FINO PAYTECH LIMITED

Annual Report for the F.Y. 2018-2019

FINO PAYTECH LIMITED

BOARDS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their Thirteenth Annual Report together with the Audited Standalone and Consolidated Financial Statements for the Financial year ended 31st March, 2019. Consolidated statements include the statements of Fino Payments Bank Limited (Formerly known as FINO Fintech Limited), Fino Finance Private Limited (Formally known as Intrepid Finance and Leasing Private Limited), Fino Financial Services Private Limited, Wholly Owned Subsidiaries and Fino Trusteeship Services Limited, Associate Company.

Financial Highlights

(Rs. in Lakhs)

PARTICULARS	STANDALONE		CONSOLIDATED	
	2018-19 Current Year	2017-18 Previous Year	2018-19 Current Year	2017-18 Previous Year
Net Sales and other income	5,302.85	4,336.53	54,739.10	37,694.02
Profit /(Loss) before Interest, Depreciation and Tax	1,179.21	(4,600.84)	3,624.06	(9,407.31)
Finance Charges	504.73	436.99	6,562.96	5,475.70
Depreciation	289.08	572.99	2,456.17	2,722.48
Profit /(Loss) before Tax and prior period items	385.41	(5,610.82)	(5,395.08)	(17,605.48)
Prior period items	-	-	-	-
Profit /(Loss) before Tax	385.41	(5,610.82)	(5,395.08)	(17,605.48)
Tax expenses:				
Current tax	-	-	73.25	-
Tax provision for earlier yrs.	-	302.78	-	302.78
Deferred	1,308.20	(1,224.59)	1,864.38	(1187.45)
Mat Credit entitlement	-	-	-	-
Net Profit /(Loss) after Tax	(922.79)	(4,689.01)	(7,332.71)	(16,720.81)
Other Comprehensive Income	178.44	31.21	(143.68)	146.63
Balance of Profit /(Loss) carried forward to next year	(744.35)	(4,657.80)	(7,189.03)	(16,574.18)

FINO PAYTECH LIMITED

Pursuant to the notification dated February 16, 2015 issued by the Ministry of Corporate Affairs, the Company has adopted the Indian Accounting Standards ("Ind AS ") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016.

Bharat Petroleum Corporation Limited's (BPCL) investment in the Company is 23.19% (as on 31st March, 2019), therefore your Company is an Associate Company of the BPCL.

Financial Statements for the year ended and as at March 31, 2019 have been prepared to conform to Ind AS.

Company Performance

The net revenue of the Company was Rs. 5,302.85 lakhs as against Rs. 4,336.53 lakhs in the previous year. The Profit / Loss before tax was Rs. 385.41 lakhs as against Rs.-5,610.82 lakhs in the previous year.

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

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

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 their inability to recommend any dividend to the Shareholders for the financial year ended 31st March, 2019.

Reserves

The Company doesn't propose to transfer any amount to General Reserves.

Material changes and commitments

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.

FINO PAYTECH LIMITED

Detail of Subsidiary/Associate Companies

Sr. no.	Name of the Company	Whether incorporated / acquired/ converted	Year of Incorporation/acquisition	Status
1.	Fino Finance Private Limited (Formerly known as Intrepid Finance & Leasing Pvt. Ltd.)	Acquired	2010	Wholly-owned Subsidiary
2.	FINO Trusteeship Services Ltd.	Incorporated	2009	*Associate Company
3.	Fino Payments Bank Limited (Formerly known as FINO Fintech Limited)	Converted	2017	Wholly-owned Subsidiary
4.	FINO Financial Services Pvt. Ltd.	Incorporated	2014	Wholly-owned Subsidiary

*Fino Trusteeship Services Ltd ("FTSL") was the Wholly-owned subsidiary of the Company, further during the financial year under review the Company had sold its 25,494 equity shares held in FTSL.

Consequent to the above the shareholding of the Company in FTSL got reduced upto 49% and therefore FTSL's status for the Company was changed from Wholly-owned subsidiary to Associate Company.

The Financials of Fino Payments Bank Limited, Fino Finance Private Limited, Fino Financial Services Private Limited, Wholly-owned subsidiary companies and Fino Trusteeship Services Limited, Associate Company are annexed and forming part of the Consolidated financial statements of the Company.

Highlights of the performance of Company's Wholly-owned Subsidiary Companies & Associate Company:

The total revenue from the operation of Fino Payments Bank Limited during the year under review is Rs. 37,112.05 lakhs and Net Loss is Rs. 6,238.37 lakhs.

The total revenue from the operation of Fino Finance Private Limited during the year under review is Rs. 13,450.71 lakhs and Net Profit is Rs. 232.83 lakhs.

The total revenue from the operation of Fino Financial Services Private Limited during the year under review is Rs. Nil lakhs and Net Loss is Rs. 0.43 lakhs.

The total revenue from the operation of Fino Trusteeship Services Limited, Associate Company of the Company, during the year under review is Rs. 31.45 lakhs and Net Profit is Rs. 21.98 lakhs.

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

During the year under review, pursuant to the ESOP Scheme of the Company the Company had allotted 3,74,000 Equity Shares of Rs. 10 each to the employees who had exercised their ESOPs. As a result, the issued and paid-up share capital of the Company had increased from Rs. 98,41,23,610/- to Rs. 98,78,63,610/-. The Company has not issued 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 therefore as on 31st March, 2019, the Authorised Equity Share Capital of the Company is Rs. 170,00,00,000/-, divided into 12,00,00,000 Equity Shares of Rs. 10/- each aggregating to Rs. 120,00,00,000/- and 5,00,00,000 Fully Compulsorily Convertible Preference Shares of Rs. 10/- each aggregating to Rs.50,00,00,000/-.

Directors' and Key Managerial Personnel

During the year under review, Mr. Rishi Daultani tendered his resignation as Chief Financial officer (CFO) of the Company with effect from 2nd July 2018.

Further, Mr. Rishi Daultani was appointed as Chief Financial Officer (CFO) and as Key Managerial Personnel with effect from 23rd August, 2018.

At the Annual General Meeting of the Company held on 28th September, 2018, the Shareholder of the Company had confirmed the appointment of Mr. Rajeev Arora as Director of the Company, who was appointed as an Additional Director of the Company.

Further, Mr. Rajeev Arora who retires by rotation was re-appointed as a Director of the Company at the Annual General Meeting of the Company held on 28th September, 2018.

Further, the Shareholder at their Annual General Meeting held on 28th September, 2018 had approved the appointment and terms of remuneration of Mr. Rajeev Arora as Whole-time Director of the Company for a period of Three (3) years with effect from 1st January, 2018 to 31st December, 2020 (both days inclusive).

Further, Mr. Rajeev Arora, Whole-time Director had resigned from his position as Whole-time Director with effect from 30th September, 2018.

Mr. Sudeep Gupta was appointed as an Additional Director with effect from 14th November, 2018 and subject to the approval of the Shareholders appointed as the Whole-time Director and Key Managerial Personnel (KMP) of the Company.

Mr. Sudeep Gupta who holds the office upto the date of the ensuing AGM of the Company would be confirmed as Director at the ensuing Annual General Meeting.

Further, Mr. Sudeep Gupta retires by rotation at the forthcoming AGM (upon ratification/confirmation of his appointment by the Shareholders) and is eligible for re-appointment.

Further, Mr. Pramod Sharma, Nominee Director had resigned from his position as Nominee Director with effect from 31st December, 2018.

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.

Board Evaluation

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

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

i. Attendance of Board Meetings and Committee Meetings.

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

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

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

v. Commitment towards Shareholders and other Stakeholders' interests.

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

Further, Schedule IV of 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, four (4) Board meetings were held and the date on which the meetings were held are:

1. 23.05.2018
2. 23.08.2018
3. 14.11.2018
4. 12.02.2019

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	Non-Executive Chairman, Independent Director	4
2.	Dr. Anjana Grewal	Independent Director	4
3.	Mr. Amit Jain	Nominee Director	3
4.	Mr. Pramod Sharma#	Nominee Director	3
5.	Mr. Alok Gupta	Nominee Director	4
6.	Mr. Rajeev Arora^	Whole-time Director	2
7.	Mr. Sudeep Gupta*	Additional Director in the capacity of Whole-time Director	2

Mr. Pramod Sharma, Nominee Director, resigned from his position with effect from 31st December, 2018.
^ Mr. Rajeev Arora, Whole-time Director of the Company resigned from his position with effect from 30th September, 2018.
*Mr. Sudeep Gupta appointed with effect from 14th November, 2018 as Additional Director in the capacity of Whole-time Director.

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.

Secretarial Standards

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

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 as amended from time to time.

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, 2019 and profit of the Company for that period;
(c) that 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) that the directors had prepared the annual accounts on a going concern basis; and
(e) that 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.

FINO PAYTECH LIMITED

Auditors & Auditors' Report

M/s. B S R & Associates LLP (Registration No. 116231 W/W 100024) Statutory Auditors of the Company would retire at the ensuing Annual General Meeting.**

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 A** included in this Report.

The details of Foreign Exchange Earnings and Outgo are set out in note no. 31 and 42 of the notes to standalone financial statements.

Disclosures under Section 134 of the Companies Act, 2013 read with Rule 5 (2) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014

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

****UPDATED STATEMENT**

The Board of Directors vide its circular resolution dated 3rd September, 2019 had upon the recommendation of the Audit Committee approved and recommended to the Members, the appointment of 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 13th AGM till the conclusion of the 18th AGM of the Company to be held in the year 2024, subject to approval by the Members and has accordingly approved the Notice for 13th Annual General Meeting with a recommended resolution for appointment of the said firm as Statutory Auditors along with the additional information therefor. M/s. R. K. Kumar & Co., Chartered Accountants, have confirmed that the said appointment would be in conformity with the provisions of sections 139 and 141 of the Companies Act, 2013. The Members are requested to appoint M/s. R. K. Kumar & Co., Chartered Accountants, (ICAI Firm Registration No. 001595S), as Statutory Auditors of the Company in place of the retiring Auditors, M/s. B S R & Associates LLP, Chartered Accountants at the ensuing AGM for a term of 5 years from the conclusion of the ensuing AGM till the conclusion of the 18th AGM and fix their remuneration.

By Order of the Board
For FINO PayTech Limited
Sd/-
Basavraj Loni
Company Secretary & AVP-Legal

Place : Navi Mumbai
Date : 3rd September, 2019

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- B**. 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.

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.

Audit Committee

The Board has constituted Audit Committee under Section 177 of the Companies Act, 2013. During the year under review, Mr. Pramod Sharma, Nominee Director had resigned from the Directorship of the Company with effect from 31st December, 2018 and accordingly ceased to be member of the Audit Committee.

As on 31st March, 2019 the Committee comprised of two Independent Directors and two Nominee Directors.

During the year under review, four (4) meetings of the Audit Committee were held and the dates on which the meetings of the Audit Committee were held are:

1. 23.05.2018
2. 23.08.2018
3. 14.11.2018
4. 12.02.2019

Details of members of the Committee and their attendance at the Audit Committee meetings are as given below:

Sr. no	Name	Category	No of Meetings attended
1.	Mr. Ashok Kini	Chairman	4
2.	Dr. Anjana Grewal	Member	4
3.	Mr. Alok Gupta	Member	4
4.	Mr. Amit Jain	Member	3
5.	Mr. Pramod Sharma*	Member	3

*Mr. Pramod Sharma, Nominee Director, resigned from his position with effect from 31st December, 2018, consequently, ceased to be Member of the Committee.

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

Chairman of the Audit Committee was present at the Annual General Meeting held on 28th September, 2018.

Nomination and Remuneration Committee

The Board has constituted Nomination and Remuneration Committee as per requirements of the Companies Act, 2013.

During the year under review, Mr. Pramod Sharma, Nominee Director had resigned from the Directorship of the Company with effect from 31st December, 2018 and accordingly he ceased to be member of the Nomination and Remuneration Committee.

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. 2018-19. The Policy is available on the web site of the Company www.finopaytech.com.

As on 31st March, 2019 the Committee comprised of two Independent Directors and two Nominee Directors.

During the year under review, four (4) meetings of Nomination and Remuneration Committee were held and the date on which the meetings were held are:

1. 23.05.2018
2. 23.08.2018
3. 14.11.2018
4. 12.02.2019

Details of members of the Committee and their attendance at the Nomination and Remuneration Committee meetings are as given below:

Sr. no	Name	Category	No of Meetings attended

Sr. no	Name	Category	No of Meetings attended
1.	Mr. Ashok Kini	Chairman	4
2.	Dr. Anjana Grewal	Member	4
3.	Mr. Alok Gupta	Member	4
4.	Mr. Amit Jain	Member	3
5.	Mr. Pramod Sharma*	Member	3

* Mr. Pramod Sharma, Nominee Director, resigned from his position with effect from 31st December, 2018, consequently, ceased to be Member of the Committee.

Authorised Representative of the Committee was present at the Annual General Meeting held on 28th September, 2018.

Corporate Social Responsibility Committee

The Board has constituted Corporate Social Responsibility Committee under Section 135 of the Companies Act, 2013 and adopted CSR policy formulated by the Committee.

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

Since the Company had incurred considerable loss in the financial year 2017-18 and in order to conserve its resources for future expansion/growth, the Company could not spend the remaining amount out of the mandatory CSR amount for F.Y. 2017-18 towards CSR expenditure.

Further, the Company did not have profit on an average of 3 preceding financial years therefore the Company was not required to spend any amount towards CSR during F.Y. 2018-2019. For F.Y. 2019-2020 as well the Company do not have profit on an average of 3 preceding financial years therefore the Company is not required to spend any amount towards CSR expenditure.

The Annual Report on CSR initiatives/activities is enclosed as **Annexure C**.

During the year under review, one (1) meeting of Corporate Social Responsibility Committee was held on 23.5.2018.

Details of members and their attendance at the Corporate Social Responsibility Committee meetings:

Sr. no	Name	Category	No of Meetings attended
1.	Mr. Ashok Kini	Chairman	1
2.	Dr. Anjana Grewal	Member	1
3.	Mr. Pramod Sharma*	Member	1

*Mr. Pramod Sharma, Nominee Director, resigned from his position with effect from 31st December, 2018, consequently, ceased to be Member of the Committee.

Stakeholder Relationship Committee

Mr. Rajeev Arora, Whole-time Director of the Company resigned from his position with effect from 30th September, 2018. Consequently he ceased to be Member of the Committee, therefore the Board of Directors at its Meeting held on 12th February, 2019 had re-constituted Stakeholders Relationship Committee under Section 178 of the Companies Act, 2013 and inducted Mr. Sudeep Gupta, Whole-time Director of the Company as a Member of the Committee.

As on 31st March, 2019 the Committee comprised of:

1.	Mr. Ashok Kini	Chairman
2.	Dr. Anjana Grewal	Member
3.	Mr Sudeep Gupta	Member

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

Chairman of the Committee was present at the Annual General Meeting held on 28th September, 2018.

