution made by the Employees of the Company during the year under review. 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 of
FINO FINANCE PRIVATE LIMITED
(Formerly known as Intrepid Finance And Leasing Private Limited)

Navi Mumbai
Date: 24th June, 2021

Ashok Kini
Independent Director

Sudeep Gupta
Whole-time Director

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ANNEXURE –A

COMPENSATION PHILISOPHY AT FINO FINANCE PRIVATE LIMITED

Directors, Key Managerial Personnel and Employees Compensation are a critical tool in the successful execution of our corporate goals. Attracting, motivating and retaining talent is central to our compensation policy. The philosophy revolves around pay for performance and guides our compensation decisions for all Directors, Key Managerial Personnel and Employees including the senior management. We believe in being totally compliant to the Companies Act, 2013, RBI Guidelines as well as all other regulatory requirements, as amended from time to time.

1. OBJECTIVES OF THE COMPENSATION POLICY

a) To focus on enhancing the value and to attract and retain quality individuals with requisite knowledge and excellence as Executive and Non-Executive Directors for achieving objectives of the Company and to place the Company in a leading position.
b) To attract and retain talented Key Managerial Personnel and employees.
c) To reward and motivate employees on holistic achievement of their goals including financial and non- financial parameters.
d) Reinforce a business culture that drives meritocracy and supports accountability and zero tolerance for unethical conduct through appropriate compensation and employment decisions.
e) Develop and enforce risk management controls that reduce incentives to create imprudent risks for Fino Finance Private Limited (FFPL) and its businesses, and reward thoughtful balance of risk and return as guided by regulatory instructions from time to time.

2. SCOPE

All Directors, Key Managerial Personnel and employees of Fino Finance Private Limited (FFPL).

Definition(s)

1. Director and Whole-time Director shall mean Director and Whole-time Director as defined under the Companies Act, 2013.

2. "Key Managerial Personnel" (KMP) as defined in section 2(51) of the Companies Act, 2013 means:

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- the Chief Executive Officer or the Managing Director or Manager;
- the Whole-time Director;
- the Company Secretary;
- the Chief Financial Officer;
- such other officer, not more than one level below the Directors who is in whole-time employment, designated as Key Managerial Personnel by the Board; and
- such other officer as may be prescribed.

3. Employee means a full time employee of Fino Finance Private Limited.

3. GUIDING PRINCIPLES

3.1Governance/Guidelines

The Nomination and Remuneration Committee shall, while formulating the policy ensure that—

(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
(b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:

While deciding the policy on remuneration of Directors, the Nomination and Remuneration Committee may consider amongst other things, the duties and responsibilities cast by the Companies Act, 2013, the Listing Regulations, various Codes of Conduct, Articles of Association, restrictions on the remuneration to Directors as also the remuneration drawn by Directors of other companies in the industry, the valuable contributions and inputs from Directors based on their knowledge, experience and expertise in shaping the destiny of the Company, etc. The Policy is guided by a reward framework and set of principles and objectives as more fully and particularly envisaged under Section 178 of the Companies Act, 2013 and principles pertaining to qualifications, positive attributes, integrity and independence of Directors, etc.

The guidelines that govern the Compensation policy and programs of FFPL are actively overseen by the Nomination & Remuneration Committee (NRC) of the board and administered by the Human Resources Department with the key goals of hiring, motivating, rewarding and retaining high performing employees who support the organization's mission and strategy.

The NRC monitors and reviews the compensation policy and ensures that the same is implemented as intended.

DIRECTORS

The Whole-time Director is an executive of the Company and draws remuneration from the Company. The Independent Directors receive sitting fees for attending the meeting of the Board and the Committees thereof, as fixed by the Board of Directors from time to time, subject to statutory provisions. The Independent Directors may be entitled to the remuneration under the Companies Act, 2013. Nominee Directors are not paid any sitting fees or any remuneration. In addition to the above, the Directors are entitled for reimbursement of expenses incurred in discharge of their duties.

The NRC while determining the remuneration shall ensure that the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the Company successfully. While considering the remuneration, the NRC shall also ensure a balance between fixed and performance-linked variable pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

EXECUTIVE DIRECTORS

The term of office and remuneration of Executive Directors are subject to the approval of the Board of Directors, Shareholders, and Central Government, as may be required and the limits laid down under the Companies Act, 2013 from time to time.

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay, subject to the requisite approvals, remuneration to its Executive Directors in accordance with the provisions of Schedule V of the Companies Act, 2013.

If any Executive Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

Remuneration of the Executive Directors reflects the overall remuneration philosophy and guiding principle of the Company. While considering the appointment and remuneration of Executive Directors, the NRC shall consider the industry benchmarks, merit and seniority of the person and shall ensure that the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level counterpart(s) in other companies. Remuneration for Executive Director is designed subject to the limits laid down under the Companies Act, 2013 to remunerate them fairly and responsibly. The remuneration to the Executive Director comprises of salary, perquisites and performance based incentive apart from retirement benefits like Provident Fund, Superannuation, Gratuity, Leave Encashment, etc., as per Rules of the Company. Salary is paid within the range approved by the Shareholders. Increments are effective as recommended/ approved by the NRC/Board.

The Executive Director(s) is/are entitled to the Stock Options of the Holding Company as per the approved Stock Option Scheme of the Holding Company from time to time.

NON-EXECUTIVE DIRECTORS

The Independent Directors (NEDs) are paid remuneration by way of Sitting Fees.

At present, the Company pays sitting fees to the Independent Directors for attending the meetings of the Board and the Committees constituted by the Board from time to time.

Disclosures

Information on the total remuneration of members of the Company's Board of Directors, Executive Directors and Key Managerial Personnel/ Senior Management Personnel may be disclosed in the Board's Report and the Company's Annual Report/ Website as per statutory requirements laid down in this regard.

3.2 Compliance

To comply with all the relevant laws, rules, statutes and regulations related to compensation defined from time to time. Human Resources functions periodically provides compliance certificate to the Board and Nomination Remuneration Committee.

3.3 Compensation Communication

An important objective of the Compensation Policy is to provide all relevant internal and external parties with appropriate information and transparency, thereby promoting a thorough understanding of the FFPL's Compensation practices.

3.4 Performance

FFPL adopts a performance culture with a strong emphasis on disciplined risk management, ethics and compliance-centered behavior. To support this, FFPL has a comprehensive performance management system policy based on performance rating of contribution and any risk adjusted performances demonstrated over time. Contribution ratings are typically based on objective criteria such as achieving targets or successful completion of projects. The Key Performance Indicators of the Whole-time Directors and KMPs and Employees are very well articulated and communicated at the beginning of the year.

Performance Management Systems are designed to foster team work and collaboration, as well as support a strong culture of ethical values and professional standards. All Whole-time Directors, KMPs, managers and employees are aware of the risk aspects of compensation and how their behaviors are factored into discretionary variable incentive award recommendations.

3.5 Market Trends and Practices

In order to maintain internal parity and ensure alignment with market trends and industry best practices, Human Resources Compensation Vertical will undertake benchmarking exercises from time to time and present to NRC their recommendations in line with the compensation policy for hiring and retention of human resources.

3.6 Periodic Review

The total compensation is reviewed on an annual basis to ensure that it is in line with organizational growth and risk adjusted value creation. This also provides us an opportunity to review claw back on any performance based incentive payout.

3.7 Hedging

FFPL does not provide any facility or funds to insure or hedge their compensation to offset the risk involved.

4. Components of Total Compensation

4.1Fixed Pay

Fixed Pay is the fixed payments to Whole-time Director, KMP and Employees on a monthly basis for the services rendered. Fixed Pay is a percentage of the total compensation. Fixed pay for each Whole-time Director, KMP or employee will differ depending on the years of experience, the job role, and tenure in job, job responsibilities and job performance and the Grade. Fixed Pay comprises of components like Basic Salary, House Rent Allowance, Special Allowances, etc. Further any statutory payments such as Provident Fund, Gratuity will be made.

4.2 Earning Potential or Variable Pay

Earning potential or Variable Pay is percentage of compensation and the percentage differs depending on the seniority and job role. The percentage varies in the range of 10% - 30% of compensation.

Earning Potential or Variable Pay is a payout made to the individual depending on the performance of the company and his or her individual performance and other risk adjusted value creation appropriate to role and responsibilities and may be zero in case of sub- standard performance. The Earning Potential Payout is not made in case the Whole-time Director, KMP or Employee chooses to leave the firm. The Earning potential or Variable payout does not constitute of any Guaranteed Bonus.

4.3 Deferred Compensation Component

As a Company we do not offer Deferred Bonus payouts in cash to our Whole-time Director, KMP or Employees. However in case the company at a future date increases the proportion of Variable pay and it exceeds 50% of compensation subject to appropriate approvals from NRC then such incremental payment will be deferred over a period of 3 years. Such Variable Compensation will also be subject to Malus and Claw backs and will need Whole-time Director, KMP or Employees to sign relevant declarations whenever necessary.

4.4 Specific Compensation Components

Aside from the annual compensation review process, there are many compensation components throughout the year. The most common relate to new hires or terminations

and may entail minimum variable compensation such as joining bonus, buy-out arrangements or termination payments.
In such components claw back options are exercised. Such compensation is limited to the year of event only.

The NRC and the Board of Directors have empowered the Whole-time Director to approve the use of such transactions when fully justified and under applicable rules.

For and on behalf of the Board of Directors of
FINO FINANCE PRIVATE LIMITED
(Formerly known as Intrepid Finance And Leasing Private Limited)

Navi Mumbai	**Ashok Kini**	**Sudeep Gupta**
Date: 24th June, 2021	**Independent Director**	**Whole-time Director**

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ANNEXURE –B

Annexure to the Boards' Report

INFORMATION RELATING TO CONSERVATION OF ENERGY, R&D, TECHNOLOGY ABSORPTION AND INNOVATION, AND FOREIGN EXCHANGE EARNINGS/ OUTGO FORMING PART OF THE 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.
- Most of the lights and air condition units are switched off after 7 pm. Only required lights are put on to save on wastage of energy. Switching off all the workstation area AC's during lunch time from 1 p.m. to 2 p.m. expect cafeteria.
- Power factor has been maintained constantly **through use of Capacitor bank**.
- Installed sun control film & blinds across office to keep office cool and to save on AC consumption.

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

B. Research & Development

During the year under review, the Company had conducted various R & D activities in the following areas:

1. Mobile Enrollment:

Mobile enrollment app is used to enroll new customers as well as existing customers of lending through Aadhar based e-KYC with credit check (Equifax & Highmark).

In Enrollment app, RD service application has also been used to ensure that FP capture device is registered with UIDAI and is secure.

Consolidating of multiple mobile applications (enrollment + repayment application) in a single application
Loan repayment app is used to upload repayments collection transaction.

FINO Mitra app is used for Loan processes activity like CGT, GRT, HHV and LUC.

Non-eKYC process for on boarding new customers had been enabled.
Functionality and Features:

- Geo location – all application are capturing live location coordinates (Lat+Long).
- Logins – all app are having centralize auth login.
- BT Print - both the applications are having feature of BT printing and FP capturing.
- FP Capture - RD service application is used while capturing FP to ensure safety and security.
- Auto upload - application are having feature of auto upload based on a fixed time duration.
- e-KYC - customers are verified and get their detail through Aadhar based e-KYC.
- Credit Check - Enrollment application allows credit check of customer based on credit bureau (Equifax & Highmark).

2. **MSME Loan Integration:**

   MSME loans are individual business loans which are provided for business expansion. These loans are provided in two types i.e. secured and unsecured.

   Collection is done on monthly basis.

   Charges collected at the time of disbursement are stamp duty, processing fees, Documentation charges, insurance, and commitment fees.

   All the process from loan application to loan collection is done from ELMS.

3. **Monitoring and Analytical Report:**

   Elms Provides various detailed and summarized report. Some sample report details are as follows:

   a) Customer Stage report is available which help to the Company to identify at what stage the customer is present.

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b) Demand report gives information about the customer demand and its collection Status.

The Company has also provided a separate lending dashboard which provided pictorial representation. Currently dashboard is present to monitor Demand V/S Collection and center meeting status.

4. Security

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

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

C. Technology absorption
Integration of Credit Bureau:

Credit check is required to confirm credit worthiness of a customer. Equifax/Highmark is used to check the credit report. Based on the credit report loan is given to the customers.