Risk Management Policy

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

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

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

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

Vigil Mechanism

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

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 at the beginning of this 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 Chapter V of the Companies Act, 2013.

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

Disclosure for Employees Stock Option Plan (ESOP)

As per sub-rule 9 of Rule 12 of the Companies (Share capital and Debentures) Rules, 2014 and pursuant to Section 62 of the Companies Act, 2013, the details of ESOPs are:

a)	Options granted	:	2,24,83,000
b)	Options vested	:	59,42,250
c)	Options exercised	:	77,13,000
d)	Total number of shares arising as a result of exercise of options	:	77,13,000
e)	Options lapsed	:	69,25,250
f)	Exercise price	:	Rs. 10, 20, 30, 70.64, 75, 80, 100 & 105

g) Variation of terms of options : none
h) Money realised by exercise of option : As detailed in financial statements
i) Total number of options in force : 78,44,750
j) Employee-wise details of options Granted to-
   i) Key Managerial Personnel (as on 31.03.2018) : 1,30,000
   ii) Any other employee who receives grant of options in any one year amounting to 5% or more of options granted during that year : None
   iii) Identified employees who were Granted option, during any one year Equal to or exceeding 1% of the issued Capital of the company (excluding outstanding warrants and conversions) at the time of grant : None

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 2018-19.

- No. of complaints received : __0__ (Previous year _0_).
- No. of complaints disposed off. : __0__ (Previous year _0_).
- Number of cases pending for more than 90 days : 0
- Number of workshops/awareness programmes against sexual harassment carried out – Nil

- Nature of action taken by the employer or District Officer – Not Applicable

Secretarial Audit Report and qualifications

M/s. Amita Desai & Co., Company Secretaries, the Secretarial Auditor has conducted Secretarial audit for the financial year 2018-19 as required under Section 204 of the Companies Act, 2013 and the report with qualification/observation is provided in **Annexure D** which is included in this report.

Following are the reply of management for the remark(s) given by the Secretarial Auditors in their report:

1. At the beginning of the financial year till 31st December, 2018 the Composition of Nomination and Remuneration Committee was not in accordance with the provisions of Section 178 of the Companies Act, 2013, however as on 31st March, 2019 the Composition of the said Committee is in accordance with the Companies Act, 2013. Further as on 31st March, 2019 the Composition of the Audit Committee was not in accordance with the provisions of Section 177 of the Companies Act, 2013. The Company will ensure proper composition of its Audit Committee as required under section 177 of the Companies Act, 2013, in future.

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

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.

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 E**.

The Annual Return of the Company as at 31st March, 2019 has been placed on the website of the Company and can be accessed from www.finopaytech.com.

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. On a consolidated basis the Company has achieved impressive growth through the competence, hard work, solidarity, co-operation and support of employees at all levels. Your Directors thank the investors, customers, clients, vendors and other business associates for their continued support in the Company's growth. The Directors also wish to thank the Government Authorities, Banks and the Shareholders for their co-operation and assistance extended to the Company.

Place : Navi Mumbai
Date : 28th May, 2019

For and on behalf of the Board of Directors

Sd/-
Ashok Kini
Non-Executive Chairman

ANNEXURE A

Annexure to the Directors' 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 following R & D activities.

Security

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

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

- Intrusion Prevention Systems(IPS)
- Intrusion Detection Systems(IDS)
- Web Application Firewall (WAF)
- File Integrity Monitoring Systems(FIM)
- Firewalls

- Various monitoring mechanisms deployed using the above tools, alerts are monitored online and daily basis to ensure high level security.

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

C. Technology absorption

FINO ASA/AUA and KSA/KUA compliant

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

Place : Navi Mumbai
Date : 28th May, 2019

For and on behalf of the Board of Directors

Sd/-
Ashok Kini
Non-Executive Chairman

Annexure - B

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

(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.)								
1	**Details of contracts or**		There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2018, 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 Finance Private Limited. - Wholly-Owned Subsidiary**	**Fino Finance Private Limited. - Wholly-Owned Subsidiary**	**Fino Finance Private Limited. - Wholly-Owned Subsidiary**	**Fino Finance Private Limited. - Wholly-Owned Subsidiary**	**Fino Payments Bank Limited. - Wholly-owned Subsidiary**	**Fino Payments Bank Limited. - Wholly-owned Subsidiary**	**Fino Payments Bank Limited. - Wholly-owned Subsidiary**	**Fino Trusteeship Services Limited - Associate Company**	**Fino Trusteeship Services Limited - Associate Company**
	(b)	**Nature of contracts/ arrangements/ transactions**	Reimbursement of Expenses	FLDG Payment on behalf of the Holding Company in relation to the BC lending business with the IndusInd bank	Sale of Fixed Assets / Intangible assets	Corporate Guarantee Commission receivable	Sale of Fixed Assets / Intangible assets	Reimbursement of Expenses	Collection towards sale of devices to Fino Payments Bank merchants	Borrowing for the working capital expenditure	Interest on Borrowings
	(c)	**Duration of the contracts/arrangements/transactions**	01 April 18 to 31 March 19	01 April 18 to 31 March 19	01 April 18 to 31 March 19	01 April 18 to 31 March 19	01 April 18 to 31 March 19	01 April 18 to 31 March 19	01 April 18 to 31 March 19	01 April 18 to 31 March 19	01 April 18 to 31 March 19
	(d)	**Salient terms of the contracts or arrangements or transactions including the value, if any:**	At Actual - Transaction value of Rs. 15,197,054/-	At Actual - Transaction value of Rs. 1,69,70,750/-	Transaction value of Rs. 4,411,208/-	At Actual - Transaction value of Rs. 90,46,756/-	Transaction value of Rs. 42,490,000/-	At Actual - Transaction value of Rs. 50,549,945/-	At Actuals - as per agreement	As per agreement - Transaction value of Rs. 44,000,000/-	As per agreement - Transaction value of Rs. 2,440,614/-
	(e)	**Date(s) of approval by the Board, if any:**	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	(f)	**Amount paid as advances, if any:**	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Place: Navi Mumbai
Date: 28th May, 2019

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

Sd/-
Ashok Kini
Non-Executive Chairman

Annexure - C
Annual Report on Corporate Social Responsibility
(Pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014)

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

- The Company has adopted the CSR policy through CSR Committee.

- The Company's CSR and welfare activities are committed to create and support programs that bring about sustainable changes through contributing towards major challenges faced by India (like improving healthcare, supporting education etc., and making our country a better place to live for all).

- The Company plans to support/ partner and assist various CSR activities in the following areas:

➢ EDUCATION/HEATH CARE:
   a. Financial Programs
   b. Financial Literacy
   c. Vocational training
   d. Heath care camping

- The Corporate Social Responsibility (CSR) Policy of the Company, as approved by the Board of the Directors, is available on the Company's website at www.finopaytech.com

2. **The Composition of the CSR Committee as on March 31, 2019:**

- Mr. Ashok Kini - Chairman

- Dr. Anjana Grewal - Member

- *Mr. Pramod Sharma – Member

* Mr. Pramod Sharma has resigned as Nominee Director with effect from 31st December, 2018 and consequently, ceased to be Member of the Committee.

3. **Average net profit/loss of the company for last three financial years**: Rs -41.05 Lakhs

4. **Prescribed CSR Expenditure:** N.A.
   (two percent of the amount as in item 3 above)

5. **Details of CSR spent during the financial year.**
   (a) Total amount to be spent for the financial year: Nil
   (b) Amount unspent, if any: Nil
   (c) Manner in which the amount spent during the financial year: N.A. for F.Y. 2018-19.

The CSR amount to be spent for F.Y. 2017-18 was Rs. 20.07 lakhs, out of which Rs. 11.91 lakhs were spent during F.Y. 2017-18 and approx. Rs. 7.76 Lakhs were spent during F.Y. 2018-19 as tabled below:

(Rs. In lakhs)

1	2	3	4	5	6	7	8
Sr. No	**CSR Project or activity identified**	**Sector in which the project is covered**	**Projects or Programmes 1) Local area or other 2) Specify the state and district where projects or programs was undertaken**	**Amount outlay (budget) project or program wise**	**Amount spent on the projects or programs Sub-heads: 1) Direct Expenditures on projects or programs 2) Overheads**	**Cumulative Expenditure up to the reporting period.**	**Amount spent: Direct or through implementing agency**
3.	Health Care Awareness and Camps	Promoting preventive health care	Haryana, Punjab, Madhya Pradesh, Gujrat, Maharashtra, Uttaranchal, Uttar Pradesh, Patna	INR 7.76	INR 7.76	-	Trough : Healthvista India Pvt Ltd

6. **In case the company has failed to spend the two per cent, of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report:**

   The Company had incurred considerable loss in the financial year 2017-18 and in order to conserve its resources for future expansion/growth, the Company could not spend the remaining amount out of the mandatory CSR amount for F.Y. 2017-18 towards CSR expenditure.

   Further, the Company did not have profit on an average of 3 preceding financial years therefore the Company was not required to spend any amount towards CSR during F.Y. 2018-2019.

7. **The CSR Committee confirms that the implementation and monitoring of the CSR activities of the Company are in compliance with the CSR objectives and CSR Policy of the Company.**

For and on behalf of the Board of Directors

Date: 28th May, 2019
Place: Navi Mumbai

Sd/-	**Sd/-**
Ashok Kini	**Sudeep Gupta**
Chairman of CSR Committee	**Whole-time Director**

Annexure - D

SECRETARIAL AUDIT REPORT

Form No. MR-3
FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2019
[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]

To,
The Members,
FINO PayTech Limited
SK Elite, 5th Floor, Plot No. D-404 and D-405
TTC Industrial Area, MIDC,Turbhe,
Navi Mumbai, Thane-400705

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **FINO PAYTECH LIMITED** (hereinafter called **"the Company"**) for financial year from April 01, 2018 to March 31, 2019 (hereinafter referred to as ("**the Audit Period")**.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, and as per the explanations given to us and the representations made by the Management of the Company, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019, complied with the statutory provisions listed hereunder and also that the Company had 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 during the Audit Period and other records made available to us and maintained by the Company and as shown to us during our audit and according to the provisions of the following laws:

i. The Companies Act, 2013 ("the Act") and the rules made there under;
ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.

v. Since the Company is an unlisted public company, the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') **are not applicable to the Company during the Audit Period**:-

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

vi. During the Audit Period no laws was specifically applicable to the Company.

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

i. Secretarial Standards issued by the Institute of Company Secretaries of India [SS-1 (Board Meetings) and SS-2 (General Meetings)].

ii. The Company being unlisted public Company, there is no Listing Agreement entered into by the Company with any Stock Exchange(s) and hence the same is not applicable to the Company.

During the period under review and as per the explanation and clarification given to us and the representations made by the management, the Company had complied with the provisions of the Act, Rules, Regulations, Guidelines, Standard etc. as mentioned above, except to the extent as mentioned below:

The composition of Audit Committee is not as per the provisions of Section 177 of the Act, as the Audit Committee does not have majority of Independent Directors.
The composition of Nomination and Remuneration Committee is not as per the provisions of 178 of the Act for part of the year (i.e till 31st December, 2018), as the Nomination and Remuneration Committee does not have one half of its members as Independent Directors, however as on 31st March, 2019 the Composition of Nomination and Remuneration Committee is in accordance with the provisions of the Companies Act, 2013.

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, except as stated above. The changes in the composition of the Board of Directors that took place during the Audit Period were carried out in compliance with the provisions of the Act, except as stated above.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent atleast seven (7) days in advance, 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 decisions were carried out unanimously and the same is recorded as such in the minutes of the meetings. 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.

We further report that during the Audit Period the Company has issued equity shares under Employee Stock Options Scheme.

Place: Mumbai
Date: 28/5/2019

For Amita Desai & Co.
Company Secretaries

Sd/-
Amita Desai
Proprietor
FCS 4180 CP 2339

This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

ANNEXURE – A

(To the Secretarial Audit Report of FINO PayTech Limited for the financial year ended March 31, 2018)

To,
The Members,
FINO PayTech Limited
SK Elite, 5thFloor, Plot No. D-404 and D-405,
TTC Industrial Area, MIDC,Turbhe,
Navi Mumbai, Thane-400705

Our Secretarial Audit Report for the financial year from April 01, 2018 to March 31, 2019 of even date is to be read along with this letter.

1. Maintenance of secretarial and other record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit of the relevant records maintained and furnished to us by the Company along with the explanation where so required;

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. and also got Management Representation that there is no specifically applicable laws to the Company.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of 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.

Place: Mumbai
Date: 28/5/2019

ForAmita Desai & Co.
Company Secretaries

Sd/-
Amita Desai
Proprietor
FCS 4180
CP 2339

ANNEXURE E

Annexure to the Boards' Report

EXTRACT OF ANNUAL RETURN

Form No. MGT-9
as on the financial year ended on March 31, 2019
[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	U72900MH2006PLC162656
2.	Registration Date	15th June 2006
3.	Name of the Company	FINO PayTech Limited
4.	Category/Sub-category of the Company	Company limited by shares Indian non- Government Company
5.	Address of the Registered office & contact details	SK Elite, 5th Floor, Plot No D- 404 and D- 405, TTC Industrial Area, MIDC Turbhe, Navi Mumbai- 400705 Maharashtra. India Tel: 022 7137 7100
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Adroit Corporate Services Pvt. Ltd., 17-20, Jafferbhoy Ind. Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (E), Mumbai - 400059, Tel: 022-42270400. Fax: +91 (0)22 28503748, www.adroitcorporate.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % 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	Activities auxiliary to Financial service activities(to provide technology based solutions and services related to financial inclusion)	66190	97.02

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 Finance Private Limited (Formerly know as Intrepid Finance & Leasing Private Limited.	U65921MH1994PTC216496	Wholly-owned Subsidiary	100	2(87)
2.	FINO Trusteeship Services Limited	U67190MH2009PLC192391	Associate Company	49%	2(6)
3.	Fino Payments Bank Limited (Formerly known as FINO Fintech Limited).	U65100MH2007PLC171959	Wholly-owned Subsidiary	100	2(87)
4.	FINO Financial Services Private Limited	U67100MH2014PTC258273	Wholly-owned Subsidiary	100	2(87)

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 2018]				No. of Shares held at the end of the year[As on 31-March-2019]				% 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.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1)	-								
(2) Foreign	-	-	-	-	-	-	-	-	-

a) NRI's - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A) (1) + (A) (2)	-	-	-	-	-	-	-	-	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	13082213	2250000	15332213	15.58	15332213	0	15332213	15.52	-0.06
c) Central Govt d) State Govt(s)	2250000	0	2250000	2.29	2250000	0	2250000	2.28	-0.01
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-					
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)									
i-1) Corporate Body - Government	28435423	0	28435423	28.89	28435423	0	28435423	28.78	-0.11
Sub-total (B)(1):-	**43767636**	**2250000**	**46017636**	**46.76**	**46017636**	**0**	**46017636**	**46.58**	**-0.18**
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	18354993	4343276	22698269	23.06	18513842	0	18513842	18.74	-4.32
ii) Overseas	14116733	7512207	21628940	21.98	18460009	7512207	25972216	26.29	4.31
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	2135705	56750	2192455	2.23	2898494	48750	2947244	2.98	0.76
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	5046681	54000	5100681	5.18	4320231	54000	4374231	4.43	-0.75
c) Any Other (Specify)									

c-1) Non Resident Indians (Individuals)	774380	0	774380	0.79	959693	0	959693	0.97	0.18
c-2) Trusts	0	0	0	0	1499	0	1499	0	0
Sub-Total (B)(2)	**40428492**	**11966233**	**52394725**	**53.24**	**45153768**	**7614957**	**52768725**	**53.42**	**0.18**
Total Public Shareholding (B) = (B)(1) +(B)(2)	**84196128**	**14216233**	**98412361**	**100.00**	**91171404**	**7614957**	**98786361**	**100.00**	**0.00**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**84196128**	**14216233**	**98412361**	**100.00**	**91171404**	**7614957**	**98786361**	**100.00**	**0.00**

(ii) Shareholding of Promoter-

Sl. No	Shareholder's Name	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	
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

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

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	NO CHANGE	-			
	At the end of the year	-	-	-	-

(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.	Bharat Petroleum Corporation Limited	28435423	28.89	-	No change	-	-		
					At the end of the year	-	-	28435423	28.78
2.	ICICI Prudential Life Insurance Company Limited	11328854	11.51	-	No change	-	-		
					At the end of the year	-	-	11328854	11.47
3.	Blackstone GPV Capital Partners (Mauritius) VI-B FDI Limited	7512207	7.63	-	No change	-	-		
					At the end of the year	-	-	7512207	7.60
4.	HAV 3 Holdings (Mauritius) Limited	7456993	7.58	-	No change	-	-		
					At the end of the year	-	-	7456993	7.55
5.	International Finance Corporation	6569567	6.68	-	No Change	-	-	-	-
					At the end of the year	-	-	6569567	6.65
6.	ICICI Bank Limited	57,50,000	5.84	-	No change	-	-		
					At the end of the year	-	-	5750000	5.82
7.	ICICI Lombard General Insurance Company Limited	5289194	5.37	-	No change	-	-		
					At the end of the year	-	-	5289194	5.35
8.	Intel Capital Corporation	4433449	4.50	-	No change	-	-	-	-
					At the end of the year	-	-	4433449	4.49

9.	Exide Life Insurance Company Limited	2832213	2.88	-	No change	-	-		
					At the end of the year	-	-	2832213	2.87
10	Life Insurance Corporation of India	22,50,000	2.29	-	No change	-	-		
					At the end of the year	-	-	22,50,000	2.28
11	Indian Bank	22,50,000	2.29	-	No change	-	-		
					At the end of the year	-	-	22,50,000	2.28
12	Union Bank of India	22,50,000	2.29	-	No change	-	-		
					At the end of the year	-	-	22,50,000	2.28
13	Corporation Bank	22,50,000	2.29	-	No change	-	-		
					At the end of the year	-	-	22,50,000	2.28

(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
1	Rajeev Arora – Whole-time Director	162000	0.16						
				27/04/2018	Market sale	-4000	0.00	158000	0.16
				25/05/2018	Market sale	-150000	-0.15	8,000	0.01
				08/06/2018	ESOPs Allotment	25000	0.03	33000	0.03
				15/06/2018	Market sale	-20000	-0.02	13000	0.01
				22/06/2018	ESOPs Allotment	40000	0.04	53000	0.05
				29/06/2018	Market sale	-13000	-0.01	40000	0.04
				06/07/2018	Market sale	-20000	-0.02	20000	0.02
				20/07/2018	Market sale	-1000	0.00	19000	0.02
				03/08/2018	Market sale	-10000	-0.01	9000	0.01
				24/08/2018	Market sale	-1000	0.00	8000	0.01

				14/09/2018	ESOPs Allotment	20000	0.02	28000	0.03
				21/09/2018	Market sale	-20000	-0.02	8000	0.01
				28/09/2018	ESOPs Allotment	5000	0.01	13000	0.01
				As on 30st September, 2018				13000	0.01
2	Sudeep Gupta w.e.f. 14.11.2019	-	-	-	-	-	-	-	-
					At the end of the year	-	-	-	-
3	Rishi Daultani – Chief Financial Officer w.e.f 1.4.2018 till 2.07.2018 and w.e.f.23rd August, 2018	-	-	-	-	-	-	-	-
					At the end of the year	-	-	-	-
4	Basavraj Loni – Company Secretary	-	-	-	-	-	-	-	-
					At the end of the year			-	-

Note:

1. Apart from above none of the Directors and KMPs of the Company holds any shares during F.Y. 2018-19.
2. Mr. Rajeev Arora resigned as Whole-time Director of the Company w.e.f. 30th September, 2018.

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				
i) Principal Amount	44,10,05,095.14	-	-	44,10,05,095.14
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**44,10,05,095.14**	-	-	**44,10,05,095.14**

Change in Indebtedness during the financial year				
* Addition	-	4,64,40,613.7	-	4,64,40,613.7
* Reduction	20,01,46,329.66	-	-	20,01,46,329.66
Net Change	**(20,01,46,329.66)**	**4,64,40,613.7**	**-**	**(15,37,05,715.96)**
Indebtedness at the end of the financial year				
i) Principal Amount	24,08,58,765.48	4,40,00,000	-	28,48,58,765.48
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	24,40,613.7	-	24,40,613.7
Total (i+ii+iii)	**24,08,58,765.48**	**4,64,40,613.7**	-	**28,72,99,379.18**

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 Whole-time Director**	**Name of Whole-time Director**	**Total Amount**
		Rajeev Arora, Whole time Director (from 01.04.2018-30.04.2018)	Sudeep Gupta, Whole time Director (from 14.11.2018)	
1	Gross salary	15,70,668	-	15,70,668
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	11,40,130	-	11,40,130
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	4,30,538	-	4,30,538
	(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	-	-	-
	Total (A)	**15,70,668**	**-**	**15,70,668**
	Ceiling as per the Act	2,43,92,940.72 per annum.		

B. REMUNERATION TO OTHER DIRECTORS

Sl. No.	Particulars of Remuneration	Names of Directors		Total Amount
1	Independent Directors	Ashok Kini	Anjana Grewal	
	Fee for attending board committee meetings	6,50,000	6,50,000	13,00,000
	Commission	-	-	-
	Others, please specify	-	-	-
		-	-	-
	Total (1)	6,50,000	6,50,000	13,00,000
2	Other Non-Executive Directors	-	- -	-
	Fee for attending board committee meetings	-	-	-
	Commission	-	-	-
	Others, please specify	-	-	-
	Total (2)	-	-	-
	Total (B)=(1+2)	**6,50,000**	**6,50,000**	**13,00,000**
	Total Managerial Remuneration			
	Overall Ceiling as per the Act	**NA**	**NA**	**NA**

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		CFO Rishi Daultani w.e.f 01.04.2018 - 02.07.2018	Company Secretary Basavraj Loni	
1	Gross salary	7,86,456	20,53,907	28,40,363
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5,46,169	15,88,356	21,34,525
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,29,332	1,65,551	2,94,883
	(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	1,10,955	3,00,000	4,10,955
	Total	**7,86,456**	**20,53,907**	**28,40,363**

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					

Place : Navi Mumbai
Date : 28th May, 2019

For and on behalf of the Board of Directors

Sd/-
Ashok Kini
Non-Executive Chairman

FINO PayTech Limited

Financial Statements
together with Auditors' Report
for the year ended 31 March 2019

FINO PayTech Limited

Notes to the financial statements

for the year ended 31 March 2019

(Currency: Indian Rupees in Lakhs)

Contents

B S R & Associates LLP
Chartered Accountants

5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

Telephone +91 (22) 4345 5300
Fax +91 (22) 4345 5399

Independent Auditor's Report

To the members of FINO PayTech Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of FINO PayTech Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2019, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the 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 standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

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

Independent Auditor's Report *(Continued)*

FINO PayTech Limited

Other Information *(Continued)*

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

Management's Responsibility for the Standalone Financial Statements

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

In preparing the standalone financial statements, management and Board of Directors are 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

Independent Auditor's Report *(Continued)*

FINO PayTech Limited

Auditor's Responsibilities for the Audit of the Standalone Financial Statements *(Continued)*

- 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 adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

   (A) 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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account;

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act;

Independent Auditor's Report *(Continued)*

FINO PayTech Limited

Report on Other Legal and Regulatory Requirements *(Continued)*

e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 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'.

(B) With respect to the other matters to be included in the Auditors' 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 has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its standalone financial statements - Refer Note 40 to the standalone financial statements;

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

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

iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Rohit Alexander
Partner
Membership No: 222515

Mumbai
28 May 2019

Annexure A to the Independent Auditor's report on standalone financial statements of FINO PayTech Limited for the year ended 31 March 2019

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b. The Company has a program of verification to cover all the items of the fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

c. According the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not hold any immovable property during the year. Accordingly, paragraph 3(i)(c) of the Order is not applicable.

(ii) The inventory has been physically verified at reasonable intervals by the management during the year. The discrepancies noticed on verification between physical stocks and the books records were not material and appropriately provided for in the books of account.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provision of clause 3(iii) of the Order is not applicable.

(iv) According to the information and explanations given to us, the Company has not granted any loans, made investments or provided guarantees under section 185 and 186 of the Act. Accordingly, the provision of clause 3(iv) of the Order is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of Section 73 to Section 76 or any other relevant provisions of the Act and the rules framed there under apply.

(vi) The Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Act for any of the services rendered by the Company. Accordingly, the provision of clause 3(vi) of the Order is not applicable.

(vii) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of statutory dues:

a) The Company has generally been regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income-tax, goods and services tax, sales tax, value added tax, cess and other material statutory dues applicable to it to the appropriate authorities except instances of delay in payment of provident fund and professional tax. As explained to us the Company did not have any dues on account of service tax, customs duty and excise duty.

Annexure A to the Independent Auditor's report on standalone financial statements of FINO PayTech Limited for the year ended 31 March 2019 *(Continued)*

b) According to the information and explanations given to us, there are no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and services tax, sales tax, value added tax, cess and other material statutory dues except for professional tax which were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable. The extent of arrears of outstanding statutory dues has been given in Appendix 1. As explained to us, the Company did not have any dues on account of service tax, customs duty and excise duty.

c) According to the information and explanations given to us, details of dues of cess and value added tax which have not been deposited as on 31 March 2019 on account of disputes are given in Appendix 2. The Company did not have any dues on account of service tax, customs duty and excise duty.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to any financial institutions, banks, or debenture holders during the year. The Company did not have any outstanding loans or borrowings from the government during the year.

(ix) According to the information and explanations given to us and based on examination of the records, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, clause 3(ix) of the Order is not applicable.

(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 explanation and information given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, the provision of clause 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the standalone financial statements, as required by the applicable 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 provision of clause 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records, during the year the Company has not entered into any non-cash transactions with directors or persons connected with him.

Annexure A to the Independent Auditor's report on standalone financial statements of FINO PayTech Limited for the year ended 31 March 2019 *(Continued)*

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provision of clause 3(xvi) of the Order is not applicable.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Rohit Alexander
Partner
Membership No: 222515

Mumbai
28 May 2019

Annexure A to the Independent Auditor's Report of even date on standalone financial statements of FINO PayTech Limited *(Continued)*

Appendix 1

Name of the Statute	*Nature of the Dues*	*Amount (Rs.)*	*Period to which the amount relates*	*Due Date*
Department of Commercial Taxes	Professional tax	28,711	March 15	30-Apr-15
Department of Commercial Taxes	Professional tax	70,029	March 16	30-Apr-16
Department of Commercial Taxes	Professional tax	30,551	April 16	30-May-16
Department of Commercial Taxes	Professional tax	25,087	May 16	30-Jun-16
Department of Commercial Taxes	Professional tax	32,440	June 16	30-Jul-16
Department of Commercial Taxes	Professional tax	22,051	July 16	30-Aug-16
Department of Commercial Taxes	Professional tax	24,232	August 16	30-Sep-16
Department of Commercial Taxes	Professional tax	18,633	September 16	30-Oct-16
Department of Commercial Taxes	Professional tax	17,597	October 16	30-Nov-16
Department of Commercial Taxes	Professional tax	17,620	November 16	30-Dec-16
Department of Commercial Taxes	Professional tax	22,440	December 16	30-Jan-17
Department of Commercial Taxes	Professional tax	16,495	January 17	28-Feb-17
Department of Commercial Taxes	Professional tax	25,171	February 17	30-Mar-17

Annexure A to the Independent Auditor's Report of even date on standalone financial statements of FINO PayTech Limited *(Continued)*

Appendix 2

Name of Statute	Nature of Dues	Amt Demanded (Rs. In lacs)	Amt unpaid (Rs in lacs)	Amount Paid under Protest (Rs in lacs)	Assessment Year	Forum where it is pending
Cess	NMMC	102.2	-	102.2	2007-08	Assessment Officer
UP VAT Act	Sales Tax	15.00	-	15.00	2008-09	Tribunal
UP VAT Act	Sales Tax	54.61	5.72	48.88	2009-10	Tribunal
Entry Tax Act	Sales Tax	27.36	-	27.36	2010-11	Tribunal
Entry Tax Act	Sales Tax	79.90	49.03	30.86	2011-12	First Appeal
Entry Tax Act	Sales Tax	158.02	119.06	38.94	2012-13	Additional Commissioner (Appeals)
Bihar Vat	Sales Tax	4.10	-	4.10	2012-13	Commissioner (Appeals)
UP VAT Act	Sales Tax	85.76	85.76	-	2013-14	Additional Commissioner (Appeals)
UP VAT Act	Sales Tax	28.38	28.38	-	2014-15	Commissioner (Appeals)
UP VAT Act	Sales Tax	2.20	2.20	-	2014-15	Commissioner (Appeals)
CST Act	Sales Tax	349.60	334.81	14.79	2012-13	Commissioner (Appeals)
CST Act	Sales Tax	147.73	140.57	7.16	2013-14	Commissioner (Appeals)
CST Act	Sales Tax	23.92	23.92	-	2013-14	Commissioner (Appeals)

Annexure B to the Independent Auditors' report on the standalone financial statements of FINO PayTech Limited for the year ended 31 March 2019.

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 1 (A) (f)) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to standalone financial statements of FINO PayTech Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in 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 Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, 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.