For and on behalf of the Board of Directors of
FINO FINANCE PRIVATE LIMITED
(Formerly known as Intrepid Finance And Leasing Private Limited)

Navi Mumbai
Date: 24th June, 2021

Ashok Kini
Independent Director

Sudeep Gupta
Whole-time Director

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Annexure-C

PARTICULARS OF REMUNERATION AND RELATED DISCLOSURES

Disclosures with respect to the remuneration of Directors, Key Managerial Personnel and Employees as required under Section 197(12) of the Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are as under:

Sr.No.	Disclosure requirement	Name of the Director/ KMP	Designation	Ratio of the remuneration of each Director to median remuneration of Employees
1	Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2019-20.	Mr. Ashok Kini	Independent Director	NA
		Dr. Anjana Grewal	Independent Director	NA
		Mr. Amit Jain*	Nominee Director	NA
		Mr. Sudeep Gupta	Whole-time Director	44.21
		Mr. Praveer Kumar$	Chief Financial Officer	NA
		Mr. Basavraj Loni&	Company Secretary	13.49
		Ms. Riya Devulkar%	Company Secretary	6.36
		Mr. Jitendra Garg#	Company Secretary	6.36

*Resigned with effect from 14th January, 2021
$ Appointed with effect from 01st April, 2020
& Resigned with effect from 05th May, 2020
% Appointed with effect from 28th May, 2020 and resigned with effect from 05th December, 2020
# Appointed with effect from 02nd March, 2021
<Sitting fees is not considered in this part.

Sr.No.	Disclosure requirement	Name of the Director/ KMP	Designation	
2	Percentage increase in Remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2019-20.	Mr. Ashok Kini	Independent Director	NA
		Dr. Anjana Grewal	Independent Director	NA
		Mr. Amit Jain*	Nominee Director	NA
		Mr. Sudeep Gupta	Whole-time Director	9%

		Mr. Praveer Kumar$	Chief Financial Officer	11%
		Mr. Basavraj Loni&	Company Secretary	NA
		Ms. Riya Devulkar%	Company Secretary	NA
		Mr. Jitendra Garg#	Company Secretary	NA
	*Resigned with effect from 14th January, 2021 $ Appointed with effect from 01st April, 2020 & Resigned with effect from 05th May, 2020 % Appointed with effect from 28th May, 2020 and resigned with effect from 05th December, 2020 # Appointed with effect from 02nd March, 2021 <Sitting fees is not considered in this part.			
3	Percentage increase in the median Remuneration of employees in the Financial Year 2020-21.	NA		
4	Number of Permanent employees on the rolls of the Company as on 31st March, 2021.	804		
5	Average percentile increase already made in the salaries of employees other than the Managerial Personnel in the last Financial Year i.e. 2019-20 and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	NA		
6	Affirmation that the remuneration is as per the Remuneration Policy of the Company	Yes		

For and on behalf of the Board of Directors of
FINO FINANCE PRIVATE LIMITED
(Formerly known as Intrepid Finance And Leasing Private Limited)

Navi Mumbai	**Ashok Kini**	**Sudeep Gupta**
Date: 24th June, 2021	**Independent Director**	**Whole-time Director**

Annexure - D

FORM NO. AOC-2

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

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

Sl No.		Particulars	Amount (in Rs.)				Amount (in Rs.)
1		**Details of contracts or arrangements or transactions not at arm's length basis**	There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2021, which were not at arm's length basis.				
2		**Details of material contracts or arrangement or transactions at arm's length basis**					
	(a)	Name(s) of the related party and nature of relationship	**Fino Payments Bank Ltd. - Fellow Subsidiary**	**Fino Payments Bank Ltd. - Fellow Subsidiary**	**Fino PayTech Limited. - Holding Company**	**Fino PayTech Limited. - Holding Company**	**Fino PayTech Limited. - Holding Company**
	(b)	Nature of contracts/arrangements/transactions	Business Faciliation Service	Cash Management Services	Reimbursement of Expenses	Corporate Guarantee Commission payable	FLDG Payment on behalf of the Holding Company in relation to the BC lending business with the IndusInd bank
	(c)	Duration of the contracts/arrangements/transactions	01 April 20 to 31 March 21	01 April 20 to 31 March 21	01 April 20 to 31 March 21	01 April 20 to 31 March 21	01 April 20 to 31 March 21
	(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	No. of Branches X fixed cost per branch per month - Rs. 2,87,86,926/-	At Actual - Transaction value of Rs. 66,08,756/-	At Actual - Transaction value of Rs. 1,05,33,775/-	At Actual - Transaction value of Rs. 19,79,063/-	At Actual - Transaction value of Rs. 7,69,72,604/-
	(e)	Date(s) of approval by the Board, if any:	N.A.	N.A.	N.A.	N.A.	N.A.
	(f)	Amount paid as advances, if any:	Nil	Nil	Nil	Nil	Nil

For and on behalf of the Board of Directors of
FINO FINANCE PRIVATE LIMITED
(Formerly known as Intrepid Finance And Leasing Private Limited)

Ashok Kini
Independent Director

Sudeep Gupta
Whole-time Director

NAVI MUMBAI
24th June, 2021

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Annexure-E

Related Party Transactions

Sr. No.	Particulars	Amount at the year end i.e. 31.03.2021 (Rs.)	Maximum amount outstanding during the year (Rs.)
1	Loans and advances in the nature of loans to holding company by name and amount.	Nil	Nil
2	Loans and advances in the nature of loans to associates by name and amount.	Nil	Nil
3	Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount	Nil	Nil

For and on behalf of the Board of Directors of
FINO FINANCE PRIVATE LIMITED
(Formerly known as Intrepid Finance And Leasing Private Limited)

Navi Mumbai
Date: 24th June, 2021

Ashok Kini
Independent Director

Sudeep Gupta
Whole-time Director

ANNEXURE - F

DM & ASSOCIATES COMPANY SECRETARIES LLP

(LLPIN NO. AAI-4743)

[Firm Registration No: L2017MH003500] [Peer Review Certificate: 758/2020]

REGD. OFFICE: # 205, NADIADWALA MARKET, PODDAR ROAD, MALAD (EAST), MUMBAI-400097

Tel No. 022-28443641 Email: dmassociatesllp@gmail.com

Form No. MR-3

Secretarial Audit Report

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

For the Financial Year Ended March 31, 2021

To,
The Members,
FINO Finance Private Limited
Mindspace Juinagar, 9th Floor,
Plot No. Gen 2/1/F, Tower 1,
TTC Industrial Area, MIDC Shirwane,
Juinagar, Navi Mumbai
Thane - 400706

Dear Members,

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended March 31, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
4. The provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
   a. The SEBI(Prohibition of Insider Trading) Regulations,2015;
   b. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
6. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

MUMBAI

7. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act,1992 ('SEBI') **were not applicable** to the Company under the financial year under report:-
   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   b. The Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2009;
   c. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
   d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
   e. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

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

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test check basis, the Company has complied with the following laws applicable specifically to the Company:

1. The Reserve Bank of India Act, 1934;
2. Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016;
3. Master Directions on Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016;
4. Reserve Bank of India (Know Your Customer-KYC) Directions, 2016;
5. Master Directions on Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016 and as amended time to time.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreement entered into by the Company with BSE Limited (For its listed NCDs)pursuant to SEBI (Listing Obligations and Disclosure Requirements),Regulation 2015;

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

We further report that

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

DM & ASSOCIATES COMPANY SECRETARIES LLP MUMBAI

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except for the Meeting held on April 29, 2020 and May 28, 2020 which was held on shorter Notice, however the same was in due compliance of the Act and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes. None of the members of the Board have expressed dissenting views on any of the agenda items during the Audit period.

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

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

Dinesh Kumar Deora
Senior Partner
FCS NO 5683
C P NO 4119
UDIN: F005683C000348465

Place: Mumbai
Date: 20th May, 2021

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

DM & ASSOCIATES COMPANY SECRETARIES LLP
(LLPIN NO. AAI-4743)
[Firm Registration No: L2017MH003500] [Peer Review Certificate: 758/2020]
REGD. OFFICE: # 205, NADIADWALA MARKET, PODDAR ROAD, MALAD (EAST), MUMBAI-400097
Tel No. 022-28443641 Email: dmassociatesllp@gmail.com

ANNEXURE - I

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

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

1. Maintenance of secretarial records is the responsibility of management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, We followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events, etc.

5. The compliance of the provisions of corporate and other applicable laws, rules and regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

Dinesh Kumar Deora
Senior Partner
FCS NO 5683
C P NO 4119
UDIN: F005683C000348465

Place: Mumbai
Date: 20th May, 2021

ANNEXURE-G

Annexure to the Boards' Report

EXTRACT OF ANNUAL RETURN

Form No. MGT-9
as on the financial year ended on March 31, 2020
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration), Rules, 2014]

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U65921MH1994PTC216496
2.	Registration Date	8th March, 1994
3.	Name of the Company	Fino Finance Private Limited (Formerly Intrepid Finance and Leasing Private Ltd.)
4.	Category/Sub-category of the Company	Company limited by shares Indian Non-Government Company
5.	Address of the Registered office & contact details	MindspaceJuinagar, 9thFloor, Plot No. Gen 2/1/F, Tower 1,TTC Industrial Area,MIDC Shirwane,JuinagarNavi Mumbai Thane - 400706 Tel:02271377000
6.	Whether listed company	Debt Listed (Non-convertible Debentures are listed on BSE Limited)
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Adroit Corporate Services Pvt.Ltd. 17-20, Jafferbhoy Ind. Estate, 1stFloor, Makwana Road, Marol Naka, Andheri (E), Mumbai 400059, India. Tel/Direct: +91 (0)22 42270427/22/23

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing10% or more of the total turnover of the Company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Non-mortgage loan services for business purposes	99711359	97.20

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/Associate	% of shares held	Applicable section
1.	FINO PayTech Ltd. MindspaceJuinagar, 9th Floor, Plot No. Gen 2/1/F, Tower 1,TTC Industrial Area, MIDC Shirwane,JuinagarNavi Mumbai Thane - 400706	U72900MH2006PLC162656	Holding	100	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 1 April 2020]				No. of Shares held at the end of the year[As on 31-March-2021]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	1,10,76,806	1,10,76,806	100	- -	1,10,76,806	1,10,76,806	100	0
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1)	-	**1,10,76,806**	**1,10,76,806**	**100**	-	**1,10,76,806**	**1,10,76,806**	**100**	**0**
(2) Foreign	-	-	-	-	-	-	-	-	-
NRI's - Individuals	-	-	-	-	-	-	-	-	-
Other – Individuals	-	-	-	-	-	-	-	-	-
Bodies Corporate	-	-	-	-	-	-	-	-	-
Banks/FI	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2)	-	**1,10,76,806**	**1,10,76,806**	**100**	-	**1,10,76,806**	**1,10,76,806**	**100**	**0**
Total shareholding of Promoter (A) =	-	**1,10,76,806**	**1,10,76,806**	**100**	-	**1,10,76,806**	**1,10,76,806**	**100**	**0**

(A) (1) + (A) (2)									
B. Public Shareholding	-	-	-	-	-	-	-	-	-
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	1	1	0	-	1	1	0	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (Foreign Body Corporates including FDI)	-	-	-	-	-	-	-	-	-
-Sub-Total (B)(2)	**-**	**1**	**1**	**0**	**-**	**1**	**1**	**0**	**0**
Total Public Shareholding (B) = (B)(1) +(B)(2)	**-**	**1**	**1**	**0**	**-**	**1**	**1**	**0**	**0**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**-**	**1,10,76,807**	**1,10,76,807**	**100**	**-**	**1,10,76,807**	**1,10,76,807**	**100**	**-**

(ii) Shareholding of Promoter-

Sl. No	Name of shareholder	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1.	FINO PayTech Limited	1,10,76,806	100	-	1,10,76,806	100	-	-

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr No	Name of shareholder	Shareholding at the beginning of the year		Date	Reason	Increase/ Decrease in shareholding		Cumulative Shareholding during the year	
		No of shares	% of total shares	-	-	No of shares	% of total shares	No of shares	% of total shares
-	-	-	-	-	-	-	-	-	-

(iv) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr No	Name of shareholder	Shareholding at the beginning of the year		Date	Reason	Increase/ Decrease in shareholding		Cumulative Shareholding during the year	
		No of shares	% of total shares			No of shares	% of total shares	No of shares	% of total shares
1.	S.Rajaraman	1	Negligible	No Change		-	-	1	Negligible

(v) Shareholding of Directors and Key Managerial Personnel:

Sr No	Name of shareholder	Shareholding at the beginning of the year		Date	Reason	Increase/ Decrease in shareholding		Cumulative Shareholding during the year	
		No of shares	% of total shares			No of shares	% of total shares	No of shares	% of total shares
	NIL								

V) INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 01.04.2020				
i) Principal Amount	2,33,83,86,550.84	-	-	2,33,83,86,550.84
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2,83,44,891.4	-	-	2,83,44,891.4
Total (i+ii+iii)	**2,36,67,31,442.24**	**-**	**-**	**2,36,67,31,442.24**
Change in Indebtedness during the financial year		-	-	
* Addition	-	-	-	-
* Reduction	1,13,46,00,616.81	-	-	1,13,46,00,616.81
Net Change	**1,13,46,00,616.81**	**-**	**-**	**1,13,46,00,616.81**
Indebtedness at the end of the financial year 31.03.2021				
i) Principal Amount	1,22,49,60,086.00	-	-	1,22,49,60,086.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	71,70,739.43	-	-	71,70,739.43
Total (i+ii+iii)	**1,23,21,30,825.43**	**-**	**-**	**1,23,21,30,825.43**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of Director	Total Amount
		Sudeep Gupta – Whole-time Director	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	73,26,588	73,26,588
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	51,301	51,301
	(c).Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify...	-	-
5	Others	-	-

Sl. No.	Particulars of Remuneration	Name of Director	Total Amount
	Total (A)	**73,77,889**	**73,77,889**
	Ceiling as per the Act		

B. REMUNERATION TO OTHER DIRECTORS

Sl. No.	Particulars of Remuneration	Name of the Director		Total Amount
1	**Independent Directors**	Ashok Kini	AnjanaGrewal	
	Fee for attending board committee meetings	5,50,000	5,25,000	10,75,000
	Commission			
	Others, please specify			
	Total (1)	**5,50,000**	**5,25,000**	**10,75,000**
2	**Other Non-Executive Directors**	Amit Jain	Sudeep Gupta	
	Fee for attending board committee meetings	-	-	-
	Commission	-	-	-
	Others, please specify	-	-	-
	Total (2)	-	-	-
	Total (B)=(1+2)	**5,50,000**	**5,25,000**	**5,25,000**
	Total Managerial Remuneration			
	Overall Ceiling as per the Act	NA	NA	NA

C. REMUNERATIONTO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				Total
		Chief Financial Office	**Company Secretary**			
		Praveer Kumar	**Basavraj Loni (till 05th May, 2020)**	**Riya Devulkar (w.e.f. 28th May, 2020 till 05th December, 2020)**	**Jitendra Garg (w.e.f. 02nd March, 2021)**	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the	-	-	-	-	-

	Income-tax Act, 1961					
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	- as % of profit	-	-	-	-	-
	others specify...	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total	-	-	-	-	-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment			**NIL**		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			**NIL**		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			**NIL**		
Compounding					

For and on behalf of the Board of Directors of
FINO FINANCE PRIVATE LIMITED
(Formerly known as Intrepid Finance and Leasing Private Limited

NAVI MUMBAI	**Ashok Kini**	**Sudeep Gupta**
24th June, 2021	**Independent Director**	**Whole-time Director**

Fino
Fino Finance

Annexure-H

Details of Debenture Trustees:

Name	**Contact Details**
Catalyst Trusteeship Limited	Windsor,6th floor, Office No.604,C.S.TRoad,kalina,Santacruz (East) Mumbai 400098 Board : 91 22 4922 0546 Fax : 91 22 4922 0505 www.catalysttrustee.com

For and on behalf of the Board of Directors of
FINO FINANCE PRIVATE LIMITED
(Formerly known as Intrepid Finance And Leasing Private Limited)

Navi Mumbai Date: 24th June, 2021	**Ashok Kini** **Independent Director**	**Sudeep Gupta** **Whole-time Director**

Fino Finance Private Limited

Financial Statements
together with Auditors' Report
for the year ended 31 March 2021

Fino Finance Private Limited

Contents

MSKC
& Associates
Chartered Accountants

602, Floor 6, Raheja Titanium
Western Express Highway, Geetanjali Railway Colony
Ram Nagar, Goregaon (E) Mumbai 400063, INDIA
Tel: +91 22 6831 1600

INDEPENDENT AUDITOR'S REPORT

To the Members of Fino Finance Private Limited (Formerly known as Intrepid Finance and Leasing Private Limited)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Fino Finance Private Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its Loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 66 and 67 to the financial statements, which describes that the extent to which the COVID-19 Pandemic will impact the Company's financial statements will depend on future developments. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key Audit Matter	How the Key Audit Matter was addressed in our audit
Measurement of Expected Credit Loss (ECL) on Loans Refer to Note 1.2.5 to the financial statement for disclosures relating to ECL The carrying amount of the Financial Asset as on March 31, 2021 amounts to Rs. 149.72 Crore against which ECL provision of Rs. 45.17 Crore is made in the books of account. The provision and classification of financial assets requires appropriate identification and presentation in accordance with Ind As 109 "Financial Instruments". Recognition and measurement of impairment relating to financial assets involves significant management judgement. The most significant areas are: - Portfolio Segmentation - Asset staging criteria - Calculation of probability of default basis the portfolio segmentation. - Consideration of probability of forward looking macro-economic factors specially for Covid-19 impact We have identified the measurement of ECL as a key audit matter in view of the significant judgement and assumptions involved.	Our Audit procedures in respect of this area included, but were not limited, to the following: • Reviewed the Board approved policy on ECL for impairment of financial assets and assessed compliance with Ind AS 109 - 'Financial Instruments'. • Understood the process of ECL computation and verified the design and operating effectiveness of key controls around data extraction and validation. • Involved specialists to review the methodology of the computation of staging of loans, estimation of probability of default, its calibration, and estimation of loss given default. • Reconciled the total financial assets considered for ECL estimation with the books of accounts to ensure the completeness. Performed substantive procedures for verification of ECL model and computation of ECL amount included and not limited to the following: • Performed procedures over segmentation of financial assets related to the advances as per their products. • Reviewed the assumptions used for and computation of probability of default and loss given default for different class of financial assets as per their nature and risk assessment on test check basis. • Verified the appropriate staging of assets basis their days past due on test check basis. • Reviewed the assessment performed for forward looking macro-economic factor. • Verified the ECL computation and ensured application of correct underlying factor like Probability of Default, Loss given default, CCF etc. basis the nature of products and models.
IT Systems and Controls The company's key financial accounting and reporting processes are highly dependent on information systems including automated controls in systems, such that there exists a risk that gaps in the IT control environment	Our audit process to assess the IT system access management included, but are not limited, to the following: General IT controls/user access management 1. Verified IT general controls, by involving IT specialists as part of the audit.

Key Audit Matter	How the Key Audit Matter was addressed in our audit
could result in the financial accounting and reporting records being materially misstated. We have identified 'IT systems and controls' as key audit matter because of the high-level automation and the complexity of the IT architecture and its impact on the financial reporting system	2. Obtained a comprehensive understanding of IT applications landscape implemented at the company. Followed by process understanding, mapping of applications to the same and understanding financial risks posed by people-process and technology. 3. Verified user access management change management, segregation of duties over key financial accounting and reporting systems. 4. Verified key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations on test check basis. 5. Also assessed other areas including password policies, security configurations, system interface controls, controls over changes to applications and databases and that business users, developers and production support did not have access to change applications, the operating systems or databases in the production environment 6. Verified the requisite samples to test the effectiveness of the alternative & manual controls where the IT general controls were ineffective.
Losses incurred by the Company during the year The Company is into business of Non-Banking Financial Company and is Systemically Important - Non-Deposit Accepting Company (NBFC-SI-ND) registered with Reserve Bank of India (RBI) categorized as NBFC-MFI. It is engaged in providing finance to poor women in rural areas of India who are organized as Joint Liability Groups ('JLG') & MSME Loans. The Company has not made any loan disbursements during the current year and not added any new loan customers. It has incurred losses amounting to INR 54.73 Crore for the year ended 31 March 2021 which has eroded the net worth of the Company. The Company has favourable liquidity ratios as on March 31, 2021.	Our audit procedures in respect of this matter included: 1) Evaluated management plans for future actions and business projections, whether the outcome of these plans is likely to improve the situation and whether management's plans are feasible in the circumstances. 2) Evaluated the reliability of the underlying data generated to prepare the forecast and determining whether there is adequate support for the assumptions underlying the forecast; and 3) Obtained written representations from management, regarding their plans for future actions and the feasibility of these plans.

Key Audit Matter	How the Key Audit Matter was addressed in our audit
We have identified this as key audit matter because of management judgement and estimate involved in evaluation of the future plans and business projections	

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

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's report but does not include the financial statements and our auditor's report thereon. The Director's report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Director's report etc, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's responsibilities Relating to Other Information'.

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

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

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 a manner that achieves fair presentation.

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

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

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 of the current period 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

1. As required by the Companies (Auditor's Report) Order, 2016 ("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.

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

(e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 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, 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 has long-term contracts as at March 31, 2021 for which there were no material foreseeable losses. The Company does not have any derivative contracts as at March 31, 2021; and

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

3. In our opinion, according to information, explanations given to us, the provisions of Section 197 of the Act and the rules thereunder are not applicable to the Company as it is a private Company.

MSKC & Associates (Formerly known as R K Kumar & Co)
Chartered Accountants
ICAI Firm Registration Number: 001595S

Tushar Kurani

Tushar Kurani
Partner
Membership No. 118580
UDIN: 21118580AAAADO2076

Mumbai
Date: June 24, 2021

MSKC
& Associates
Chartered Accountants

602, Floor 6, Raheja Titanium
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Tel: +91 22 6831 1600

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF FINO FINANCE PRIVATE LIMITED (FORMERLY KNOWN AS INTREPID FINANCE AND LEASING PRIVATE LIMITED FOR THE YEAR ENDED MARCH 31, 2021

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report]

i.

(a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets (Property, Plant and Equipment).

(b) All the fixed assets were physically verified by the management in the previous year in accordance with a planned program of verifying them in a phased manner over the period of 2 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, there are no immovable properties, and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.

ii. The Company is Non-Banking Finance Company (NBFC), engaged in the business of lending. Accordingly, the provisions stated in paragraph 3(ii) of the Order are not applicable to the Company.

iii. The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships (LLP) or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions stated in paragraph 3 (iii) (a) to (c) of the Order are 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. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.

vi. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.

vii.

(a) According to the information and explanations given to us and the records of the Company examined by us , in our opinion , undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases of provident fund and professional tax.

(b) According to the information and explanations given to us, undisputed dues in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable.

Statutory dues which were outstanding, as at March 31, 2021 for a period of more than six months from the date they became payable are as follows:

Name of the statute	**Nature of the dues**	**Amount Rs.**	**Period to which the amount relates**	**Due Date**	**Date of Payment**	**Remarks, if any**
Department of Commercial Taxes	Professional Tax	604	November 2017	15-12-2017	Not yet paid	N.A.
Department of Commercial Taxes	Professional Tax	755	December 2017	15-01-2018	Not yet paid	N.A.
Department of Commercial Taxes	Professional Tax	755	January 2018	15-02-2018	Not yet paid	N.A.
Department of Commercial Taxes	Professional Tax	3677	February 2018	15-03-2018	Not yet paid	N.A.
Department of Commercial Taxes	Professional Tax	1509	March 2018	15-04-2018	Not yet paid	N.A.
Department of Commercial Taxes	Professional Tax	755	April 2018	15-05-2018	Not yet paid	N.A.
Department of Commercial Taxes	Professional Tax	1488	July 2018	15-08-2018	Not yet paid	N.A.
Department of Commercial Taxes	Professional Tax	738	August 2018	15-09-2018	Not yet paid	N.A.
Department of Commercial Taxes	Professional Tax	2282	March 2020	15-04-2020	Not yet paid	N.A.
Department of Commercial Taxes	Professional Tax	1892	April 2020	15-05-2020	Not yet paid	N.A.
Department of Commercial Taxes	Professional Tax	56	August 2020	15-09-2020	Not yet paid	N.A.
Labour Welfare Fund Act	Labour Welfare Fund	2460	June 2019	15-07-2019	Not yet paid	N.A.
Labour Welfare Fund Act	Labour Welfare Fund	1955	December 2019	15-01-2020	Not yet paid	N.A.

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

Name of the statute	Nature of dues	Amount Rs.	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income Tax Act	Income Tax	10,54,553	2017-18	CIT Appeals	NA

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the financial institution, bank or debenture holders.

ix. In our opinion, 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. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.

x. 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 by its officers or employees during the course of our audit except Rs. 5.15 Lakhs conducted by the officers or employees of the company. We have reported the same to the Audit Committee in accordance with the provisions of section 143(12) of the Act.

xi. According to the information and explanations given to us, since the Company is a Private Company, the provisions of section 197 of the Act will not be applicable. Accordingly, the provisions stated in paragraph 3(xi) of the Order are not applicable to the 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 3(xii) 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 Indian accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (xiv) of the Order are not applicable to the Company.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.

xvi. The Company is required to and has been registered under Section 45-IA of the Reserve Bank of India Act, 1934 as NBFC-MFI as per the certificate of registration dated April 26, 2002.