Annexure B to the Independent Auditors' report on the standalone financial statements of FINO PayTech Limited for the year ended 31 March 2019. *(Continued)*

Auditors' Responsibility ***(Continued)***

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

Meaning of Internal Financial controls with reference to standalone financial statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial controls with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls 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.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Rohit Alexander
Partner
Membership No: 222515

Mumbai
28 May 2019

FINO PayTech Limited

Balance sheet
As at 31 March 2019

Currency: Indian Rupees in lakhs

	Notes	31 March 2019	31 March 2018
I. ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	2	**584.44**	1,008.43
(b) Capital work-in-progress		**11.20**	6.45
(c) Other intangible assets	3	**33.32**	287.75
(d) Financial assets			
(i) Investments	4	**58,917.72**	58,336.80
(ii) Loans	5	**35.61**	28.52
(iii) Other financial assets	6	**6.12**	0.88
(e) Deferred tax assets (net)	37	**1,768.00**	3,138.90
(f) Advance tax assets (net)		**1,124.46**	1,342.99
(g) Other non-current assets	7	**353.93**	513.19
Total non-current assets		**62,834.80**	64,663.91
(2) Current Assets			
(a) Inventories	8	**1,970.95**	1,789.98
(b) Financial assets			
(i) Trade receivables	9	**1,306.60**	2,381.29
(ii) Cash and cash equivalents	10A	**845.43**	289.74
(iii) Bank balances other than (ii) above	10B	**314.46**	510.40
(iv) Loans	11	**19.61**	18.91
(v) Other financial assets	12	**98.15**	57.82
(c) Other current assets	13	**307.68**	613.35
Total current assets		**4,862.88**	5,661.49
TOTAL ASSETS		**67,697.68**	70,325.40
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	14	**9,878.64**	9,841.24
(b) Other equity	15	**52,739.37**	53,140.19
Total equity		**62,618.01**	62,981.43
(2) Non-current liabilities			
(a) Provisions	16	**65.26**	82.42
(b) Other non-current liabilities	17	**6.37**	8.50
Total non-current liabilities		**71.63**	90.92
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	**2,848.59**	4,410.05
(ii) Trade payables	19		
Due to micro and small enterprises		**2.49**	-
Due to other than micro and small enterprises		**819.40**	880.28
(iii) Other financial liabilities	20	**328.40**	827.27
(b) Other current liabilities	21	**515.91**	338.25
(c) Provisions	22	**482.01**	785.96
(d) Current tax liabilities (net)		**11.24**	11.24
Total current liabilities		**5,008.04**	7,253.05
Total liabilities		**5,079.67**	7,343.97
TOTAL EQUITY AND LIABILITIES		**67,697.68**	70,325.40

Notes to the financial statements *1-48*
The notes referred to above form an integral part of the financial statements

As per our report of even date attached.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No: 116231W/W-100024

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

Sd/-
Rohit Alexander
Partner
Membership No: 222515

Sd/-
Ashok Kini
Non-Executive Chairman & Independent Director
DIN 00812946

Sd/-
Sudeep Gupta
Whole-time Director
DIN 07899859

Sd/-
Rishi Daultani
Chief Financial Officer

Sd/-
Basavraj Loni
Company Secretary

Navi Mumbai
28 May 2019

FINO PayTech Limited

Statement of profit and loss

For the year ended 31 March 2019

Currency: Indian Rupees in lakhs

	Notes	**Year ended 31 March 2019**	Year ended 31 March 2018
Revenue			
I. Revenue from operations (Gross of excise duty)	*24*	**5,144.77**	4,126.04
II. Other income	*25*	**158.08**	210.49
III. Total income (I + II)		**5,302.85**	4,336.53
IV. Expenses			
Purchase of goods and services	*26*	**3,476.31**	2,704.33
Changes in inventories of finished goods, work-in-progress and stock-in-trade	*27*	**(487.37)**	293.47
Excise duty		**-**	1.69
Employee benefits expenses	*28*	**680.35**	848.21
Finance costs	*29*	**504.73**	436.99
Depreciation and amortization expenses	*2,3*	**289.08**	572.99
Other expenses	*30*	**454.34**	5,089.67
Total expenses (IV)		**4,917.44**	9,947.35
V. Profit / (Loss) before tax		**385.41**	(5,610.82)
VI. Tax expense:			
1. Tax provision for earlier years		**-**	302.78
2. Deferred tax	*37*	**1,308.20**	(1,224.59)
3. Current tax		**-**	-
Total tax expenses (VI)		**1,308.20**	(921.81)
VII. Profit / (Loss) for the year (V - VI)		**(922.79)**	(4,689.01)
VIII. Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit (asset) / liability		**4.32**	42.17
Equity investments through other comprehensive income - net change in fair value		**236.81**	-
Income tax related to items that will not be reclassified to profit or loss		**(62.69)**	(10.96)
		178.44	31.21
(ii) Items that will be reclassified to profit or loss			
Items that will be reclassified to profit or loss		**-**	-
		-	-
Other comprehensive income (net of tax)		**178.44**	31.21
IX. Total comprehensive income for the year (VII + VIII)		**(744.35)**	(4,657.80)
X. Earnings per equity share			
1. Basic earnings per share (INR)		**(0.72)**	(3.70)
2. Diluted earnings per share (INR)		**(0.72)**	(3.70)
2. Face value per share (INR)		**10.00**	10.00

Notes to the financial statements *1-48*

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

As per our report of even date attached.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No: 116231W/W-100024

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

Sd/-
Rohit Alexander
Partner
Membership No: 222515

Sd/-
Ashok Kini
Non-Executive Chairman & Independent Director
DIN 00812946

Sd/-
Sudeep Gupta
Whole-time Director
DIN 07899859

Sd/-
Rishi Daultani
Chief Financial Officer

Sd/-
Basavraj Loni
Company Secretary

Navi Mumbai
28 May 2019

FINO PayTech Limited

Statement of changes in equity

For the year ended 31 March 2019

Currency: Indian Rupees in lakhs

(a) Equity share capital

	As at 31 March 2019		As at 31 March 2018	
	No. of Shares	**Amount**	No. of Shares	Amount
Balance at the beginning of the reporting period	**98,412,361**	**9,841.24**	96,195,141	9,619.51
Changes in equity share capital during the year	**374,000**	**37.40**	2,217,220	221.73
Balance at the end of the reporting period	**98,786,361**	**9,878.64**	98,412,361	9,841.24

(b) Other equity

Particulars	**Equity component of compound financial instruments**	**Reserves & Surplus**			**Fully Convertible preference shares**	**Equity investments through other comprehensive income**	**Total**
		Retained Earnings	**ESOP Reserve**	**Securities Premium**			
Balance at 1 April 2017	209.68	(2,765.27)	58.61	57,350.33	2,383.12	-	57,236.47
Total comprehensive income for the year ended 31 March 2018							
Loss for the year	-	(4,689.01)	-	-	-	-	(4,689.01)
Other comprehensive income (net of tax)							
- Remeasurements of defined benefit liability / (asset)	-	31.21	-	-	-	-	31.21
Total comprehensive income	**-**	**(4,657.80)**	**-**	**-**	**-**	**-**	**(4,657.80)**
ESOP expense recognised under fair value approach	-	-	302.16	-	-	-	302.16
Premium on ESOP's exercised	-	-	-	259.36	-	-	259.36
Balance at 31 March 2018	**209.68**	**(7,423.07)**	**360.77**	**57,609.69**	**2,383.12**	**-**	**53,140.19**
Total comprehensive income for the year ended 31 March 2019							
Profit/ (Loss) for the year	-	(922.79)	-	-	-	-	(922.79)
Other comprehensive income (net of tax)							
- Remeasurements of defined benefit liability / (asset)	-	3.20	-	-	-	-	3.20
- Equity investments through other comprehensive income - net change in fair value	-	-	-	-	-	175.24	175.24
Total comprehensive income	**-**	**(919.59)**	**-**	**-**	**-**	**175.24**	**(744.35)**
ESOP expense recognised under fair value approach	-	-	42.95	-	-	-	42.95
Deemed investment in subsidiary recognised through retained earnings	-	-	96.11	-	-	-	96.11
Premium on ESOP's exercised	-	-	(8.92)	213.39	-	-	204.47
Effect of options lapsed after vesting	-	1.21	(1.21)	-	-	-	-
Balance at 31 March 2019	**209.68**	**(8,341.45)**	**489.70**	**57,823.08**	**2,383.12**	**175.24**	**52,739.37**

FINO PayTech Limited

Statement of changes in equity *(Continued)*

For the year ended 31 March 2019

Currency: Indian Rupees in lakhs

Nature and purpose of reserves

1) Securities premium

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

2) ESOP reserve

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

3) Equity investments through other comprehensiveincome (FVOCI)

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

Notes to the financial statements *1-48*
The notes referred to above form an integral part of the financial statements

As per our report of even date attached.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No: 116231W/W-100024

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

Rohit Alexander
Partner
Membership No: 222515

Sd/-
Ashok Kini
Non-Executive Chairman &
Independent Director
DIN 00812946

Sd/-
Sudeep Gupta
Whole-time Director
DIN 07899859

Sd/-
Rishi Daultani
Chief Financial Officer

Sd/-
Basavraj Loni
Company Secretary

Navi Mumbai
28 May 2019

FINO PayTech Limited

Statement of cash flows

For the year ended 31 March 2019

Currency: Indian Rupees in lakhs

	Notes	**Year ended 31 March 2019**	Year ended 31 March 2018
A. Cash flows from operating activities			
(Loss) / profit from continuing operations		**385.41**	(5,610.82)
(Loss) / Profit before tax		**385.41**	(5,610.82)
Adjustments to reconcile (loss) / profit before tax to net cash used in operating activities			
Depreciation / amortisation	*2, 3*	**289.08**	572.99
Profit / (loss) on sale of fixed assets	*25*	**(35.26)**	3.34
ESOP expense		**42.95**	32.27
Guarantee commission income		**-**	(102.66)
Remeasurements of the net defined benefit Plans		**-**	22.56
Provision for doubtful debts and assets	*30*	**(246.74)**	3,919.00
Interest expense	*29*	**502.25**	393.66
Interest income		**(76.30)**	(110.68)
Operating profit/ (loss) before working capital changes		**861.39**	(880.34)
Working capital adjustments:			
Decrease in non-current financial assets - other financial assets		**4.57**	-
(Increase)/ decrease in non-current financial assets - loans		**(7.09)**	91.87
Decrease/ (increase) in other non-current assets		**159.25**	(161.20)
(Increase)/ decrease in inventories		**(487.38)**	293.47
Decrease in trade receivables		**1,633.10**	18,505.82
(Increase)/ decrease in current financial assets - loans		**(0.70)**	5,751.74
(Increase) in other current financial assets		**(40.33)**	(138.89)
Decrease/ (increase) in other current assets		**305.67**	(447.93)
(Decrease) in other non-current liabilities		**(2.13)**	-
(Decrease) in trade payables		**(58.39)**	(810.83)
(Decrease)/ increase in other current financial liabilities		**(498.86)**	147.61
Increase/ (decrease) in other current liabilities		**177.68**	(930.87)
(Decrease) in provisions		**(331.88)**	(1,150.57)
Cash generated from operating activities		**1,714.90**	20,269.88
Income tax paid/(refund)		**218.53**	(420.34)
Net Cash generated from operating activities (A)		**1,933.43**	19,849.54
B. Cash flows from investing activities			
Acquisition of property, plant and equipment		**(37.53)**	(447.44)
Proceeds from sale of property, plant and equipment		**289.38**	638.44
Acquisition of computer software		**(11.62)**	-
Proceeds from sale of computer software		**179.63**	-
Proceeds from fixed deposits		**195.94**	2,854.41
Acquisition of non-current investments		**(250.55)**	(23,198.30)
Proceeds from sale of non-current investments		**2.55**	-
Interest received		**76.30**	244.43
Net cash generated from/ (used) in investing activities (B)		**444.10**	(19,908.46)

FINO PayTech Limited

Statement of cash flows

For the year ended 31 March 2019

Currency: Indian Rupees in lakhs

	Notes	**Year ended 31 March 2019**	Year ended 31 March 2018
C. Cash flows from financing activities			
Proceeds from issue of equity share capital		**241.87**	481.08
Repayment of short-term borrowings		**(1,561.46)**	(164.33)
Interest paid		**(502.25)**	(393.66)
Net cash used in financing activities (C)		**(1,821.84)**	(76.91)
Net increase / (decrease) in cash and cash equivalents (A + B + C)		**555.69**	(135.83)
Cash and cash equivalents at the beginning of the year	*10A*	**289.74**	425.57
Cash and cash equivalents at the end of the year		**845.43**	289.74
Cash and cash equivalents			
Cash on hand and balances with banks	*10A*	**845.43**	289.74
Other bank balances			-
Cash and cash equivalents		**845.43**	289.74

The above cash flow statement has been prepared under the "indirect method" as set out in the Ind AS - 7 on statement of cash flows specified under section 133 of the Companies Act, 2013.

Notes to the financial statements *1-48*
The notes referred to above form an integral part of the financial statements

As per our report of even date attached.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Sd/-
Rohit Alexander
Partner
Membership No: 222515

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

Sd/-
Ashok Kini
Non-Executive Chairman & Independent Director
DIN 00812946

Sd/-
Sudeep Gupta
Whole-time Director
DIN 07899859

Sd/-
Rishi Daultani
Chief Financial Officer

Sd/-
Basavraj Loni
Company Secretary

Navi Mumbai
28 May 2019

1. 1. Background

FINO PayTech Limited ('the Company') was incorporated on 15 June 2006. The Company is primarily engaged in providing technology based solutions and services related to financial inclusion. It is a business and banking technology platform combined with extensive services delivery channel. The Company services institutions like banks, microfinance institutions, government entities and insurance companies.

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.

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 measurement

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

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

1.2.4 Use of estimates and judgments

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.

Estimates and assumptions are required in particular for:

1.2 Significant Accounting Policies (*Continued*)

1.2.4 Use of estimates and judgments (*Continued*)

- Determination of the estimated useful lives of tangible assets

  Useful lives of tangible 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, they 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 assumptions. 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.

- 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. 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.

- 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 the incorporation of forward looking information.

- 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.

- Discounting of long-term financial assets/liabilities

  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.

1.2 Significant Accounting Policies (*Continued*)

1.2.5 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.*
- *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.

1.2.6 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.

(Currency: Indian Rupees in Lakhs)

1.2 Significant Accounting Policies (*Continued*)

1.2.6 Property, plant and equipment (*Continued*)

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.

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.

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 as prescribed under Schedule II.

Assets costing less than INR 5,000 are depreciated at 100% in the year of acquisition.

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
Computer server	6 Years	6 Years
Office equipment	5 Years	5 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 Significant Accounting Policies (*Continued*)

1.2.7 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.

1.2.8 Inventories

Inventories which comprise work-in-progress and traded goods are carried at lower of cost and net realizable value. Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In determining the cost, weighted average cost method is used. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

1.2.9 Impairment of Non-Financial assets

The carrying values of assets at the 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. 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.

i. 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 recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

1.2 Significant Accounting Policies (*Continued*)

1.2.10 Financial Instruments (Continued)

Debt instruments are measured 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 whose objective 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.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation 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.

Financial instruments 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 objective is 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.

Financial instruments 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 instruments that do not meet the SPPI criteria are measured at FVTPL with all changes in the fair value recognized in statement of profit and loss.

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 decides 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 no
- recycling 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.

1.2 Significant Accounting Policies (*Continued*)

1.2.10 Financial Instruments (Continued)

- 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 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 transfer 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.

Impairment of financial assets

Ind AS 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 Company to 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.

ii. 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.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and 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

1.2 Significant Accounting Policies (*Continued*)

1.2.10 Financial Instruments (Continued)

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. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

1.2.11 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.

Revenue from sale of goods in the course of ordinary activities is recognized when all significant risks and rewards of their ownership are transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection.

Enrollment and other incomes are recognized on accrual basis in accordance with the terms and conditions of the underlying mandates entered into with the respective customers.

Revenue from Core Banking Services (‘CBS’) service is recognized on accrual basis.

Revenues from other services are recognized pro-rata over the period of the contract as and when services are rendered.

Interest income is recognized on a time proportion basis at the effective interest rate.

Dividend income is recognized when right to receive dividend is established.

1.2.12 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 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 Significant Accounting Policies (*Continued*)

1.2.12 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 15 days are encashed at the end of financial year on the basic salary. Encashment of more than 15 days of leave is not permitted. Leave balance over 15 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. 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.

1.2.13 Operating leases

Leases where the lessor effectively retains substantially all the risks and rewards of ownership over the lease term are classified as operating leases. Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor’s expected inflationary cost increase.

1.2.14 Cash and cash equivalents

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

1.2 Significant Accounting Policies (*Continued*)

1.2.15 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

Provision for current tax is recognised based on estimated tax liability computed after adjusting for allowances, disallowances and exemptions in accordance with the tax laws applicable.

Deferred taxation

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled. The carrying amount of deferred income 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 to the extent that it is probable that future taxable profits will be available against which they can be used.

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 realised.

Minimum Alternate Tax ('MAT')

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 Significant Accounting Policies (*Continued*)

1.2.16 Provisions and contingent liabilities

Provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but will probably not, require an outflow of resources. When there is a possible obligation of a present obligation in respect of which the likelihood of outflow of resources is remote, no provision disclosure is made.

A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable.

1.2.17 Investments in subsidiaries

Investments in subsidiaries are measured at cost less impairment loss if any.

1.2.18 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.

1.2.19 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective from 1 April 2019:

A. Ind AS 116: Leases-

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company will adopt Ind AS 116 effective annual reporting period beginning April 1, 2019. The Company will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Group will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

1.2 Significant Accounting Policies (*Continued*)

1.2.19 Recent accounting pronouncements (Continued)

The following changes to lease accounting may have impact as follows:

a. Right of' use assets will be recorded for assets that are leased by the Company.

b. Liabilities will be recorded for future lease payments in the Company's financial statement

c. Lease expenses will be for depreciation of right-of-use assets and interest on lease liabilities. Interest will typically be higher in the early stages of a lease and reduce over the term. Currently operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the increase is in line with expected general inflation, in which case lease payments are recognized on contractual terms

d. Operating lease cash flows are currently included within operating cash flows in the statement of cash flows

e. Under Ind AS - 116, these will be recorded as cash flows from financing activities reflecting the repayment of lease liabilities (Borrowings) and related interest

The Company is currently evaluating the impact of Ind AS 116 on its financial statements.

B. Ind AS 109- Prepayment Features with negative compensation:

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments.

The Company does not expect this amendment to have any significant impact on its financial statements.

C. Ind AS 12- Income Taxes:

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty. (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability.

1.2 Significant Accounting Policies (*Continued*)

1.2.19 Recent accounting pronouncements (Continued)

The Company does not expect this amendment to have any significant impact on its financial statements.

D. Ind AS 19- Plan amendment, curtailment or settlement:

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

E. Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements:

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.

The Company does not expect this amendment to have any significant impact on its financial statements.

F. Ind AS 23- Borrowing Costs:

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

The Company does not expect this amendment to have any significant impact on its financial statements.

FINO PayTech Limited

Notes to the financial statements *(Continued)*

As at 31 March 2019

Currency: Indian Rupees in lakhs

2 Property, plant and equipment

A. Reconciliation of carrying amount

PARTICULARS	Leasehold improvements	Computers/ hardware	Owned Assets Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
Year ended 31 March 2018							
Gross block							
Opening gross block	264.88	2,012.95	1,151.01	30.50	25.17	224.61	3,709.12
Effect of movement in exchange rates	-	-	-	-	-	-	-
Additions	41.12	191.12	-	-	-	79.77	312.01
Disposals	-	(424.65)	(570.84)	-	(10.56)	-	(1,006.05)
Closing gross block	306.00	1,779.42	580.17	30.50	14.61	304.38	3,015.08
Accumulated depreciation							
Opening accumulated depreciation	86.10	1,297.29	452.50	17.41	14.35	129.13	1,996.78
Depreciation charge during the year	44.31	209.09	93.52	3.48	2.52	68.25	421.17
Disposals	-	(265.98)	(138.60)	-	(6.72)	-	(411.30)
Closing accumulated depreciation	130.41	1,240.40	407.42	20.89	10.15	197.38	2,006.65
							-
Net Block	**175.59**	**539.02**	**172.75**	**9.61**	**4.46**	**107.00**	**1,008.43**
Year ended 31 March 2019							
Gross block							
Opening gross block	306.00	1,779.42	580.17	30.50	14.61	304.38	3,015.08
Effect of movement in exchange rates							-
Additions	-	32.09	-	-	-	0.69	32.78
Disposals	-	(801.99)	-	-	-	-	(801.99)
Closing gross block	**306.00**	**1,009.52**	**580.17**	**30.50**	**14.61**	**305.07**	**2,245.87**
Accumulated depreciation							
Opening accumulated depreciation	130.41	1,240.40	407.42	20.89	10.15	197.38	2,006.65
Depreciation charge during the year	47.58	107.37	3.44	1.72	4.05	38.50	202.66
Disposals	-	(547.88)	-	-	-	-	(547.88)
Closing accumulated depreciation	**177.99**	**799.89**	**410.86**	**22.61**	**14.20**	**235.88**	**1,661.43**
Net block	**128.01**	**209.63**	**169.31**	**7.89**	**0.41**	**69.19**	**584.44**

FINO PayTech Limited

Notes to the financial statements *(Continued)*

As at 31 March 2019

Currency: Indian Rupees in lakhs

3 Other intangible assets

PARTICULARS	GROSS BLOCK				ACCUMULATED AMORTIZATION				NET BLOCK	
	Balance at 1 April 2018	Additions	Disposals *	Balance at 31 March 2019	Balance at 1 April 2018	Charge for the year	Eliminated on disposal of assets	Balance at 31 March 2019	Balance at 31 March 2019	Balance at 31 March 2018
Computer Software	906.11	11.62	(266.61)	651.12	618.36	86.42	(86.98)	617.80	**33.32**	**287.75**
TOTAL	**906.11**	**11.62**	**(266.61)**	**651.12**	**618.36**	**86.42**	**(86.98)**	**617.80**	**33.32**	**287.75**

* Refer note 38

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	Balance as at 1 April 2017	Additions	Disposals	Balance at 31 March 2018	Balance at 1 April 2017	Charge for the year	Eliminated on disposal of assets	Balance at 31 March 2018	Balance at 31 March 2018	Balance at 31 March 2017
Computer Software	770.68	135.43	-	906.11	466.54	151.82	-	618.36	**287.75**	**304.14**
TOTAL	**770.68**	**135.43**	**-**	**906.11**	**466.54**	**151.82**	**-**	**618.36**	**287.75**	**304.14**

Notes to the financial statements *(Continued)*

As at 31 March 2019

Currency: Indian Rupees in lakhs

		31 March 2019	31 March 2018
4	**Non-current investments**		
	Investments in subsidiary companies - equity instruments		
	Unquoted Investments carried at cost		
	24,500 (31 March 2018 : 49,994) Equity shares of Rs. 10 each fully paid up of Fino Trusteeship Services Limited	**2.45**	5.00
	11,076,806 (31 March 2018 : 11,076,806) Equity shares of Rs. 10 each fully paid up of Fino Finance Private Limited (Formerly known as Intrepid Finance and Leasing Private Limited)	**13,032.21**	13,004.20
	9,999 (31 March 2018 : 9,999) Equity shares of Rs. 10 each fully paid up of Fino Financial Services Private Limited	**1.00**	1.00
	44,579,991 (31 March 2018 : 44,579,991) Equity shares of Rs. 10 each fully paid up of Fino Payments Bank Limited (Formerly known as Fino Fintech Limited)	**45,399.71**	45,331.60
	Less: Provision for other than temporary impairment	**(2.45)**	(5.00)
	Investment carried at fair value through other comprehensive income (FVTOCI)- equity instruments		
	3,030 (Previous year: Nil) shares of Rs. 10 each fully paid up in TAP Smart Data Information Services Pvt.Ltd	**484.80**	-
	Total	**58,917.72**	58,336.80
	(a) Aggregate amount of unquoted investments	**58,920.17**	58,341.80
	(b) Aggregate amount of impairment in value of investments	**(2.45)**	(5.00)
5	**Loans**		
	Unsecured, considered good		
	Security deposits	**35.61**	28.52
	Unsecured, considered doubtful		
	Security deposits	**94.58**	104.88
	Less: Allowance for doubtful deposit	**(94.58)**	(104.88)
		35.61	28.52
6	**Other financial assets**		
	Deposits with banks (maturing after 12 months from the reporting date)*	**6.12**	0.88
	Less: Allowance for bank balances other than cash and cash equivalents	**(0.00)**	(0.00)
	Total	**6.12**	0.88

* Represents deposits of Rs. 5.85 lakhs (Previous year Rs. 0.85 lakhs) provided against the pending litigations under Value Added Tax Act.

		31 March 2019	31 March 2018
7	**Other non-current assets**		
	Deposits with Government Authorities	**329.36**	322.01
	Balances with Government Authorities	-	143.38
	Prepaid expenses	**24.57**	47.80
	Total	**353.93**	513.19

Notes to the financial statements *(Continued)*

As at 31 March 2019

Currency: Indian Rupees in lakhs

		31 March 2019	31 March 2018
8	**Inventories**		
	Work-in-progress	**-**	136.08
	Stock-in-trade*	**3,915.29**	3,427.92
	Less : Impairment of inventories	**(1,944.34)**	(1,774.02)
	Total	**1,970.95**	1,789.98

*Inventories are valued at lower of cost or net realisable value.

		31 March 2019	31 March 2018
9	**Trade receivables**		
	Trade receivables		
	Unsecured considered good	**1,306.60**	2,381.29
	Unsecured, considered doubtful	**2,552.64**	3,111.05
	Less: Allowance for doubtful debts	**(2,552.64)**	(3,111.05)
	Total	**1,306.60**	2,381.29
	Of the above, trade receivables from related parties are as below:		
	Total trade receivables from related parties (Refer Note 38)	**15.07**	1,140.57
	Less: Allowance for doubtful debts	-	-
	Total	**15.07**	1,140.57
10A	**Cash and cash equivalents**		
	a. Balance with banks :		
	In current account	**770.06**	214.09
	In escrow account	**74.42**	74.42
	b. Cash on hand	**1.11**	1.29
	Less: Allowance for cash and cash equivalents	**(0.16)**	(0.06)
	Total	**845.43**	289.74

Currency: Indian Rupees in lakhs

		31 March 2019	31 March 2018
10B	**Bank balances other than cash and cash equivalents**		
	Other bank balances*	**50.17**	50.17
	Deposits with banks**	**264.34**	460.32
	Less: Allowance for bank balances other than cash and cash equivalents	**(0.05)**	(0.09)
	Total	**314.46**	510.40

* Represents bank balance which is restricted on account of its corresponding creditors.

** Represents deposits of Rs. 126.60 lakhs (Previous year Rs. 432.52 lakhs) provided against the pending litigations under Value Added Tax Act.

		31 March 2019	31 March 2018
11	**Loans**		
	Unsecured, considered good		
	Loans to related parties (Refer note 38)	**2.18**	1.00
	Loans to employees/contractual staff	**15.78**	16.61
	Security deposits	**1.65**	1.30
	Unsecured, considered doubtful		
	Security deposits	**1.66**	297.81
	Less: Allowance for doubtful deposit	**(1.66)**	(297.81)
	Total	**19.61**	18.91
12	**Other financial assets**		
	Unsecured, considered good		
	Others	**98.15**	57.82
	Unsecured, considered doubtful		
	Others	**0.02**	0.02
	Less: Allowance for other financial assets	**(0.02)**	(0.02)
	Total	**98.15**	57.82
13	**Other current assets**		
	Unsecured, considered good		
	Prepaid expenses	**71.19**	152.91
	Advances to employees	**82.72**	79.01
	Advance to supplier for goods / services	**153.77**	381.43
	Total	**307.68**	613.35

Notes to the financial statements *(Continued)*
As at 31 March 2019

Currency: Indian Rupees in lakhs

14 Share capital

		31 March 2019	31 March 2018
a	**Authorised :**		
	Equity shares of INR 10 each	**12,000.00**	12,000.00
	120,000,000 (31 March 2018 : 120,000,000) Equity shares		
	Fully convertible Preference shares of INR 10 each	**5,000.00**	5,000.00
	50,000,000 (31 March 2018 : 50,000,000) Preference shares		
	Total	**17,000.00**	17,000.00
b	**Issued and subscribed and paid up:**		
	98,786,361 (31 March 2018 : 98,412,361) Equity shares fully paid up	**9,878.64**	9,841.24
	2,643,210 (31 March 2018 : 2,643,210) 0.001% Fully convertible preference shares of class - A fully paid up	**264.32**	264.32
	9,919,694 (31 March 2018 : 9,919,694) 0.001% Fully convertible preference shares of class - B fully paid up	**991.97**	991.97
	11,268,311 (31 March 2018 : 11,268,311) 0.001% Fully convertible preference shares of class - C fully paid up	**1,126.83**	1,126.83
	Total	**12,261.76**	12,224.36

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

	31 March 2019	31 March 2018
Equity share :		
Outstanding at the beginning of the year	**98,412,361**	96,195,141
Equity shares issued during the year pursuant to exercise of ESOPs	**374,000**	2,217,220
Outstanding at the end of the year	98,786,361	98,412,361
Preference share :		
Outstanding at the beginning of the year	**23,831,215**	23,831,215
Converted into equity during the year	**-**	-
Outstanding at the end of the year	23,831,215	23,831,215

d Terms / rights attached to each classes of shares

1. Rights, preferences and restrictions attached

Equity Shares : The Company has only one class of equity shares having a face value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.
The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

During the current year, the company has not declared any dividend (Previous year:Nil)

Preference shares : All the Fully convertible preference share ('FCPS') holders carry one voting right for each share held by them. Holder of Series A, B and C Preference shares were entitled to Dividend of Rs.195,938,615, Rs.230,342 and Rs.360,493,144, respectively, (“Past Dividend Amount”) and shall be paid in accordance with applicable Laws as and when the Company has sufficient funds to make such payment, whether in full or in part. The full payment of the Past Dividend Amounts shall be made by the Company before declaring any dividends (other than for purposes of payment of Past Dividend Amounts) on or after the date of the Shareholders Agreement dated 29th July, 2016. The Preference Shareholders shall, in addition to the respective accumulated preference dividend noted above, be entitled to, a minimum guaranteed dividend of 0.001% on the face value of the Preference Shares in accordance with applicable Laws; and the Company shall not, after full payment of Past Dividend Amounts, declare any dividend that is payable only to a select class of Shareholders.