MSKC & Associates (Formerly known as R. K. Kumar & Co.)
Chartered Accountants
ICAI Firm Registration Number: 001595S

Tushar Kurani

Tushar Kurani
Partner
Membership No. 118580
UDIN: 21118580AAAADO2076

Mumbai
June 24, 2021

MSKC
& Associates
Chartered Accountants

602, Floor 6, Raheja Titanium
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ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF FINO FINANCE PRIVATE LIMITED (FORMERLY KNOWN AS INTREPID FINANCE AND LEASING PRIVATE LIMITED)
[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report]

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

We have audited the internal financial controls with reference to financial statements of Fino Finance Private Limited (the "Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

A Company's internal financial control with reference to financial statements 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 with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

MSKC & Associates (Formerly known as R. K. Kumar & Co.)
Chartered Accountants
ICAI Firm Registration Number: 001595S

Tushar Kurani

Tushar Kurani
Partner
Membership No. 118580
UDIN: 21118580AAAADO2076

Mumbai
Date: June 24, 2021

Fino Finance Private Limited

(Formerly known as Intrepid Finance And Leasing Private Limited)

Balance sheet as at 31 March 2021

(Currency: Indian Rupees in lakhs)

	Notes	As at 31 March 2021	As at 31 March 2020
I. ASSETS			
(1) Financial assets			
(a) Cash and cash equivalents	2	542.90	2,468.91
(b) Bank balances other than (a) above	3	2,979.04	3,203.63
(c) Receivables			
(i) Trade receivables	4	398.74	183.12
(ii) Other receivables		-	-
(d) Loans	5	10,455.83	25,248.92
(e) Other financial assets	6	46.00	157.79
Total financial assets		14,422.51	31,262.37
(2) Non-financial assets			
(a) Current tax assets (Net)		463.75	634.76
(b) Deferred tax assets (Net)		-	-
(c) Property, plant and equipment	7	112.79	433.89
(d) Right-of-use asset	28	43.63	375.53
(e) Other Intangible assets	8	14.46	28.88
(f) Other non-financial assets	9	333.82	60.19
Total non-financial assets		968.45	1,533.25
TOTAL ASSETS		15,390.96	32,795.62

	Notes	As at 31 March 2021	As at 31 March 2020
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		191.56	378.22
(b) Debt Securities	11	3,002.09	2,998.70
(c) Borrowings (other than debt securities)	12	4,812.62	16,073.55
(d) Subordinated liabilities	13	4,506.59	4,595.06
(e) Other financial liabilities	14	55.31	495.96
Total financial liabilities		12,568.17	24,541.49
(2) Non-financial liabilities			
(a) Current Tax Liabilities		81.92	81.92
(b) Provisions	15	222.50	218.09
(c) Other non-financial liabilities	16	105.51	69.47
Total non-financial liabilities		409.93	369.48
(3) Equity			
(a) Equity share capital	17	1,107.68	1,107.68
(b) Other equity	18	1,305.18	6,776.97
Total equity		2,412.86	7,884.65
TOTAL LIABILITIES AND EQUITY		15,390.96	32,795.62

Notes to the financial statements 1-77

The accompanying notes to accounts form an integral part of the Standalone Financial Statements.

For MSKC & Associates (Formerly known as R.K Kumar & Co.)

Chartered Accountants

Firm's Registration No: 001595S

Tushar Kurani

Tushar Kurani

Partner

Membership No: 118580

Mumbai

24 June 2021

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

Independent Director

DIN 00812946

Sudeep Gupta

Whole-time Director

DIN 07899859

Praveer Kumar

Chief Financial Officer

Jitendra Garg

Company Secretary

Fino Finance Private Limited

(Formerly known as Intrepid Finance And Leasing Private Limited)

Statement of profit and loss for the Year ended 31 March 2021

(Currency: Indian Rupees in lakhs)

	Notes	For the Year ended 31 March 2021	For the year ended 31 March 2020
Revenue from Operations			
(i) Interest income	19	3,530.76	6,873.65
(ii) Fees and commission income	20	1,456.77	3,051.64
(iii) Sale of services	21	-	232.14
I. Total Revenue from operations		4,987.53	10,157.43
II. Other income	22	143.69	492.08
III. Total Income (I+II)		5,131.22	10,649.51
Expenses			
(i) Finance costs	23	2,575.74	4,195.95
(ii) Impairment on financial instruments	24	4,416.91	670.48
(iii) Employee benefits expenses	25	2,298.89	3,567.41
(iv) Depreciation and amortization expenses	7,8	496.87	551.97
(v) Other expenses	26	815.43	1,133.93
Total Expenses (IV)		10,603.84	10,119.74
V. Profit/(loss) before Exceptional Items and Tax (III-IV)		(5,472.62)	529.77
VI. Exceptional Items		-	-
VII. Profit/(loss) before Tax (V-VI)		(5,472.62)	529.77
VIII. Tax expense:			
1. Current Tax		-	-
2. Deferred Tax		-	65.53
3. MAT credit entitlement		-	-
IX. Profit/(Loss) for the year		(5,472.62)	464.24
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		(8.54)	(21.80)
Income tax related to items that will not be reclassified to profit or loss		-	-
		(8.54)	(21.80)
Other comprehensive income (net of tax)		(8.54)	(21.80)
XI. Total comprehensive income for the year (IX + X)		(5,481.16)	442.44
XII. Earnings per equity share			
1. Basic earnings per share	39	(49.41)	4.19
2. Diluted earnings per share	39	(49.41)	4.19
Nominal value per share Rs.10 each			
Notes to the financial statements	1-77		

The accompanying notes to accounts form an integral part of the Standalone Financial Statements.

For MSKC & Associates (Formerly known as R.K Kumar & Co.)

Chartered Accountants

Firm's Registration No: 001595S

Tushar Kurani

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Mumbai

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PKumar

Praveer Kumar
Chief Financial Officer

Jitendra Garg
Company Secretary

Fino Finance Private Limited

(Formerly known as Intrepid Finance And Leasing Private Limited)

Statement of cash flows for the Year ended 31 March 2021

(Currency: Indian Rupees in lakhs)

	For the Year ended 31 March 2021	For the year ended 31 March 2020
A. Cash flows from operating activities		
(Loss) / Profit before tax from continuing operations	(5,472.62)	507.97
(Loss) / Profit before tax	(5,472.62)	507.97
Adjustments to reconcile (loss) / profit before tax to net cash used in operating activities		
Depreciation	496.87	551.97
Interest Income	(199.79)	(371.32)
Interest & finance charges	33.66	78.26
ESOP expenses	9.37	13.52
Impairment of financial instruments	4,416.91	670.48
Operating Profit / (Loss) Before Working Capital Changes	(715.60)	1,450.88
Working capital adjustments:		
Other non-financial assets	(273.62)	86.26
Other financial assets	105.05	125.61
Financial assets - loans	9,160.92	7,992.71
Trade Receivables	1,012.57	(908.79)
Trade payables	(186.67)	75.11
Proceeds / (repayment) of Debt securities	3.39	(2,452.70)
Proceeds / (repayment) of Borrowings (other than debt securities)	(11,260.93)	(14,470.52)
Proceeds / (repayment) of Subordinated liabilities	(88.47)	105.85
Other financial liabilities	(0.17)	(104.80)
Provisions	(4.13)	(517.15)
Other non-financial liabilities	36.04	(6.01)
Right-of-use asset	(270.00)	(239.47)
Cash generated from / (used) in operations	(2,481.62)	(8,863.02)
Income Tax Paid	171.01	(70.73)
Net cash flows from operating activities	(2,310.61)	(8,933.75)
B. Cash flows from investing activities		
Acquisition of property, plant and equipment	0.07	(66.01)
Proceeds from property, plant and equipment	-	8.06
Proceeds from fixed deposits	218.40	938.13
Interest Received	199.79	371.32
Net cash flows from investing activities	418.26	1,251.50
C. Cash flows from financing activities		
Interest & Finance Charges Paid	(33.66)	(78.26)
Net cash flows from financing activities	(33.66)	(78.26)
Net increase / (decrease) in cash and cash equivalents	(1,926.01)	(7,760.51)
Cash and Cash Equivalents (opening balance)	2,468.91	10,229.42
Cash and cash equivalents at the end of the year	542.90	2,468.91
Cash and cash equivalents		
Cash on hand and balances with banks	542.90	2,468.91
Cash and cash equivalents	542.90	2,468.91

The notes referred to above form an integral part of the financial statements 1-77

For MSKC & Associates (Formerly known as R.K Kumar & Co.)

Chartered Accountants

Firm's Registration No: 001595S

Tushar Kurani

Tushar Kurani

Partner

Membership No: 118580

Mumbai

24 June 2021

For and on behalf of the Board of Directors of

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Company Secretary

Fino Finance Private Limited

(Formerly known as Intrepid Finance And Leasing Private Limited)

Statement of Changes in Equity (SOCIE) for the Year ended 31 March 2021
(Currency: Indian Rupees in lakhs)

(a) Equity share capital

	As at 31 March 2021		As at 31 March 2020	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting period	1,10,76,807.00	1,107.68	1,10,76,807.00	1,107.68
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the reporting period	1,10,76,807.00	1,107.68	1,10,76,807.00	1,107.68

(b) Other equity

Particulars	Reserves & Surplus				Total
	Retained Earnings	Statutory Reserve (as per RBI Act)	Deemed equity	Securities Premium Reserve	
Balance at 01 April 2019	(5,460.49)	83.02	208.13	11,490.35	6,321.01
Total comprehensive income for the year ended 31 March 2020					
Profit for the year	464.24	-	-	-	464.24
Other comprehensive income (net of tax)	(21.80)	-	-	-	(21.80)
Total comprehensive income for the year	442.44	-	-	-	442.44
Deemed equity	-	-	13.52	-	13.52
Appropriation towards statutory reserve	(92.85)	92.85	-	-	-
Balance at 31 March 2020	(5,110.90)	175.87	221.65	11,490.35	6,776.97
Total comprehensive income for the Year ended 31 March 2021					
Profit for the year	(5,472.62)	-	-	-	(5,472.62)
Other comprehensive income (net of tax)	(8.54)	-	-	-	(8.54)
Total comprehensive income for the Year	(10,592.06)	175.87	221.65	11,490.35	1,295.81
Deemed equity	-	-	9.37	-	9.37
Appropriation towards statutory reserve	-	-	-	-	-
Balance at 31 March 2021	(10,592.06)	175.87	231.02	11,490.35	1,305.18

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 MSKC & Associates (Formerly known as R.K Kumar & Co.)
Chartered Accountants
Firm's Registration No: 001595S

Tushar Kurani

Tushar Kurani
Partner
Membership No: 118580

Mumbai
24 June 2021

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
Independent Director
DIN 00812946

Sudeep Gupta
Whole-time Director
DIN 07899859

PKumar

Praveer Kumar
Chief Financial Officer

Jitendra Garg
Company Secretary

Fino Finance Private Limited

Notes to the financial statements

for the year ended 31 March 2021

(Currency: Indian Rupees in Lakhs)

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 Significant 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
(Formerly known as Intrepid Finance And Leasing Private Limited)
Notes to the financial statements (continued)
as at 31 March 2021

(Currency: Indian Rupees in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Note 2		
Cash and cash equivalents		
Balance with banks :		
-In current account	**317.41**	2,172.84
-In deposits maturing less than 3 months	**-**	70.31
Cash on hand	**225.55**	226.20
Less: Loss allowance	**(0.06)**	(0.44)
	542.90	2,468.91
Note 3		
Bank balances other than cash and cash equivalent		
Deposits with Banks*	**2,979.62**	3,204.24
Less: Loss allowance	**(0.58)**	(0.61)
	2,979.04	3,203.63

* Represents deposits of Rs. 954.24 lakhs (31 March 2020 : Rs.1,613.42 lakhs) provided as cash collateral against borrowings) and represents deposits of Rs. 1457.22 lakhs (31 March 2020 : Rs.1,315.11 lakhs) provided as cash collateral against business correspondent agreement)

Note 4		
Trade and other receivables		
Trade Receivables		
Unsecured considered good	**398.74**	183.12
- Considered Doubtful	-	-
Less: Loss allowance	-	-
	398.74	183.12

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Fino Finance Private Limited Navi Mumbai

(Currency: Indian Rupees in lakhs)