Currency: Indian Rupees in lakhs

14 Share capital *(Continued)*

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

Equity share	31 March 2019		31 March 2018	
	No. of Shares	**% holding %**	No. of Shares	% holding %
Bharat Petroleum Corporation Limited	**28,435,423**	**28.78%**	28,435,423	28.89%
ICICI Prudential Life Insurance Company Ltd.	**11,328,854**	**11.47%**	11,328,854	11.51%
Blackstone GPV Capital Partners (Mauritius) VI-B FDI Limited	**7,512,207**	**7.60%**	7,512,207	7.63%
HAV 3 Holdings (Mauritius) Limited	**7,456,993**	**7.55%**	7,456,993	7.58%
International Finance Corporation	**6,569,567**	**6.65%**	6,569,567	6.68%
ICICI Bank Limited	**5,750,000**	**5.82%**	5,750,000	5.84%
ICICI Lombard General Insurance Company Limited	**5,289,194**	**5.35%**	5,289,194	5.37%

Fully convertible preference shares	**31 March 2019**		31 March 2018	
	No. of Shares	**% holding**	No. of Shares	% holding
Blackstone GPV Capital Partners (Mauritius) VI-B FDI Limited	**11,268,311**	**47.28%**	11,268,311	47.28%
HAV 3 Holdings (Mauritius) Limited	**6,797,990**	**28.53%**	6,797,990	28.53%
International Finance Corporation	**3,104,350**	**13.03%**	3,104,350	13.03%
Intel Capital (Mauritius) Limited	**2,660,564**	**11.16%**	2,660,564	11.16%

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

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, please refer note 33.

g Terms of conversion of Fully Convertible Preference Shares

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

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

h Terms of conversion of share warrants:

Share warrants are held by ICICI Bank Limited (number of share warrants 40 lakhs (Previous year 40 lakhs)) and ICICI Lombard General Insurance Company Limited (number of share warrants 15 lakhs (Previous year 15 lakhs)). Each warrant is convertible into 1 equity share at the rate of Rs. 10 each. The exercise of outstanding warrants shall be in accordance with the provisions of Articles 194.

i Shares in respect of each class in the company held by its holding company or its ultimate holding company including shares held by or by its subsidiaries or associates of the holding company or the ultimate holding company in aggregate

There is no holding/ultimate holding company of Fino Paytech limited

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

Currency: Indian Rupees in lakhs

	31 March 2019	31 March 2018
15 Other equity		
Reserves and Surplus		
Securities premium	**57,823.08**	57,609.69
Fully convertible preference shares	**2,383.12**	2,383.12
Equity component of compound financial instrument	**209.68**	209.68
Share based payments reserves	**489.70**	360.77
Retained earnings	**(8,341.45)**	(7,423.07)
Equity investments through other comprehensive income	**175.24**	-
Total	**52,739.37**	53,140.19
Securities premium		
Opening balance	**57,609.69**	57,350.33
Additions during the year	**213.39**	259.36
Closing balance	**57,823.08**	57,609.69
Fully convertible preference shares		
Opening balance	**2,383.12**	2,383.12
Conversions during the year	**-**	-
Closing balance	**2,383.12**	2,383.12
Equity component of compound financial instrument		
Opening balance	**209.68**	209.68
Additions during the year	**-**	-
Closing balance	**209.68**	209.68
Share based payments reserve		
Opening balance	**360.77**	58.61
Additions during the year	**128.93**	302.16
Closing balance	**489.70**	360.77
Retained earnings		
Opening balance	**(7,423.07)**	(2,765.27)
Net (loss) for the year	**(919.59)**	(4,657.80)
ESOP options lapsed	**1.21**	-
Closing balance	**(8,341.45)**	(7,423.07)
Equity investments through other comprehensive		
Opening balance	**-**	-
Net profit/(loss) for the year	**175.24**	-
Closing balance	**175.24**	-
	52,739.37	53,140.19

Currency: Indian Rupees in lakhs

		31 March 2019	31 March 2018
16	**Non-current liabilities - Provisions**		
	Provision for employee benefits		
	Gratuity [Refer note 34]	**14.93**	28.55
	Compensated absences [Refer note 34]	**2.30**	5.84
	Other provision		
	Provision for litigation*	**48.03**	48.03
	Total	**65.26**	82.42

* During the year ended 31 March 2011, Navi Mumbai Municipal Corporation (NMMC) raised a demand of INR 102.20 lakhs towards cess on purchases within the NMMC jurisdiction. The Company has been contesting this claim and is of the view that the demand in excess of INR 48.03 lakhs was not tenable. Hence, the Company has created a provision of INR 48.03 lakhs towards the obligation. Currently, the Commissioner Appeals has remanded the case back to the Assessing Officer for fresh hearing.

		31 March 2019	31 March 2018
17	**Other non-current liabilities**		
	Deferred guarantee commission (Refer Note 23)	**-**	8.50
	Contract liabilities (Refer Note 23)	**6.37**	-
	Total	**6.37**	8.50
18	**Financial liabilities - Borrowings**		
	Secured		
	Loans from banks*	**1,858.59**	3,860.05
	Unsecured		
	Liability component of compound financial instrument	**550.00**	550.00
	Loans from related parties (Refer note 38)	**440.00**	-
	Total	**2,848.59**	4,410.05

*Cash credits are from Yes bank limited and Punjab national bank at the rate of 12.65% p.a. and 13.45% p.a. respectively and same are secured against trade receivables and inventories of the Company.

		31 March 2019	31 March 2018
19	**Trade payables**		
	Dues to micro and small enterprises (Refer note 41)	**2.49**	-
	Dues to other than micro and small enterprises	**819.40**	880.28
	Total	**821.89**	880.28

Disclosure of outstanding dues of Micro and Small Enterprise under Trade Payables is based on the information available with the Company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the auditors. There is no undisputed amount overdue as on 31 March 2019, to micro and small enterprises on account of principal or interest.

FINO PayTech Limited

Notes to the financial statements *(Continued)*

As at 31 March 2019

Currency: Indian Rupees in lakhs

		31 March 2019	31 March 2018
20	**Other current financial liabilities**		
	Interest accrued but not due on borrowings	**24.41**	-
	Security deposits collected from agents	**2.69**	3.30
	Other payables (Refer note 38)	**301.30**	823.97
	Total	**328.40**	827.27
21	**Other current liabilities**		
	Advances from customers	**247.49**	18.25
	Statutory dues payable	**114.25**	155.69
	Contract liabilities (Refer Note 23)	**5.18**	2.20
	Other current liabilities	**148.99**	125.70
	Deferred guarantee commission (Refer Note 23)	**-**	36.41
	Total	**515.91**	338.25
22	**Current liabilities - Provisions**		
	Provision for employee benefits		
	Gratuity (Refer note 34)	**3.47**	5.45
	Compensated absences (Refer note 34)	**0.61**	1.32
	Other provisions :		
	Provision for expected loss on first loss default guarantee	**449.90**	748.62
	Provision for inventory	**28.03**	30.58
	Total	**482.01**	785.96
23	**Deferred income**		
	Contract liability	**11.55**	2.20
	Deferred guarantee commission	**-**	44.91
	Total	**11.55**	47.11

Currency: Indian Rupees in lakhs

	Year ended 31 March 2019	Year ended 31 March 2018

24 Revenue from operations

	Year ended 31 March 2019	Year ended 31 March 2018
Sales of products and services		
Sale of products	**2,855.06**	359.48
Core banking solution Services, enrollment income and other services	**2,289.71**	3,766.56
Total	**5,144.77**	4,126.04

25 Other income

	Year ended 31 March 2019	Year ended 31 March 2018
Interest received on financial assets carried at amortised cost		
- Deposits with banks	**31.68**	95.67
- Others	**44.63**	15.01
Profit / (loss) on disposal of property,plant and equipment	**35.26**	(3.34)
Miscellaneous income, net	**46.51**	103.15
Total	**158.08**	210.49

26 Purchase of goods and services

	Year ended 31 March 2019	Year ended 31 March 2018
Purchase of goods - cards and devices	**2,461.22**	758.57
Enrollment expenses	**513.15**	943.81
Other direct cost	**501.94**	1,001.95
Total	**3,476.31**	2,704.33

27 Changes in inventories of finished goods, work-in-progress and stock-in-trade

	Year ended 31 March 2019	Year ended 31 March 2018
Opening stock :		
Traded goods	**3,427.92**	2,974.35
Work-in-progress	**136.08**	883.12
Closing stock:		
Traded goods	**3,915.29**	3,427.92
Work-in-progress	**-**	136.08
Changes in inventories:		
Changes in inventories of stock-in-trade and work-in-progress		
Traded goods	**(487.37)**	(453.57)
Work-in-progress	**136.08**	747.04
Less : Provision	**(136.08)**	-
Total	**(487.37)**	293.47

Currency: Indian Rupees in lakhs

		Year ended 31 March 2019	Year ended 31 March 2018
28	**Employee benefit expense**		
	Salaries, wages and bonus	**557.58**	627.20
	Contribution to provident fund and other funds	**42.82**	36.43
	Share based expense	**42.95**	32.27
	Staff welfare expenses	**37.00**	152.31
	Total	**680.35**	848.21
29	**Finance costs**		
	Interest on borrowings	**502.25**	393.66
	Other borrowing costs	**2.48**	43.33
	Total	**504.73**	436.99
30	**Other expenses**		
	Repairs and maintenance	**115.62**	83.84
	Rent	**52.55**	42.10
	Rates and taxes	**31.12**	44.21
	Insurance	**72.91**	125.68
	Bank charges	**58.92**	5.39
	Power and fuel	**2.43**	51.30
	Communication	**65.23**	302.50
	Commission and brokerage	**-**	0.14
	Travelling and conveyance	**29.57**	37.54
	Legal and professional	**134.89**	328.48
	Stationery and printing	**10.73**	51.56
	Directors sitting fees	**13.00**	14.14
	Payment to auditors		
	- Statutory audit	**31.29**	26.00
	- Reimbursement of expenses	**1.89**	2.72
	Provisions / (write back) for doubtful trade receivables and inventory	**(246.74)**	3,919.00
	Corporate social responsibility (CSR) (Refer note 43)	**-**	11.91
	Advertisement, publicity and sales promotion expenses	**0.98**	3.91
	Miscellaneous expenses	**79.95**	39.25
	Total	**454.34**	5,089.67

Notes to the financial statements *(Continued)*
For the year ended 31 March 2019

Currency: Indian Rupees in lakhs

31 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 2019	**Amortised Cost**	**Fair value through other comprehensive income**	**Total**	**Level 3**	**Total**
Financial assets measured at fair value					
Investment in unquoted equity instruments		484.80	484.80	484.80	484.80
Financial assets not measured at fair value					
Non current financial assets					
Loans					
- Security deposits	35.61		35.61	35.40	35.40
Current financial assets					
Trade receivables	1,306.60		1,306.60	-	1,306.60
Cash and cash equivalents	845.43		845.43	-	845.43
Other bank balances	320.58		320.58	-	320.58
Loans					
- Security deposits	-		-	-	-
- Loans to employees	15.78		15.78	-	15.78
- Loans to related parties	2.18		2.18	-	2.18
Other current financial assets	98.15		98.15	-	-
	2,624.33	**484.80**	**3,109.13**	**520.20**	**3,010.77**
Financial liabilities not measured at fair value					
Current financial liabilities					
Current borrowings	2,848.59		2,848.59	-	-
Trade payables	821.89		821.89	-	-
Other current financial liabilities	328.40		328.40	-	-
	3,998.88	**-**	**3,998.88**	**-**	**-**

Notes to the financial statements *(Continued)*
For the year ended 31 March 2019

Currency: Indian Rupees in lakhs

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

A. Accounting classification and fair values *(Continued)*

	Carrying amount		Fair value	
31 March 2018	**Amortised Cost**	**Total**	**Level 3**	**Total**
Financial assets not measured at fair value				
Non current financial assets				
Loans				
- Security deposits	28.52	28.52	27.75	27.75
Current financial assets				
Trade receivables	2,381.29	2,381.29	-	-
Cash and cash equivalents	289.74	289.74	-	-
Other bank balances	511.27	511.27	-	-
Loans				
- Security deposits	1.30	1.30	-	-
- Loans to employees	16.61	16.61	-	-
- Loans to related parties	1.00	1.00	-	-
Other current financial assets	57.82	57.82	-	
	3,287.55	3,287.55	27.75	27.75
Financial liabilities not measured at fair value				
Short term borrowings	4,410.05	4,410.05	-	-
Trade payables	880.28	880.28	-	-
Other current financial liabilities	827.27	827.27	-	-
	6,117.60	6,117.60	-	-

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

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

Currency: Indian Rupees in lakhs

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

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

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

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

Financial instruments measured at fair value

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

Sensitivity analysis

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

	31 March 2019			
	Input considered	Equity	Input considered	Equity
Significant observable inputs	**Increase**		**Decrease**	
Long term growth rate	5.50%	7.51	4.50%	(7.20)
Cost of equity	27.00%	39.40	29.00%	(18.83)

C. Financial risk management

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

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

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 analyze 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.

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

C. Financial risk management *(Continued)*

ii. Credit risk

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

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

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

a. Credit concentration and collaterals held

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

b. Amounts arising from ECL

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

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

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

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

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

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

Notes to the financial statements *(Continued)*

For the year ended 31 March 2019

Currency: Indian Rupees in lakhs

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

C. Financial risk management *(Continued)*

ii. Loss allowance

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

Loss allowance on trade receivables	31 March 2019	31 March 2018
Opening balance	3,111.05	2,594.09
Net Impairment loss recognised	-	516.96
Balance written back	(558.41)	
Closing balance	**2,552.64**	**3,111.05**

Loss allowance on first loss default guarantee	31 March 2019	31 March 2018
Opening balance	748.62	-
Net Impairment loss recognised	-	748.62
Balance written back	(298.72)	-
Closing balance	**449.90**	**748.62**

Loss allowance on other advances	31 March 2019	31 March 2018
Opening balance	402.69	35.71
Net Impairment loss recognised	-	366.98
Balance written back	(306.45)	-
Closing balance	**96.24**	**402.69**

Currency: Indian Rupees in lakhs

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

C. Financial risk management *(Continued)*

iii. Liquidity risk

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

Maturity profile of financial liabilities

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

			Contractual cash flows				
31 March 2019	**Carrying amount**	**Total**	**Less than 6 months**	**6-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities							
Borrowings:							
Working capital loans from banks	1,858.59	1,858.59	1,858.59	-	-	-	-
Liability component of compound financial instrument	550.00	550.00	550.00	-	-	-	-
Loans from related parties	440.00	440.00	440.00				
Trade and other payables	821.89	821.89	821.89	-	-	-	-
Other current financial liabilities	328.40	328.40	328.40		-	-	-

			Contractual cash flows				
31 March 2018	**Carrying amount**	**Total**	**Less than 6 months**	**6-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities							
Borrowings:							
Working capital loans from banks	3,860.05	3,860.05	3,860.05	-	-	-	-
Liability component of compound financial instrument	550.00	550.00	550.00	-	-	-	-
Trade and other payables	880.28	880.28	880.28	-	-	-	-
Other current financial liabilities	827.27	827.27	827.27		-	-	-

Currency: Indian Rupees in lakhs

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

C. Financial risk management *(Continued)*

iv. Market risk

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

Currency risk

The Company is exposed to currency risk on account of its trade receivables and trade payables in foreign currency. The functional currency of the Company is Indian Rupee.

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

The currency profile of financial assets and financial liabilities as at 31 March 2019 and 31 March 2018 are as below:

	31 March 2019 USD	31 March 2019 EURO	31 March 2019 BDT
Financial assets			
Cash and cash equivalents	0.15	0.55	-
Trade and other receivables	19.51	-	6.19
	19.66	**0.55**	**6.19**
Financial liabilities			
Trade and other payables	-	-	-
	-	-	-

	31 March 2018 USD	31 March 2018 EURO	31 March 2018 BDT
Financial assets			
Cash and cash equivalents	0.15	0.57	-
Trade and other receivables	19.51	-	6.28
	19.66	**0.57**	**6.28**
Financial liabilities			
Trade and other payables	12.25	-	-
	12.25	**-**	**-**

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

	Year-end spot rate	
INR	**31 March 2019**	**31 March 2018**
USD 1	69.17	65.04
EUR 1	77.70	80.62
BDT 1	0.83	0.79

Currency: Indian Rupees in lakhs

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

C. Financial risk management *(Continued)*

iv. Market risk *(Continued)*

Sensitivity analysis

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

	Profit / (loss)		Equity (net of tax)	
	Strengthening	**Weakening**	**Strengthening**	**Weakening**
31 March 2019				
USD - 1% Movement	**0.20**	**(0.20)**	**0.15**	**(0.15)**
EUR - 1% Movement	**0.01**	**(0.01)**	**0.00**	**(0.00)**
BDT - 1% Movement	**0.06**	**(0.06)**	**0.05**	**(0.05)**
	0.27	**(0.27)**	**0.20**	**(0.20)**

	Profit / (loss)		Equity (net of tax)	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2018				
USD - 1% Movement	0.07	(0.07)	0.05	(0.05)
EUR - 4% Movement	0.02	(0.02)	0.02	(0.02)
BDT - 1% Movement	0.06	(0.06)	0.04	(0.04)
	0.15	**(0.15)**	**0.11**	**(0.11)**

Currency: Indian Rupees in lakhs

31 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:

	31 March 2019	31 March 2018
Borrowings		
Fixed rate borrowings	**990.00**	550.00
Variable rate borrowings	**1,858.59**	3,860.05
Total borrowings	**2,848.59**	4,410.05

Fair value sensitivity analysis for fixed-rate instruments

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

Cash flow sensitivity analysis for variable-rate instruments

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

	Profit / (loss)		Equity (net of tax)	
	100 bp increase	100 bp	100 bp increase	100 bp
31 March 2019				
Variable-rate instruments	**(18.59)**	**18.59**	**(13.75)**	**13.75**
Cash flow sensitivity	(18.59)	18.59	(13.75)	13.75
31 March 2018				
Variable-rate instruments	(38.60)	38.60	(26.67)	26.67
Cash flow sensitivity	(38.60)	38.60	(26.67)	26.67

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

Currency: Indian Rupees in lakhs

32 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 less cash and cash equivalents. Equity comprises all components of equity.

	31 March 2019	31 March 2018
Total liabilities	5,079.67	7,343.97
Gross Debt	5,079.67	7,343.97
Less - Cash and Cash Equivalents	(845.43)	(289.74)
Less - Other Bank Deposits	(320.57)	(511.27)
Adjusted Net debt	3,913.67	6,542.96
Total equity	62,618.01	62,981.43
Adjusted Net debt to equity ratio	0.06	0.10

Currency: Indian Rupees in lakhs

33 Share-based payment arrangements:

A. Description of share-based payment arrangements

i. Share option programmes (equity-settled)

The Company has only one Employee Stock Option Plan ESOP II 2007 ('Plan') in force for a total grant of 2,24,83,000 options across the various schemes under the said Plan. The Plan provides that the Company's employees are granted an option to acquire equity shares of the Company that vests in a graded manner. During the previous year an amendment has been made to the employee stock option scheme with reference to exercise of vested option by Option Grantee's nominee or legal heirs in case of death of option holder in accordance with which, all Vested Options may be Exercised by the Option Grantee's nominee or legal heirs immediately after, but in no event later than five years from the date of Death of the option holder. This amendment has come into force from 24th May, 2017.

ESOP

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

The weighted average share price as at the date of exercise of options exercised during the year during the year ended 31 March 2019 was INR 104.51 (31 March 2018 : INR 99.50). 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.

Currency: Indian Rupees in lakhs

33 Share-based payment arrangements: *(Continued)*

Grant date	Exercise price	Share options 31 March 2019	Share options 31 March 2018
1-Jan-07	10.00	100,000	100,000
03-Sep -07 to 01 Apr-09	20.00	1,106,000	1,108,500
1-Aug-10	30.00	505,000	585,000
01-Oct-11 to 01-Mar-12	75.00	909,000	1,104,000
01-Aug-12 to 01-Dec-15	80.00	2,520,750	2,694,750
01-Apr-16 to 01-Dec-16	70.64	504,000	732,500
06-Aug-17 to 03-Apr-18	100.00	1,640,000	1,995,000
01-Aug-18 to 01-Mar-19	105.00	560,000	-

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 2019				31 March 2018
Grant date	1-Mar-19	30-Aug-18	1-Aug-18	3-Apr-18	16-Aug-17
Fair value at grant date	INR 25.33 - Year 1 INR 30.85 - Year 2 INR 36.01 - Year 3 INR 40.84 - Year 4	INR 25.28 - Year 1 INR 31.15 - Year 2 INR 36.57 - Year 3 INR 41.59 - Year 4	INR 25.00 - Year 1 INR 30.86 - Year 2 INR 36.27 - Year 3 INR 41.27 - Year 4	INR 26.74 - Year 1 INR 32.23 - Year 2 INR 37.37 - Year 3 INR 42.17 - Year 4	INR 21.87 - Year 1 INR 26.80 - Year 2 INR 31.34 - Year 3 INR 35.56 - Year 4
Share price at grant date	104.50	104.50	104.50	104.50	99.50
Exercise price	105	105	105	100	100.00
Expected volatility (weighted-average)	20.00%	18.00%	18.00%	18.00%	18.00%
Expected life (weighted-average)	4.60	4.60	4.60	4.60	4.60
Expected dividends	Nil	Nil	Nil	Nil	Nil
Risk-free interest rate (based on government bonds)	6.7% - 7%	7.5%-7.7%	7.3%-7.6%	6.7% - 7.1%	6.50%

The following table lists the average inputs to the models used for the plans for the year ended 31 March 2019.

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 company'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.

Currency: Indian Rupees in lakhs

33 Share-based payment arrangements: *(Continued)*

C. Reconciliation of outstanding share options

Activity in the options outstanding under the employee's stock option Scheme as at 31 March 2019

Particulars	31-Mar-19		31-Mar-18	
	Average exercise price per share per option	**Number of options**	**Average exercise price per share per option**	**Number of options**
Options outstanding as at the beginning of the year	70.96	8,319,750	54.77	9,140,500
Add: Options granted during the year	104.24	660,000	100.00	1,995,000
Less: Options exercised during the year	64.67	374,000	38.26	2,701,000
Less: Options lapsed during the year	89.95	761,000	56.28	114,750
Options outstanding as at the year end	**72.21**	**7,844,750**	**70.95**	**8,319,750**
Options exercisable as on 31 March 2019	63.76	5,942,250	58.92	5,249,750

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 42.95 lakhs (31 March 2018 : INR 32.27 lakhs)

Currency: Indian Rupees in lakhs

34 Employee benefits

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

A. Defined Contribution Plans:

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

The Company has recognised INR 27.27 lakhs for 31 March 2019 (31 March 2018 : 26.59 lakhs) as expenditure and included under 'Employee benefit expenses' in the Statement of Profit and Loss.

Gratuity

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The calculation of the Company's obligation under the plan is performed annually by a qualified actuary using the projected unit credit method. The gratuity plan provides for a lumpsum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days (calculated on 26 days in a month) salary payable for each completed year of service.

Compensated absences

Compensated absences balance upto 15 days are encashed at the end of financial year on the basic salary. Encashment of more than 15 days of leave is not permitted.

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

		Gratuity		**Compensated absences**	
	Note	**31 March 2019**	**31 March 2018**	**31 March 2019**	**31 March 2018**
Liability at the end of the year	16 , 22	18.40	34.00	2.91	7.16
Fair value of Plan Assets at the end of the year		-	-	-	-
Amount recognised in Balance sheet		**18.40**	**34.00**	**2.91**	**7.16**

Currency: Indian Rupees in lakhs

34 Employee benefits *(Continued)*

E. Defined benefit obligations

i. Actuarial assumptions

The following were the principal actuarial assumptions for gratuity and compensated absences at the reporting date (expressed as weighted averages).

	31 March 2019	**31 March 2018**
Discount rate	7.00%	7.25%
Expected Rate of Return on Plan Assets		-
Salary escalation rate	8.30%	10.40%
Withdrawal rate	22.00%	21.00%
Mortality rate	IALM 2006-08 Ultimate	IALM 2006-08 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				**Compensated absences**			
	31 March 2019		31 March 2018		**31 March 2019**		31 March 2018	
	Increase	**Decrease**	Increase	Decrease	**Increase**	**Decrease**	**Increase**	**Decrease**
Discount rate (1% movement)	**(0.77)**	**0.84**	(1.58)	1.74	**(0.12)**	**0.13**	(0.33)	0.35
Future salary growth (1% movement)	**0.82**	**(0.77)**	1.67	(1.55)	**0.13**	**(0.12)**	0.33	(0.33)
Withdrawal rate (1% movement)	**(0.10)**	**0.11**	(0.31)	0.34	**(0.01)**	**0.01**	(0.05)	0.04

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

Expected future cash flows
The expected future cash flows in respect of gratuity as at 31 March 2019 were as follows:

Expected future benefit payments	
31 March 2020	3.47
31 March 2021	3.68
31 March 2022	3.83
31 March 2023	4.17
31 March 2024	4.21
Beyond 31 March 2024	-

FINO PayTech Limited

Notes to the financial statements *(Continued)*

For the year ended 31 March 2019

Currency: Indian Rupees in lakhs

34 Employee benefits *(Continued)*

B. Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net

Particulars	Gratuity					
	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) liability	
	31 March 2019	31 March 2018	**31 March 2019**	31 March 2018	**31 March 2019**	31 March 2018
Opening balance	**34.00**	576.39	**-**	-	**34.00**	**576.39**
Adjustments to opening balance on account of employee transfer	**-**	(500.01)			**-**	**(500.01)**
Adjusted opening balance	**34.00**	**76.38**			**34.00**	**76.38**
Included in profit or loss						
Current service cost	**2.71**	5.01	**-**	-	**2.71**	**5.01**
Past service cost			**-**	-		
Interest cost (income)	**2.38**	5.54	-	-	**2.38**	**5.54**
	39.09	86.93	**-**	-	**39.09**	**86.93**
Included in OCI						
Actuarial loss (gain) arising from:						
Demographic assumptions						-
Financial assumptions		-	-	-	-	-
Experience adjustment	**(4.32)**	(42.17)	-	-	**(4.32)**	(42.17)
Return on plan assets excluding interest income						-
	34.77	44.76	-	-	**34.77**	44.76
Other						
Contributions paid by the employer						
Benefits paid	**(16.37)**	(10.76)	-	-	**(16.37)**	(10.76)
Closing balance	**18.40**	34.00	**-**	-	**18.40**	34.00

Currency: Indian Rupees in lakhs

34 Employee benefits *(Continued)*

C. Components of defined benefit plan cost:

	Gratuity	
Particulars	**For the year ended March 31, 2019**	**For the year ended March 31, 2018**
Recognised in Income Statement		
Current service cost	2.71	5.01
Interest cost / (income) (net)	2.38	5.54
Unrecognised Past Service Cost- non vested benefits	-	-
Past service cost	-	-
Total	**5.09**	**10.55**
Recognised in Other Comprehensive Income		
Remeasurement of net defined benefit liability/(asset)	(4.32)	(42.17)
Return on plan assets excluding net interest	-	-
Cumulative post employment (gains) recognised in the SOCIE	**(4.32)**	**(42.17)**

D. Category of assets

Category of assets	**For the year ended March 31, 2019**	**For the year ended March 31, 2018**
Corporate bonds	-	-
Equity shares	-	-
Government securities	-	-
Insurer managed funds	-	-
Bank balances	-	-
Others	-	-
Total	-	-

Currency: Indian Rupees in lakhs

35 Operating leases

A. Leases as lessee

The Company has entered into commercial lease on certain office premises, office equipments, plant and machinery and computer equipments. These leases carry an average life of three to five years.

i. Future minimum lease payments

At 31 March the future minimum lease payments under non-cancellable leases were receivable as follows.