Particulars	**As at 31 March 2021**	As at 31 March 2020
Note 5		
Financial assets - Loans (At amortised cost)		
Loans to Joint liability groups	**13,952.29**	24,898.55
Loans to Joint liability groups - Securitised	-	-
Less: Loss allowance on Joint liability Groups	**(4,428.40)**	(1,189.77)
	9,523.89	23,708.78
Loans to MSME (Secured, considered good)	**1,020.07**	1,600.05
Loans to MSME (Secured, considered doubtful)	-	-
Loans to MSME (Unsecured, considered good)	-	40.98
Less: Loss allowance on MSME	**(88.13)**	(100.89)
	931.94	1,540.14
	10,455.83	25,248.92
Out of the Above		
(I) Secured	**1,020.07**	1,600.05
Less: Loss allowance	**(71.25)**	(71.25)
Total (I)	**948.82**	1,528.80
(II) Unsecured	**13,952.29**	24,939.53
Less: Loss allowance	**(4,445.28)**	(1,219.41)
Total (II)	**9,507.01**	23,720.12
Total (I+II)	**10,455.83**	25,248.92
Out of the Above		
Loans in India	**14,972.36**	26,539.58
Others	-	-
Less: Loss allowance	**(4,516.53)**	(1,290.66)
Total	**10,455.83**	25,248.92
Note 6		
Other financial assets		
Security Deposits	**43.51**	102.97
Less: Loss allowance on security deposits	**(10.91)**	(4.17)
	32.60	98.80
Death claim receivable - Unsecured, considered good	**176.24**	202.36
Less: Provision for doubtful death claim receivable	**(162.84)**	(161.74)
	13.40	40.62
Servicing Asset	-	18.37
	46.00	157.79

Fino Finance Private Limited Navi Mumbai

Fino Finance Private Limited
(Formerly known as Intrepid Finance And Leasing Private Limited)
Notes to the financial statements (continued)
as at 31 March 2021

(Currency: Indian Rupees in lakhs)

Note-7 Property, Plant and Equipment
A. Reconciliation of carrying amount

PARTICULARS	Owned Assets					Total
	Leasehold improvements	Computers/ hardware	Plant and Equipment	Furniture and Fixtures	Office Equipment	
As at 31 March 2021						
Gross Block						
Opening gross block as at 01 April 2020	864.84	464.51	9.49	14.39	362.83	1,716.06
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Closing Gross Block As at 31 March 2021	**864.84**	**464.51**	**9.49**	**14.39**	**362.83**	**1,716.06**
Accumulated Depreciation						
Opening accumulated depreciation as at 01 April 2020	594.33	376.71	9.49	14.39	287.25	1,282.17
Depreciation charge during the year	247.48	39.60	-	-	34.02	321.10
Disposals	-	-	-	-	-	-
Closing Accumulated Depreciation As at 31 March 2021	**841.81**	**416.31**	**9.49**	**14.39**	**321.27**	**1,603.27**
Net Block As at 31 March 2021	**23.03**	**48.20**	-	-	**41.56**	**112.79**
As at 31 March 2020						
Gross Block						
Opening gross block as at 01 April 2019	864.84	429.35	9.49	14.39	364.55	1,682.62
Additions	-	35.16	-	-	30.84	66.00
Disposals	-	-	-	-	(32.56)	(32.56)
Closing Gross Block As at 31 March 2020	864.84	464.51	9.49	14.39	362.83	1,716.06
Accumulated Depreciation						
Opening accumulated depreciation as at 01 April 2019	413.59	308.10	9.49	14.39	260.47	1,006.04
Depreciation charge during the year	180.74	68.61	-	-	51.28	300.63
Assets classified as held for sale	-	-	-	-	-	-
Disposals	-	-	-	-	(24.50)	(24.50)
	-	-	-	-	-	-
Closing Accumulated Depreciation As at 31 March 2020	594.33	376.71	9.49	14.39	287.25	1,282.17
Net Block As at 31 March 2020	270.51	87.80	-	-	75.58	433.89

Fino Finance Private Limited Navi Mumbai

Fino Finance Private Limited
(Formerly known as Intrepid Finance And Leasing Private Limited)
Notes to the financial statements (continued)
as at 31 March 2021

(Currency: Indian Rupees in lakhs)

Note - 8 Other intangible assets

PARTICULARS	Computer software	Total
As at 31 March 2021		
Gross Block		
Opening gross block as at 01 April 2020	48.08	48.08
Additions	-	-
Disposals	-	-
Closing Gross Block As at 31 March 2021	**48.08**	48.08
Accumulated amortisation		
Opening accumulated depreciation as at 01 April 2020	19.20	19.20
Amortisation charge during the year	14.42	14.42
Disposals	-	-
Closing Accumulated Depreciation As at 31 March 2021	**33.62**	33.62
Net Block As at 31 March 2021	**14.46**	14.46
As at 31st March, 2020		
Gross Block		
Opening gross block as at 01 April 2019	48.08	48.08
Additions	-	-
Disposals	-	-
Closing Gross Block As at 31 March 2020	48.08	48.08
Accumulated amortisation		
Opening accumulated depreciation as at 01 April 2019	4.74	4.74
Amortisation charge during the year	14.46	14.46
Disposals	-	-
Closing Accumulated Depreciation As at 31 March 2020	19.20	19.20
Net Block As at 31 March 2020	28.88	28.88

Fino Finance Private Limited Navi Mumbai

(Currency: Indian Rupees in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Note 9		
Other non-financial assets		
Prepaid Expenses	**31.75**	43.55
Advances to employees	**1.73**	2.05
Other Current Assets	**300.34**	14.59
	333.82	60.19
Note 10		
Trade payables		
Dues to Micro, Small and Medium Enterprises	**-**	-
Others	**191.56**	378.22
	191.56	378.22

Disclosure of outstanding dues of Micro and Small Enterprise under Trade Payables is based on the information available with the Company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006. There is no undisputed amount overdue as on March 31, 2021, to Micro, Small and Medium Enterprises on account of principal or interest.

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Based on the information available with management, as at 31 March 2021, no dues were outstanding to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006. Further, the Company has not received any claim for interest from any supplier under the said Act till 31 March 2021.

Note 11		
Debt Securities (At amortised cost)		
Privately placed redeemable non convertible debentures	**3,002.09**	2,998.70
	3,002.09	2,998.70
Out of the Above		
Debt Securities in India	**3,002.09**	2,998.70
Others	**-**	-
Total	**3,002.09**	2,998.70

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Fino Finance Private Limited Navi Mumbai

(Currency: Indian Rupees in lakhs)

Particulars	**As at 31 March 2021**	As at 31 March 2020
Note 12		
Borrowings (At amortised cost)		
Secured		
(A) Term Loans		
(i) from Banks	**3,083.94**	8,082.71
(ii) from other parties	**1,011.07**	5,472.94
(B) Loans repayable on demand		
(i) from Banks		
Cash credit*	**717.61**	2,517.90
	4,812.62	16,073.55
Out of the Above		
Borrowings in India	**4,812.62**	16,073.55
Borrowings outside India	**-**	-
Total	**4,812.62**	16,073.55

Secured Loans:

a. Term loans from banks are taken at an interest rate ranging from 10.75% p.a. to 13.50% p.a. and are repayable in monthly / quarterly installments ranging from 24 to 39 months. Term loans are secured by way of exclusive charge created through hypothecation of the specific loans for security cover, ranging from 1.1 to 1.15 times of the outstanding loans, and in case of certain loans also through corporate guarantee of Holding Company viz. FINO PayTech Limited and cash collaterals.

b. Term loans from non banking financial companies are taken at an interest rate ranging from 11.25% p.a. to 15.00% p.a. and are repayable in monthly / quarterly installments ranging from 24 to 36 months. Term loans are secured by way of exclusive charge created through hypothecation of the specific loans for security cover, ranging from 1.0 to 1.1 times of the outstanding loans, through cash collaterals / first loss default guarantee deposit and in case of certain loans, also post dated cheques.

* Cash credit facility from bank is taken at an interest rate of 10.05% p.a. and the same is secured against 1.2 times of the outstanding loans, corporate guarantee of Holding Company viz. FINO PayTech Limited and cash collaterals.

*COVID emergency fund facility from bank is taken at an interest rate of 7.25% towards operational expenditure for 18 month tenor are payable in monthly installment and the same is secured against hypothecation of 1.2 times of outstanding loan. Also it is secured through corporate guarantee from Hold Co. (FINO PayTech Limited)

The company has utilised loan for the purpose for which it has been obtained. There has been no delay in repayments of interest and principal of aforesaid loans.

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Particulars	As at 31 March 2021	As at 31 March 2020
Note 13		
Subordinated liabilities (At amortised cost)		
Subordinated debt (Non-convertible debenture)	**4,506.59**	4,595.06
	4,506.59	4,595.06
Out of the Above		
Subordinated debt in India	**4,506.59**	4,595.06
Total	**4,506.59**	4,595.06

Unsecured loans:
Subordinated debt of Rs. 2,500 lakhs is issued at an interest rate of 16.10% p.a. and is repayable on 30 September 2021 in a single bullet payment with interest payable quarterly and is unsecured and listed on Bombay stock exchange.
Subsequent subordinated debt of Rs. 2,000 lakhs is issued at an interest rate of 14.50% p.a. and is repayable on 01 October 2025 with interest payable monthly and is unsecured.

Particulars	As at 31 March 2021	As at 31 March 2020
Note 14		
Other financial liabilities		
Lease liabilities	**54.93**	495.42
Collections payable on loan securitised	**0.38**	0.54
	55.31	495.96
Note 15		
Provisions		
Provision for employee benefits		
Gratuity [Refer note 31]	**109.15**	103.22
Bonus payable	**50.46**	53.08
Compensated Absences [Refer note 31]	**14.36**	19.86
	173.97	176.16
Other provision :		
Provision for expected loss on first loss default guarantee	**48.53**	41.93
	48.53	41.93
	222.50	218.09
Note 16		
Other non-financial liabilities		
Statutory dues payable (includes VAT, Excise Duty, Provident Fund, Withholding Taxes, etc.)	**21.90**	54.39
Other liabilities	**83.61**	15.08
	105.51	69.47

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Particulars	As at 31 March 2021	As at 31 March 2020
Note 17		
Share Capital		
a **Authorised :**		
Equity Shares of Rs. 10 each		
16,000,000 (31 March 2020: 16,000,000) Equity shares	**1,600.00**	1,600.00
Total	**1,600.00**	1,600.00
b **Issued and Subscribed and Paid up:**		
11,076,807 (31 March 2020 : 11,076,807) Equity shares fully paid up	**1,107.68**	1,107.68
Total	**1,107.68**	1,107.68
c **Reconciliation of number of shares outstanding at the beginning and end of the year :**		
Equity share :		
Outstanding at the beginning of the year	**1,10,76,807**	1,10,76,807
Equity Shares issued during the year in consideration for cash	-	-
Outstanding at the end of the year	**1,10,76,807**	1,10,76,807

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 2020:Nil).

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

Equity share	As at 31 March 2021		As at 31 March 2020	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares held by FINO PayTech Limited	**1,10,76,806**	**1,107.68**	1,10,76,806	1,107.68

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

Equity share	As at 31 March 2021		As at 31 March 2020	
	No. of Shares	No of shares %	No. of Shares	No of shares %
FINO PayTech Limited	**1,10,76,806**	**100%**	1,10,76,806	100%

e 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 2020 : Nil)

Chartered Accountants

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Particulars	As at 31 March 2021	As at 31 March 2020
Note 18		
Other Equity		
Securities Premium Reserve	**11,490.35**	11,490.35
Statutory Reserve (as per RBI Act)	**175.87**	175.87
Retained Earnings	**(10,592.06)**	(5,110.90)
Deemed equity	**231.02**	221.65
	1,305.18	6,776.97
Securities Premium Reserve		
As per Last Balance Sheet	**11,490.35**	11,490.35
Additions during the year	-	-
Closing Balance	**11,490.35**	11,490.35
Statutory Reserve (as per RBI Act)		
As per Last Balance Sheet	**175.87**	83.02
Appropriations for the year	-	92.85
Closing Balance	**175.87**	175.87
Retained Earnings		
As per Last Balance Sheet	**(5,110.90)**	(5,460.49)
Net (loss) for the year	**(5,472.62)**	464.24
Transfer to Statutory Reserve (as per RBI Act)	-	(92.85)
Remeasurements to net defined benefit plans	**(8.54)**	(21.80)
Closing Balance	**(10,592.06)**	(5,110.90)
Deemed equity		
As per Last Balance Sheet	**221.65**	208.13
Additions during the year	**9.37**	13.52
Closing Balance	**231.02**	221.65
	1,305.18	6,776.97

MSKC & ASSOCIATES Chartered Accountants

Fino Finance Private Limited Navi Mumbai

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(Currency: Indian Rupees in lakhs)

Particulars	For the Year ended 31 March 2021	For the year ended 31 March 2020
Note 19		
Interest income (On financial assets measured at amortised cost)		
Interest income on portfolio loans	**3,318.17**	6,502.33
Interest on fixed deposits*	**199.79**	348.66
Other interest	**12.80**	22.66
	3,530.76	6,873.65

*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 2021	For the year ended 31 March 2020
Note 20		
Fees and comission income		
Loan processing fees	**132.86**	318.38
Service charges	**1,323.91**	2,733.26
	1,456.77	3,051.64
Note 21		
Sale of services		
Gain on loans securitised	-	110.96
Excess interest spread on direct assignment	-	121.18
	-	232.14
Note 22		
Other Income		
Miscellaneous income (net)	-	1.24
Gain on disposal of Right-of-use assets	**63.07**	-
Rent concessions	**80.62**	-
Write back of liabilities	-	490.84
	143.69	492.08
Note 23		
Finance Costs (On financial liabilities measured at amortised cost)		
Interest on borrowings	**2,483.87**	3,419.32
Interest on debentures	-	495.47
Unwinding of lease liabilities	**33.66**	78.26
Other finance costs	**58.21**	202.90
	2,575.74	4,195.95
Note 24		
Impairment on financial instruments (At amortised cost)		
Loans	**5,632.17**	300.34
First loss default guarantee	**6.60**	(464.16)
Others	**(1,221.86)**	834.30
	4,416.91	670.48

MSKC & Associates Chartered Accountants

Fino Finance Private Limited Navi Mumbai

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(Currency: Indian Rupees in lakhs)

Note 25
Employee benefit expense

Salaries and Wages	**2,101.59**	3,315.96
Contribution to Provident and Other Funds	**187.81**	236.06
Staff Welfare Expenses	**0.11**	1.85
ESOP expense	**9.38**	13.54
	2,298.89	3,567.41

Note 26
Other expenses

Repairs and Maintenance:		
- Plant and Machinery	**-**	-
- Others	**71.28**	74.72
Rent	**257.11**	174.88
Rates and Taxes	**0.23**	23.16
Insurance	**91.97**	73.17
Electricity charges	**21.59**	28.76
Communication cost	**57.74**	86.58
Bank charges	**2.38**	19.78
Travelling and Conveyance	**10.32**	68.50
Legal and Professional Charges	**102.41**	232.78
Infrastructure cost	**71.53**	83.02
Stationery & Printing Expenses	**14.20**	63.88
Directors sitting fees	**10.75**	9.50
Payment to auditors		
- Statutory Audit	**21.16**	18.00
Advertisement, publicity and sales promotion expenses	**0.18**	0.60
Miscellaneous Expenses	**82.58**	176.60
	815.43	1,133.93

Fino Finance Private Limited Navi Mumbai

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Note 27
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.

	Carrying amount		**Fair value**			
31 March 2021	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets						
Cash and cash equivalents	542.90	542.90			542.90	542.90
Other bank balances	2,979.04	2,979.04			2,952.69	2,952.69
Trade receivables	398.74	398.74			398.74	398.74
Loans						
Loans - JLG group	9,523.89	9,523.89			9,359.38	9,359.38
Loans to MSME	931.94	931.94			927.73	927.73
Other financial assets						
Death claim receivable	13.40	13.40			13.40	13.40
Security Deposits	32.60	32.60			33.84	33.84
Others	-	-			-	-
	14,422.51	14,422.51	-	-	14,228.68	14,228.68
Financial liabilities						
Trade and other payables	191.56	191.56			191.56	191.56
Debt Securities	3,002.09	3,002.09			2,829.73	2,829.73
Borrowings	4,812.62	4,812.62			3,948.12	3,948.12
Subordinated debts	4,506.59	4,506.59			3,604.17	3,604.17
Other financial liabilities						
Lease liabilities	54.93	54.93			54.93	54.93
Others	0.38	0.38			0.38	0.38
	12,568.17	12,568.17	-	-	10,628.89	10,628.89

	Carrying amount		**Fair value**			
31 March 2020	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets						
Cash and cash equivalents	2,468.91	2,468.91			2,468.91	2,468.91
Other bank balances	3,203.63	3,203.63			3,204.60	3,204.60
Trade receivables	183.12	183.12			183.12	183.12
Loans						-
Loans - JLG group	23,708.78	23,708.78			24,154.69	24,154.69
Loans to MSME	1,540.14	1,540.14			1,525.88	1,525.88
Other financial assets						
Death claim receivable	40.62	40.62			40.62	40.62
Security Deposits	98.80	98.80			101.47	101.47
Others	18.37	18.37			18.37	18.37
	31,262.37	31,262.37	-	-	31,697.66	31,697.66
Financial liabilities						
Trade and other payables	378.22	378.22			378.22	378.22
Debt Securities	2,998.70	2,998.70			2,838.74	2,838.74
Borrowings	16,073.55	16,073.55			15,973.25	15,973.25
Subordinated debts	4,595.06	4,595.06			4,227.41	4,227.41
Other financial liabilities						
Lease liabilities	495.42	495.42			495.42	495.42
Others	0.54	0.54			0.54	0.54
	24,541.49	24,541.49	-	-	23,913.58	23,913.58

(1) Assets that are not financial assets (such as unamortised guarantee cost, prepaid guarantee 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.

Note 27 (continued)
Financial instruments – Fair values and risk management (continued)

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

a. Fair value of cash and 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.

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Note 27 (continued)
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 the receivables outstanding for more than 180 days.

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Note 27 (continued)
Financial instruments – Fair values and risk management (continued)

ii. Credit risk (Continued)

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

The 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.

Fino Finance Private Limited Navi Mumbai

(Currency: Indian Rupees in lakhs)

Note 27 (continued)
Financial instruments – Fair values and risk management (continued)

ii. Credit risk (Continued)

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:

Trade receivables	**31 March 2021**	31 March 2020
Less than 180 days	**398.74**	183.12
More than 180 days	**-**	-
Closing balance	**398.74**	183.12

JLG loans	**31 March 2021**	31 March 2020
Stage 1	**5,301.98**	23,531.88
Stage 2	**4,153.84**	990.85
Stage 3	**4,496.47**	375.82
Closing balance	**13,952.29**	24,898.55

MSME loans	**31 March 2021**	31 March 2020
Stage 1	**819.09**	1,430.36
Stage 2	**75.80**	129.84
Stage 3	**125.18**	80.83
Closing balance	**1,020.07**	1,641.03

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Note 27 (continued)
Financial instruments – Fair values and risk management (continued)

ii. Credit risk (Continued)

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

	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Balance as at 01 April 2019	474.73	537.49	785.02	1,797.24
Transfer to 12 month ECL	1.41	(1.32)	(0.09)	(0.00)
Transfer to Lifetime ECL not credit impaired	(24.91)	36.09	(11.18)	-
Transfer to Lifetime ECL credit impaired	(8.30)	(21.60)	29.90	-
Net remeasurement of loss allowance	(28.25)	315.17	291.27	578.19
New financial assets originated or purchased	239.88	70.78	81.67	392.33
Financial assets that have been derecognized	(351.14)	(295.72)	(931.13)	(1,577.99)
Balance as at 31 March 2020	303.42	640.89	245.46	1,189.77
Transfer to 12 month ECL	**0.79**	**(0.79)**	-	-
Transfer to Lifetime ECL not credit impaired	**(47.53)**	**47.53**	-	-
Transfer to Lifetime ECL credit impaired	**(48.01)**	**(25.00)**	**73.01**	-
Net remeasurement of loss allowance	**(167.49)**	**1,524.39**	**2,962.39**	**4,319.29**
New financial assets originated or purchased	-	-	-	-
Financial assets that have been derecognized	-	**(812.28)**	**(268.38)**	**(1,080.66)**
Balance as at 31 March 2021	**41.18**	**1,374.74**	**3,012.48**	**4,428.40**

	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Loans to MSME				
Balance as at 01 April 2019	28.25	14.33	14.01	56.59
Transfer to Lifetime ECL not credit impaired	(1.67)	1.67	-	-
Transfer to Lifetime ECL credit impaired	(0.44)	(9.77)	10.21	-
Net remeasurement of loss allowance	(17.81)	40.23	20.28	42.70
New financial assets originated or purchased	0.39	1.20	-	1.59
Balance as at 31 March 2020	8.72	47.66	44.50	100.88
Transfer to 12 month ECL	**2.21**	**(2.21)**	-	-
Transfer to Lifetime ECL not credit impaired	**(0.53)**	**0.53**	-	-
Transfer to Lifetime ECL credit impaired	**(1.00)**	**(5.31)**	**6.31**	-
Net remeasurement of loss allowance	**(5.12)**	**(26.58)**	**18.95**	**(12.75)**
New financial assets originated or purchased	-	-	-	-
Balance as at 31 March 2021	**4.28**	**14.09**	**69.76**	**88.13**

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Note 27 (continued)
Financial instruments – Fair values and risk management (continued)

ii. Credit risk (Continued)

Trade Receivables	31 March 2021	31 March 2020
Opening balance	-	6.69
Net Impairment loss recognised	-	-
Balance written back	-	(6.69)
Closing balance	-	-

FLDGs placed for BC lending	31 March 2021	31 March 2020
Opening balance	**41.93**	506.09
Net Impairment loss recognised	**6.60**	-
Balance written back	-	(464.16)
Closing balance	**48.53**	41.93

Other advances	31 March 2021	31 March 2020
Opening balance	**165.91**	79.28
Net Impairment loss recognised	**7.84**	86.63
Balance written back	-	-
Closing balance	**173.75**	165.91

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.

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Note 27 (continued)
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.

			Contractual cash flows				
31 March 2021	**Carrying amount**	**Total**	**Less than 6 months**	**6-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities							
Rupee term loans from banks	**3,083.94**	**3,207.04**	**2,412.51**	**380.72**	**413.81**	-	-
Rupee term loans from others	**1,011.07**	**1,116.54**	**539.70**	**316.95**	**259.89**	-	-
Redeemable non convertible debentures	**3,002.09**	**3,624.36**	**223.10**	**199.90**	**3,201.36**	-	-
Subordinated debt	**4,506.59**	**2,726.43**	**124.98**	**2,601.45**	-	-	-
Working capital loans from banks	**717.61**	**717.61**	**717.61**	-	-	-	-
Trade and other payables	**191.56**	**191.56**	**191.56**	-	-	-	-
Lease liabilities	**54.93**	**57.40**	**41.95**	**11.77**	**3.68**		
Other financial liabilities	**0.38**	**0.38**	**0.38**	-	-	-	-

			Contractual cash flows				
31 March 2020	Carrying amount	Total	Less than 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Rupee term loans from banks	8,082.71	8,825.65	4,449.11	3,565.35	540.80	270.39	-
Rupee term loans from others	5,472.94	5,940.73	3,583.23	1,277.95	819.66	259.89	-
Redeemable non convertible debentures	2,998.70	4,025.14	220.77	199.90	403.11	3,201.36	-
Subordinated debt	4,595.06	6,848.35	471.50	344.23	2,991.80	870.79	2,170.03
Borrowing against loans securitised	-	-					
Working capital loans from banks	2,517.90	2,517.90	2,517.90	-	-	-	-
Trade and other payables	378.22	378.22	378.22	-	-	-	-
Lease liabilities	495.42	547.12	170.82	174.53	195.92	5.85	-
Other financial liabilities	0.54	0.54	0.54	-	-	-	-

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.

(Currency: Indian Rupees in lakhs)

Note 27 (continued)
Financial instruments – Fair values and risk management (continued)

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.

Borrowings	**As at 31 March 2021**	As at 31 March 2020
Fixed rate borrowings	**10,486.99**	19,329.14
Variable rate borrowings	**1,834.31**	4,338.17
Total	**12,321.30**	23,667.31

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**	
	100 bp increase	**100 bp decrease**	**100 bp increase**	**100 bp decrease**
31 March 2021				
Variable-rate instruments	**(18.34)**	**18.34**	**(18.34)**	**18.34**
Cash flow sensitivity (net)	**(18.34)**	**18.34**	**(18.34)**	**18.34**
31 March 2020				
Variable-rate instruments	(43.38)	43.38	(43.38)	43.38
Cash flow sensitivity (net)	(43.38)	43.38	(43.38)	43.38

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.

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Note 28 : Leases

Right-of-use (ROU) asset

Particulars	Building	Total
Gross Block		
Opening Balance as on 01 April 2019	1,176.37	1,176.37
Additions	-	-
Deletions	-	-
Closing Balance as on 31 March 2020	1,176.37	1,176.37
Accumulated depreciation		
Opening Balance as on 01 April 2019	563.96	563.96
Depreciation for the period	236.88	236.88
Depreciation on deletions	-	
Closing Balance as on 31 March 2020	800.84	800.84
Net block as at 01 April 2019	612.41	612.41
Net block as at 31 March 2020	375.53	375.53
Gross Block		
Opening Balance as on 01 April 2020	1,176.37	1,176.37
Additions	-	-
Deletions	848.81	848.81
Closing Balance as on 31 March 2021	**327.56**	**327.56**
Accumulated depreciation		
Opening Balance as on 01 April 2020	800.84	800.84
Depreciation for the period	161.41	161.41
Depreciation on deletions	678.32	678.32
Closing Balance as on 31 March 2021	**283.93**	**283.93**
Net block as at 31 March 2020	375.53	375.53
Net block as at 31 March 2021	**43.63**	**43.63**

Lease liabilities included in the balance sheet	**As at 31 March 2021**	As at 31 March 2020
Current	**51.39**	301.61
Non-current	**3.54**	193.81
	54.93	495.42

Amounts recognised in the statement of profit and loss	**For the Year ended 31 March 2021**	For the year ended 31 March 2020
Interest on Lease Liabilities	**33.66**	78.26
Expenses relating to short-term leases	**257.11**	174.88
Total	**290.77**	253.14

Amounts recognised in the statement of cash flows	**For the Year ended 31 March 2021**	For the year ended 31 March 2020
Total cash outflow for leases for long term leases	**159.98**	317.73

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Note 29
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 consisting 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.

	As at 31 March 2021	As at 31 March 2020
Borrowings	**12,321.30**	23,667.31
Gross Debt	**12,321.30**	23,667.31
Less - Cash and Cash Equivalents	**(542.90)**	(2,468.91)
Less - Other Bank Deposits	**(2,979.04)**	(3,203.63)
Adjusted Net debt	**8,799.36**	17,994.77
Total equity	**2,412.86**	7,884.65
Adjusted Net debt to equity ratio	**3.65**	2.28

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(Currency: Indian Rupees in lakhs)

Note 30
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 24th May, 2017.

Grant date	Exercise price	Share options 31 March 2021	Share options 31 March 2020
01-Aug-10	30.00	-	-
01-Oct-11	75.00	-	1,25,000
01-Aug-12	80.00	5,000	5,000
06-Feb-15	80.00	32,500	1,00,000
01-Dec-15	70.64	45,000	50,000
16-Aug-17	100.00	1,41,250	1,41,250
01-Aug-18	105.00	1,07,500	1,07,500
01-Jul-19	100.00	40,000	40,000

The weighted average share price as at the date of exercise of options exercised during the year during the year ended 31 March 2021 was INR 51.86 (31 March 2020 : INR 100). 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.

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Note 30
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 2021	31 March 2020
Grant date	Nil	01-Jul-19
Fair value at grant date	N.A	INR 22.89 - Year 1 INR 28.02 - Year 2 INR 32.80 - Year 3 INR 37.26 - Year 4
Share price at grant date	N.A	100.00
Exercise price	N.A	100.00
Expected volatility (weighted-average)	N.A	20.00%
Expected life (weighted-average)	N.A	3-6 years
Expected dividends	N.A	6.6% p.a
Risk-free interest rate (based on government bonds)	N.A	6.2% - 6.6%

The following table lists the average inputs to the models used for the plans for the year ended 31 March 2021.

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 2021

Particulars	31 March 2021		31 March 2020	
	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	89.18	5,68,750	88.64	6,00,000
Add: Options granted during the year	-	-	100.00	40,000
Less: Options exercised during the year	76.60	1,97,500	75.00	25,000
Less: Options lapsed during the year	-	-	99.26	46,250
Options outstanding as at the year end	95.87	3,71,250	89.18	5,68,750
Options exercisable as at the year end	93.70	2,83,125	85.07	4,37,500

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 9.38 lakhs (31 March 2020 : INR 13.54 lakhs)

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Note 31
Employee benefits

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 157.05 Lakhs (31 March 2020: 197.47 Lakhs) as provident fund contributions in the Statement of Profit and Loss.

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 amounts recognised in the Company's financial statements as at balance sheet date:

		Gratuity	
	Note	**31 March 2021**	31 March 2020
Liability at the end of the year	15	**109.15**	103.22
Fair value of Plan Assets at the end of the year		-	-
Amount recognised in balance sheet		**109.15**	103.22
Non-current liability	15	**91.18**	45.24
Current Liability		**17.97**	57.98

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Note 31

Employee benefits *(Continued)*

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:

	Gratuity			
	Defined benefit obligation		Fair value of plan assets	
	31 March 2021	31 March 2020	**31 March 2021**	31 March 2020
Opening balance	**103.22**	88.93	-	-
Add: Adjustments to opening balance on account of transfer				
Adjusted opening balance	**103.22**	88.93	-	-
Included in profit or loss				
Current service cost	**15.52**	18.16		
Interest cost (income)	**5.11**	6.02		
	123.85	113.11	-	-
Included in OCI				
Remeasurement loss (gain):				
Actuarial loss (gain) arising from:				
Demographic assumptions	**20.88**	(3.18)		
Financial assumptions	**(5.54)**	5.11		
Experience adjustments	**(6.80)**	19.87		
	132.39	134.91	-	-
Other				
Contributions paid by the employer				
Benefits paid	**(23.24)**	(31.69)		
Closing balance	**109.15**	103.22	-	-

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Note 31

Employee benefits *(Continued)*

Defined benefit obligations

i. Actuarial assumptions

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

	31 March 2021	31 March 2020
Discount rate	**5.60%**	4.95%
Expected Rate of Return on Plan Assets	-	-
Salary escalation rate	**5.90%**	9.4% for first 2 years and 8% thereafter
Withdrawal rate	**22.00%**	60.00%
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.

	Gratuity			
	31 March 2021		31 March 2020	
	Increase	**Decrease**	Increase	Decrease
Discount rate (1% movement)	**(4.98)**	**5.43**	(1.79)	1.85
Future salary growth (1% movement)	**5.36**	**(5.01)**	1.76	(1.74)
Withdrawal rate (1% movement)	**(7.54)**	**9.67**	(0.48)	0.49

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, 2022	17.97
March 31, 2023	18.89
March 31, 2024	17.41
March 31, 2025	16.42
March 31, 2026	13.61
Thereafter	63.20

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Note 32
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 :

31 March 2021	**Loans to Joint liability group**	**Credit enhancements**
Carrying amount of assets	-	-
Carrying amount of associated liabilities	-	-

31 March 2020	Loans to Joint liability group	Credit enhancements
Carrying amount of assets	-	-
Carrying amount of associated liabilities	-	-

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Note 33
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 2021.

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 2021						
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 2020						
Financial assets						
Bank balances other than cash and cash equivalents	-	-	-	-	-	-
Total	-	-	-	-	-	-
Financial liabilities						
Long term borrowings	-	-	-	-	-	-
Total	-	-	-	-	-	-

Note 34
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 2021	31 March 2020
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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Note 35
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 (Formerly known as Fino Fintech Limited) – Entity under common control	India	
	FINO Trusteeship Services Limited	India	
3	**Key Management Personnel**		
	Ashok Kini -Non-executive Chairman & Independent Director		
	Dr. Anjana Grewal - Independent Director		
	Sudeep Gupta - Whole-time Director		
	Ramakrishna Gupta Vesta - Nominee Director of Bharat Petroleum Corporation Limited (BPCL)		
	Praveer Kumar - Chief financial officer		
	Basavraj Loni – Company Secretary & AVP- Legal (Upto 05th May, 2020)		
	Riya Devulkar – Company Secretary & Manager-Legal (Appointed w.e.f. 28th May, 2020 till 05th Dec.2020)		
	Jitendra Garg - Company Secretary & Manager-Legal (Appointed w.e.f. 02nd March 2021)		

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

Sr. No.	Particulars	For the Year ended 31 March 2021	For the year ended 31 March 2020
	Remuneration to Key management personnel		
i.	Short-term employee benefits	**70.61**	67.21
ii.	Post-employment defined benefit	**4.43**	11.71
iii.	Share based payment	**-**	-

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Note 35
Related party relationships, transactions and balances (continued)

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

Nature of Transaction	FINO PayTech Limited	Fino Payments Bank Limited (Formerly known as Fino Fintech Limited)	FINO Trusteeship Services Limited	Total
Reimbursement of expenses				
31 March 2021	105.34	-	-	105.34
31 March 2020	108.95	-	-	108.95
Infrastructure cost				
31 March 2021	-	71.53	-	71.53
31 March 2020	-	83.02	-	83.02
Service charges income				
31 March 2021	-	287.87	-	287.87
31 March 2020	-	557.88	-	557.88
Advance given				
31 March 2021	263.13	-	0.08	263.21
31 March 2020	-	-	-	-
Guarantee commission expense				
31 March 2021	19.79	-	-	19.79
31 March 2020	85.10	-	-	85.10
Balance Outstanding				
Trade Receivables				
31 March 2021	-	202.36	-	202.36
31 March 2020	-	17.55	-	17.55
Other Receivables				
31 March 2021	263.13	-	0.08	263.21
31 March 2020		-	-	-
Trade Payables				
31 March 2021	21.53	-	-	21.53
31 March 2020	47.56	-	-	47.56

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Note 36
Contingent liabilities and commitments

	31 March 2021	31 March 2020
Contingent liabilities		
(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	**720.70**	846.06
	720.70	846.06

	31 March 2021	31 March 2020
Dues to micro and small suppliers		
(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	-	-
	-	-

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Note 37
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.

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Note 38
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 :

Major revenue streams	For the Year ended 31 March 2021	For the year ended 31 March 2020
Interest income (On financial assets measured at amortised cost)		
Interest income on portfolio loans	3,318.17	6,502.33
Interest on fixed deposits	199.79	348.66
Other interest	12.80	22.66
Total	3,530.76	6,873.65
Fees and comission income		
Loan processing fees	132.86	318.38
Service charges	1,323.91	2,733.26
Total	1,456.77	3,051.64
Sale of services		
Gain on loans securitised	-	110.96
Excess interest spread on direct assignment	-	121.18
Total	-	232.14
Total revenue from operations	4,987.53	10,157.43
As per Ind AS 115 - Revenue from contract with customers		
Timing of revenue recognition		
Services transferred at a point in time	-	110.96
Services transferred over time	1,456.77	3,051.64
	1,456.77	3,162.60
As per Ind AS 109 - Financial Instruments		
Interest Income	3,530.76	6,873.65
Excess interest spread on direct	-	121.18
	3,530.76	6,994.83

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Note 39
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

	31 March 2021	31 March 2020
Profit attributable to equity holders of the Company:		
Continuing operations	**(5,472.62)**	464.24
Profit attributable to equity holders of the Company for basic and diluted earnings	**(5,472.62)**	464.24

ii. Weighted average number of ordinary shares

	31 March 2021	31 March 2020
Issued ordinary shares at April 1	**110.77**	110.77
Effect of shares issued for cash	**-**	-
Weighted average number of shares at March 31 for basic and diluted EPS	**110.77**	110.77

Basic and Diluted earnings per share

	31 March 2021	31 March 2020
Basic earnings per share	**(49.41)**	4.19
Diluted earnings per share	**(49.41)**	4.19

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Note 40
Tax expense

(a) Amounts recognised in profit and loss

	For the Year ended 31 March 2021	For the year ended 31 March 2020
Current tax		
Current period (a)	-	-
Changes in estimate related to prior years (b)		
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	-	65.53
Reduction in tax rate		
Recognition of previously unrecognised tax losses	-	-
Deferred tax expense (c)	-	65.53
Tax expense for the year (a)+(b)+(c)	-	65.53

(b) Reconciliation of effective tax rate

	For the Year ended 31 March 2021	For the year ended 31 March 2020
Profit before tax	**(5,472.62)**	529.77
Tax using the Company's domestic tax rate	**(1,422.89)**	137.74
Tax effect of:		
Tax effects of amounts which are not deductible for taxable income		
Tax effects of amounts which are deductible for taxable income		
Tax effect on items on which no deferred tax was recognized	**1,422.89**	37.53
MAT Credit entitlement recognised during the year	-	65.53
Reversal of deferred tax asset on account of reasonable certainty	-	-
Effect of permanent difference on utilisation of loss	-	(175.27)
Changes in tax rates	-	-
Others	-	-
	-	65.53

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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 2021 (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 2021 (Previous Year: Rs. Nil)

44 Terms and conditions of privately placed redeemable non-convertible debentures

Name	Issue Date	Maturity Date	No of NCD's	Rate	Repayment	As at 31 March 2021	As at 31 March 2020
Petterlaar Effectenbewaarbedrijf N.V.DR	26-Aug-16	26-Sep-22	2,986	14.30%	Bullet	**2,986.00**	2,986.00
						2,986.00	2,986.00
Less : Current maturities of non-convertible debentures						-	-
Long term portion of privately placed redeemable non-convertible debenture						**2,986.00**	2,986.00

45 Terms and conditions of sub ordinated debt

Name	Issue Date	Maturity Date	No	Rate	Repayment	As at 31 March 2021	As at 31 March 2020
Karvy Capital limited	31-Mar-16	30-Sep-21	2,50,00,000	16.10%	Bullet principal payment; Interest serviced quarterly	**2,500.00**	2,500.00
IDFC First Bank Limited	NA	01-Oct-25	NA	14.50%	Bullet principal payment; Interest serviced monthly	**2,000.00**	2,000.00

46 Investments

The Company has not made any investments as at 31 March 2021 and 31 March 2020, hence the disclosure pertaining to value of investments and movement of provision held towards depreciation on investments is not applicable.

47 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 2021 (31 March 2020 : Nil).

48 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.

49 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 2021	31 March 2020
Carrying amount of de-recognised financial asset	-	3,453.67
Carrying amount of retained assets at amortised cost*	-	383.74
Gain on sale of the de-recognised financial asset	-	-

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

Particulars	31 March 2021	31 March 2020
i) Number of Accounts	-	33,137.00
ii) Aggregate value (net of provisions) of account sold	-	3,453.67
iii) Aggregate consideration	-	3,453.67
iv) Additional consideration realised in respect of accounts transferred in earlier years	-	-
v) Aggregate gain/(loss) over net book value	-	-

MSKC & ASSOCIATES Chartered Accountants

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50 Details of credit impaired financial assets purchased/sold

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

51 Asset Liability Management Maturity pattern of certain items of Assets and Liabilities as on 31 March 2021 :

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	88.84	85.55	140.80	1,341.02	1,254.33	69.08	-	-	2,979.62
Advances	6,684.95	2,021.25	1,987.77	2,889.79	1,307.29	81.31	-	-	14,972.36
Investments	-	-	-	-	-	-	-	-	-
Borrowings	1,358.91	285.52	1,279.44	2,957.97	599.41	3,843.28	1,996.77	-	12,321.30
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-

Asset Liability Management Maturity pattern of certain items of Assets and Liabilities as on 31 March 2020 :

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	133.71	73.25	210.41	1,029.73	1,731.29	96.16	-	-	3,274.55
Advances	-	-	2,458.76	5,257.29	9,305.34	9,254.63	238.51	25.05	26,539.58
Investments	-	-	-	-	-	-	-	-	-
Borrowings	117.03	4.24	2,952.32	3,575.85	5,772.54	9,253.55	-	1,991.78	23,667.31
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-

52 Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	2021	2020
Provisions for depreciation on Investment	-	-
Provision towards NPA (excluding securitisation)	3,969.29	1,165.28
Provision made towards Income tax	-	-
Provision for securitized portfolio	-	(62.87)
Provision for business correspondent services	6.60	(464.16)
Provision for death claim	1.10	88.21
Contingent Provision for Standard Assets (excluding securitisation)	439.92	(55.98)

53 Movement of NPAs

Sr no	Particulars	2021	2020
i)	Net NPAs to Net Advances (%)	13.12%	0.66%
ii)	Movement of NPAs (Gross)		
	a) Opening balance	456.65	1,199.05
	b) Additions during the year	4,541.04	468.35
	c) Reductions during the year	376.04	1,210.75
	d) Closing balance	4,621.65	456.65
iii)	Movement of Net NPAs		
	a) Opening balance	166.68	400.02
	b) Additions during the year	1,480.38	35.01
	c) Reductions during the year	107.66	268.35
	d) Closing balance	1,539.40	166.68
iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	a) Opening balance	289.97	799.03
	b) Provisions made during the year	3,060.66	433.34
	c) Write-off / write-back of excess provisions	268.38	942.40
	d) Closing balance	3,082.25	289.97

54 Capital Adequacy Ratio

Particular	2021	2020
CRAR%	21.60%	37.20%
CRAR - Tier I Capital %	13.57%	27.13%
CRAR - Tier II Capital %	8.03%	10.08%
Amount of Subordinated Debt raised as Tier-II capital	2,500.00	2,500.00
Amount Raised by the issue of Perpetual Debt Instruments	NA	NA

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Note 55
Disclosure pursuant to Reserve Bank of India notification DOR (NBFC).CC.PD.No.109 /22.10.106/2019-20 dated 13 March 2020 pertaining to Asset Classification as per RBI Norms

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	6,121.07	45.46	6,075.61	169.94	(124.48)
	Stage 2	4,229.64	1,388.83	2,840.81	16.08	1,372.75
Subtotal		**10,350.71**	**1,434.29**	**8,916.42**	**186.02**	**1,248.27**
Non-Performing Assets (NPA)						
Substandard	Stage 3	3,072.94	1,993.93	1,079.01	402.46	1,591.47
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage 3	1,548.72	1,088.31	460.41	926.87	161.44
Subtotal for NPA		**4,621.66**	**3,082.24**	**1,539.42**	**1,329.33**	**1,752.91**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	48.53	(48.53)	57.42	(8.89)
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	**48.53**	**(48.53)**	**57.42**	**(8.89)**
Total	**Stage 1**	6,121.07	93.99	6,027.08	227.36	(133.37)
	Stage 2	4,229.64	1,388.83	2,840.81	16.08	1,372.75
	Stage 3	4,621.66	3,082.24	1,539.42	1,329.33	1,752.91
	Total	**14,972.37**	**4,565.06**	**10,407.31**	**1,572.77**	**2,992.29**

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56 Real Estate Exposure

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

57 Exposure to Capital Markets

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

58 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.

59 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.

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

The company has received rating on 6th July, 2020 from Acuite as follows

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

61 Overseas Assets

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

62 Off balance SPVs

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

63 Draw down from reserves

There has been no draw down from reserves during the year ended 31 March 2021 (31 March 2020 : Nil).

64 Concentration of advances, exposures and NPAs

Particular	2021	2020
Concentration of Advances		
Total Advances to twenty largest borrowers	140.29	161.75
Percentage of Advances to twenty largest borrowers to Total Advances	1.03%	0.61%
Concentration of Exposures		
Total Exposure to twenty largest borrowers / customers	140.29	161.75
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure	1.03%	0.61%
Concentration of NPAs		
Total Exposure to top four NPA accounts	25.16	34.15

65 Sector-wise NPAs

Sector	Percentage of NPAs to Total Advances in that sector (2021)	Percentage of NPAs to Total Advances in that sector (2020)
Agriculture & allied activities	33.11%	1.49%
MSME	12.08%	4.56%
Corporate borrowers	-	-
Services	27.12%	1.81%
Unsecured personal loans	-	-
Auto loans	-	-
Other personal loans	-	-

66 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	31 March 2021
i) Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended	12,518.26
ii) Respective amount where asset classification benefits is extended	12,518.26
iii) General provision made*	-
iv) General provision adjusted during the period against slippages and the residual provisions	-

*The Company, being NBFC, has complied with Ind-AS guidelines duly approved by the Board for recognition of the impairments. Refer Note 67.

67 Provision for impact of COVID-19

The World Health Organization announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on March 11, 2020. On March 24, 2020, the Indian government announced a strict 21-day lockdown across the country to contain the spread of the virus. This pandemic and response thereon have impacted most of the industries. Consequent to the nationwide lock down on March 24, 2020, the Company's operations were scaled down in compliance with applicable regulatory orders. Subsequently, during the year, the Company's operations have been scaled up in a phased manner taking into account directives from various Government authorities. The impact on future operations would, to a large extent, depend on how the pandemic further develops and it's resultant impact on the operations of the Company. The Company continues to monitor the situation and take appropriate action, as considered necessary in due compliance with the applicable regulations.

The management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2021 and has concluded that no there is no impact which is required to be recognized in the financial statements. Accordingly, no adjustments have been made to the financial statements.

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68 Accounting for excess interest spread (EIS)

The company recognises EIS on securitisation transaction in line with RBI circular "Revisions to the guidelines on securitisation transactions" issued on 21 August 2012 which requires recognition of EIS only when redeemed in cash.

69 Penalties imposed by RBI and other regulators

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

70 Financing of parent company product

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

71 Details of Fraud

During the year, the company has reported frauds of Rs. 9.06 (Previous year Rs. 60.26) based on management reporting to risk committee and to the RBI through prescribed returns.

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

Particulars	**31 March 2021**	31 March 2020
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	-	-

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

Non convertible debentures are issued at an interest rate of 13.50% p.a. to 16.10% p.a. and are repayable in bullet payment ranging from 66 to 72 months tenure from the deemed date of allotment. Non convertible debentures are secured through hypothecation of the specific pool of loans with a security cover of 1 times of the outstanding debentures.

74 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.

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Note 75 Maturity Analysis of Assets and Liabilities

	Note No.	As at 31 March 2021			As at 31 March 2020		
I. ASSETS		Within 12 Months	After 12 months	Total	Within 12 Months	After 12 months	Total
(1) Financial assets							
(a) Cash and cash equivalents	2	542.90	-	542.90	2,468.91	-	2,468.91
(b) Bank balances other than (a) above	3	2,909.97	69.07	2,979.04	3,107.48	96.15	3,203.63
(c) Receivables				-			-
(i) Trade receivables	4	398.74	-	398.74	183.12	-	183.12
(ii) Other receivables		-	-	-	-	-	-
(d) Loans	5	9,094.07	1,361.76	10,455.83	18,304.32	6,944.60	25,248.92
(e) Other financial assets	6	42.92	3.08	46.00	57.02	100.77	157.79
Total financial assets		12,988.60	1,433.91	14,422.51	24,120.85	7,141.52	31,262.37
(2) Non-financial assets							
(a) Current tax assets (Net)		-	463.75	463.75	-	634.76	634.76
(b) Deferred tax assets (Net)		-	-	-	-	-	-
(c) Property, plant and equipment	7	-	112.79	112.79	-	433.89	433.89
(d) Right-of-use asset	28	-	43.63	43.63	-	375.53	375.53
(e) Other Intangible assets	8	-	14.46	14.46	-	28.88	28.88
(f) Other non-financial assets	9	332.69	1.13	333.82	60.19	-	60.19
Total non-financial assets		332.69	635.76	968.45	60.19	1,473.06	1,533.25
TOTAL ASSETS		13,321.29	2,069.67	15,390.96	24,181.04	8,614.58	32,795.62

	Note No.	As at 31 March 2021			As at 31 March 2020		
II. LIABILITIES		Within 12 Months	After 12 months	Total	Within 12 Months	After 12 months	Total
(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		191.56	-	191.56	378.22	-	378.22
(b) Debt Securities	11	19.89	2,982.20	3,002.09	18.67	2,980.03	2,998.70
(c) Borrowings (other than debt securities)	12	3,964.00	848.62	4,812.62	14,348.77	1,724.78	16,073.55
(d) Subordinated liabilities	13	2,517.33	1,989.26	4,506.59	154.77	4,440.29	4,595.06
(e) Other financial liabilities	14	0.38	54.93	55.31	0.53	495.43	495.96
Total financial liabilities		6,693.16	5,875.01	12,568.17	14,900.96	9,640.53	24,541.49
(2) Non-financial liabilities							
(a) Current Tax Liabilities		81.92	-	81.92	81.92	-	81.92
(b) Provisions	15	120.96	101.54	222.50	165.69	52.40	218.09
(c) Other non-financial liabilities	16	105.51	0.00	105.51	69.47	-	69.47
Total non-financial liabilities		308.39	101.54	409.93	317.08	52.40	369.48
Total Liabilities		7,001.55	5,976.55	12,978.10	15,218.04	9,692.93	24,910.97
Net		6,319.74	(3,906.88)	2,412.86	8,963.00	(1,078.35)	7,884.65

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76 Subsequent events

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

77 Prior year comparatives

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

As per our report of even date attached.

For **MSKC & Associates (Formerly known as R.K Kumar & Co.)**
Chartered Accountants
Firm's Registration No: 001595S

Tushar Kurani
Partner
Membership Number: 118580

Mumbai
24 June 2021

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
Independent Director
DIN 00812946

Sudeep Gupta
Whole-time Director
DIN 07899859

Praveer Kumar
Chief Financial Officer

Jitendra Garg
Company Secretary