	31 March 2019	31 March 2018
Less than one year	**66.16**	84.34
Between one and five years	**113.37**	207.13
More than five years	**-**	-
	179.53	291.47

ii. Amounts recognised in profit or loss

Lease expense	**52.55**	42.10
	52.55	42.10

Currency: Indian Rupees in lakhs

36 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 share holders of the Company

	31 March 2019	31 March 2018
Net Profit/ (Loss) after tax		
Continuing operations	**(92,279,170)**	(468,901,406)
Less: Preference Dividend including tax thereon	**(2,873)**	(2,873)
Profit attributable to equity holders of the Company for basic earnings	**(92,282,043)**	(468,904,279)
Profit attributable to equity holders of the Company adjusted for the effect of basic and dilution	**(92,282,043)**	(468,904,279)

ii. Weighted average number of ordinary shares

	31 March 2019	31 March 2018
Issued ordinary shares at 01 April	**98,412,361**	96,195,141
Effect of share options exercised	**240,627**	1,223,445
Weighted average number of shares at 31 March	**98,652,988**	97,418,586
Additions:-		
Share options		
Convertible preference shares	**23,831,215**	23,831,215
Convertible share warrants	**5,500,000**	5,500,000
Weighted average number of shares at 31 March for basic EPS	**127,984,203**	126,749,801
Weighted average number of shares at 31 March	**127,984,203**	126,749,801
Add: Potential Equity Shares	**2,449,440**	1,863,547
Weighted average number of shares at 31 March for diluted EPS	**130,433,643**	128,613,348

Basic and Diluted earnings per share

	31 March 2019	31 March 2018
Basic earnings per share	**(0.72)**	(3.70)
Diluted earnings per share*	**(0.72)**	(3.70)

* Diluted earnings per share is considered equal to basic earnings per share as diluted earnings per share is anti-dilutive.

Currency: Indian Rupees in lakhs

37 Tax expense

(a) Amounts recognised in profit and loss

	Year ended 31 March 2019	Year ended 31 March 2018
Current income tax		
Current period	-	-
Changes in estimated related to prior years	-	302.78
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	1,308.20	(1,224.59)
Deferred tax expense	1,308.20	(1,224.59)
Tax expense for the year	1,308.20	(921.81)

(b) Amounts recognised in other comprehensive income

	Year ended 31 March 2019			Year ended 31 March 2018		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of defined benefit liability (asset)	4.32	(1.12)	3.20	42.17	(10.96)	31.21
Equity instrument through OCI	236.81	(61.57)	175.24	-	-	-
Items that will be reclassified to profit or loss	-					
Items that will be reclassified to profit or loss	-	-	-	-	-	-
	241.13	(62.69)	178.44	42.17	(10.96)	31.21

(c) Reconciliation of effective tax rate

	Year ended 31 March 2019		Year ended 31 March 2018	
		INR lakhs		INR lakhs
Profit / (Loss) before tax		385.41		(5,610.82)
Tax using the Company's domestic tax rate	26.00%	100.21	30.90%	(1,733.75)
Tax effect of:				
Tax effects of amounts which are not deductible for taxable income		1.47		1.80
Notional income not subject to tax		(11.68)		(31.73)
Items on which no deferred tax was recognized		190.75		9.97
Reversal of deferred tax asset on account of reasonable certainty		790.24		-
Reversal of unused tax credit on account of reasonable certainty		259.40		-
Effect of permanent difference on utilisation of loss		(22.19)		-
Tax rate difference		-		544.16
Changes in estimates related to prior years		-		302.78
Others		-		(15.04)
		1,308.20		(921.81)

FINO PayTech Limited

For the year ended 31 March 2019

Currency: Indian Rupees in lakhs

37 Tax Expense *(Continued)*

(d) Movement in deferred tax balances

					31 March 2019		
	Net balance 1 April , 2018	**Recognised in profit or loss**	**Recognised in OCI**	**Other**	**Net**	**Deferred tax asset**	**Deferred tax liability**
	INR	INR	INR	INR	INR	INR	INR
Deferred tax asset / liability							
Property, plant and equipment	436.69	(17.25)	-	-	419.44	419.44	-
Security deposits	0.08	-	-	-	0.08	0.08	-
Borrowings	(0.64)	0.64	-	-	-	-	-
Provisions	1,749.66	(343.83)	(1.12)	-	1,404.70	1,404.70	-
Unabsorbed Business Loss and depreciation	693.16	(693.16)	-	-	-	-	-
Equity instrument through OCI	-	-	(61.57)		(61.57)	-	(61.57)
MAT Credit entitlement	259.40	(259.40)			-	-	-
Others	0.55	4.80	-	-	5.35	5.35	-
Deferred tax assets (net)	**3,138.90**	**(1,308.20)**	**(62.69)**	**-**	**1,768.00**	**1,829.57**	**(61.57)**
Set off tax					-		
Net tax assets	**3,138.90**	**(1,308.20)**	**(62.69)**	**-**	**1,768.00**	**1,829.57**	**(61.57)**

(e) Movement in deferred tax balances

					31 March 2018		
	Net balance 1 April , 2017	**Recognised in profit or loss**	**Recognised in OCI**	**Other**	**Net**	**Deferred tax asset**	**Deferred tax liability**
Deferred tax asset / liability							
Property, plant and equipment	541.10	(104.41)	-	-	436.69	436.69	-
Security deposits	0.06	0.02	-	-	0.08	0.08	-
Borrowings	(1.16)	0.52	-	-	(0.64)	-	(0.64)
Provisions	1,037.84	711.82	-	-	1,749.66	1,749.66	-
Unabsorbed Business Loss and depreciation	82.08	611.08	-	-	693.16	693.16	-
Others	386.82	5.56	(10.96)	(121.47)	259.95	259.95	-
Deferred tax assets (net)	**2,046.74**	**1,224.59**	**(10.96)**	**(121.47)**	**3,138.90**	**3,139.54**	**(0.64)**
Set off tax	-	-	-	-	-	-	-
Net tax assets	**2,046.74**	**1,224.59**	**(10.96)**	**(121.47)**	**3,138.90**	**3,139.54**	**(0.64)**

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

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

Tax losses carried forward

	31 March 2019	**Expiry date**
Expire	1,622.95	31-03-2026
	1,622.95	

Tax Credits carried forward

	31 March 2019	**Expiry date**
Expire	259.40	31-03-2026
	259.40	

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

	31 March 2019
Deductible temporary differences	60.77
MAT Credit entitlement	259.40
Tax losses	729.47
	1,049.64

Notes to the financial statements *(Continued)*

For the year ended 31 March 2019

Currency: Indian Rupees in lakhs

38 Related Party Disclosures

A. Names of Related Parties

Sr. No.	Particulars	Country of Incorporation	Proportion of ownership interest
1	**Related party by whom significance influence is exercised**		
	Bharat Petroleum Corporation Limited	India	28.78%
2	**Entities which are controlled by the company and with whom the Company had transactions during the year**		
	FINO Trusteeship Services Limited	India	
	Fino Finance Private Limited *(Formerly known as Intrepid Finance and Leasing Private Limited)*	India	
	Fino Payments Bank Limited *(Formerly known as FINO Fintech Private Limited*)	India	
	FINO Financial Services Private Limited	India	
3	**Key Management Personnel**		
	Ashok Kini -Non-executive Chairman & Independent Director		
	Alok Gupta- Nominee Director of HAV 3		
	Amit Jain- Nominee director Blackstone		
	Pramod Sharma - Independent director (Resigned w.e.f. 31 December 2018)		
	Dr. Anjana Grewal - Independent Director		
	Rajeev Arora - Whole-time Director (Resigned as Whole-time Director w.e.f. 30 September 2018)		
	Sudeep Gupta - Additional Director in the capacity of Whole-time Director (w.e.f. 14 November 2018)		
	Rishi Daultani - Chief financial officer, Resigned w.e.f. 2 July 2018		
	Rishi Daultani - Chief financial officer, Appointed w.e.f. 23 August 2018		

B. Transactions with key management personnel

i. Key management personnel compensation

Sr. No.	Particulars	**Year ended 31 March 2019**	Year ended 31 March 2018
i.	Short-term employee benefits	**19.73**	83.63
ii.	Post-employment benefits	**2.73**	5.22
iii.	Share-based payment	-	63.54

Notes to the financial statements *(Continued)*

For the year ended 31 March 2019

Currency: Indian Rupees in lakhs

38 Related party relationships, transactions and balances

Note 38 above provides the information about the Group's structure including the details of the subsidiaries and the holding company. The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Nature of Transaction	Subsidiaries	Related party by whom significant influence is exercised	Key Management Personnel	Total
Investment in equity shares				
March 31, 2019	-	-	-	-
March 31, 2018	*22,509.00*	-	-	*22,509.00*
Corporate Guarantee				
March 31, 2019	*18.92*	-	-	*18.92*
March 31, 2018	*(2,588.29)*	-	-	*(2,588.29)*
Reimbursement of expenses				
March 31, 2019	*657.47*	-	-	*657.47*
March 31, 2018	*776.03*	-	-	*776.03*
Sale of services / fixed assets				
March 31, 2019	*469.01*	-	-	*469.01*
March 31, 2018	*859.00*	-	-	*859.00*
Purchase of Services				
March 31, 2019	-	*36.71*	-	*36.71*
March 31, 2018	-	*5.22*	-	*5.22*
Advance paid				
March 31, 2019	*0.02*	-	-	*0.02*
March 31, 2018	-	-	-	-

Currency: Indian Rupees in lakhs

38 Related party relationships, transactions and balances *(Continued)*

Nature of Transaction	Subsidiaries	Related party by whom significant influence is exercised	Key Management Personnel	Total
Loan Given				
March 31, 2019	*1.16*	-	-	*1.16*
March 31, 2018	-	-	-	-
Loan Taken				
March 31, 2019	*440.00*	-	-	*440.00*
March 31, 2018	-	-	-	-
Loan repaid				
March 31, 2019	-	-	-	-
March 31, 2018	*4,808.03*	-	*309.96*	*5,117.99*
Interest on loan taken				
March 31, 2019	*24.41*	-	-	*24.41*
March 31, 2018	-	-	-	-
Guarantee Commission				
March 31, 2019	*90.47*	-	-	*90.47*
March 31, 2018	*102.69*	-	-	*102.69*
Balance Outstanding				
Corporate Guarantee				
March 31, 2019	*5,498.28*	-	-	*5,498.28*
March 31, 2018	*6,540.05*	-	-	*6,540.05*
Trade Receivables (Gross)				
March 31, 2019	*15.07*	-	-	*15.07*
March 31, 2018	*1,140.57*	-	-	*1,140.57*
Short term borrowings				
March 31, 2019	*440.00*	-	-	*440.00*
March 31, 2018	-	-	-	-
Short term loans				
March 31, 2019	*2.18*	-	-	*2.18*
March 31, 2018	*1.00*	-	*4.90*	*5.90*

Notes to the financial statements *(Continued)*

For the year ended 31 March 2019

Currency: Indian Rupees in lakhs

38 Related party relationships, transactions and balances *(Continued)*

Nature of Transaction	Subsidiaries	Related party by whom significant influence is exercised	Key Management Personnel	Total
Interest payable on loan taken				
March 31, 2019	*24.41*	-	-	*24.41*
March 31, 2018	-	-	-	-
Other payables				
March 31, 2019	*36.19*	-	-	*36.19*
March 31, 2018	-	*1.95*	-	*1.95*
Deemed Investment				
March 31, 2019	*591.13*	-	-	*591.13*
March 31, 2018	*495.02*	-	-	*495.02*
Deferred guarantee commission				
March 31, 2019	-	-	-	-
March 31, 2018	*44.91*	-	-	*44.91*

Currency: Indian Rupees in lakhs

39 Revenue from contract with customers

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

The Company has applied Ind AS 115 - Revenue from contracts with customers from 1 April 2018. Ind AS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced Ind AS 18 - Revenue, Ind AS 11 - Construction Contracts and related interpretations. Under Ind AS 115, revenue is recognised when a customer obtains control of the goods or services.

The Company has adopted Ind AS 115 using the cumulative effect method, with the effect of applying this standard recognised at the date of application i.e. from 1st April 2018. Accordingly, the information presented for year ended 31 March 2018 has not been restated – i.e. it is presented, as previously reported, under Ind AS 18 and related interpretations. Additionally, the disclosure requirements in Ind AS 115 have not been applied to comparative information.

After evaluation of all the live contracts as on 1st April, 2018 there is no material impact on application of Ind AS 115 on financial statements.

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

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

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

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

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

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

Currency: Indian Rupees in lakhs

39 Revenue from contract with customers *(Continued)*

Disaggregation of revenue from contracts with customers

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

Major revenue streams	**Year ended 31 March 2019**	Year ended 31 March 2018
Sale of products	2,855.06	359.48
CBS Services, enrollment income and other services	2,289.71	3,766.56
Total	**5,144.77**	4,126.04
Timing of revenue recognition		
Products transferred at point in time	2,855.06	359.48
Services transferred over the period of time	2,289.71	3,766.56
	5,144.77	4,126.04

The information relating to trade receivables and contract liabilities relating to revenue from operations is disclosed in note no. 9 and 23 respectively .

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

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2019, other than those meeting the exclusion criteria mentioned above, is 11.55 lakh. Out of this, the Company expects to recognize revenue of around 45% within the next one year and the remaining thereafter.

Notes to the financial statements *(Continued)*

For the year ended 31 March 2019

Currency: Indian Rupees in lakhs

40 Contingent liabilities and commitments

	31 March 2019	31 March 2018
Contingent liabilities		
(i) Arrears of preference share dividend	5,566.71	5,566.65
(ii) Value added tax and entry tax	976.60	578.25
(iii) Navi mumbai municipal corporation cess	54.18	54.18
(iv) Corporate guarantee issued on behalf of subsidiaries	5,498.28	5,479.36
(v) Performance security provided	-	1,069.51

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

During the year ended 31 March 2011, Navi Mumbai Municipal Corporation (NMMC) raised a demand of INR 102.20 lakhs towards cess on purchases within the NMMC jurisdiction. The Company has been contesting this claim and is of the view that the demand in excess of INR 48.03 lakhs was not tenable. Hence, the Company has created a provision of INR 48.03 lakhs towards the obligation. Currently, the Commissioner Appeals has remanded back the case to assessing officer for fresh hearing.

There are pending litigation under UP VAT Act, department has considered all the movement of assets from one state to other state as a deemed sale in the year 2008-09 & 2010-11 and in the year 2009-10, 2011-12, 2012-13 & 13-14 department has increased card price. There are pending litigation under Maharashtra VAT Act, department has raised CST demand. Total liability under dispute is amounting to INR 976.60 Lakhs against which company has paid INR 207.50 lakhs under protest.

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

Capital Commitments

a. The company has capital commitments of Rs. 26.22 lakhs as on 31 March 2019 (31 March 2018 : Rs. 9.09 lakhs)

Currency: Indian Rupees in lakhs

41 Details of Dues to micro and small suppliers

	31 March 2019	31 March 2018
Dues to micro and small suppliers		
a. The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	2.49	-
- Interest	-	-
b. The amount of interest paid by the company as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) along with amount of the payment made to micro and small suppliers beyond the appointed day during each accounting year.	-	-
c. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
d. The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
e. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006.	-	-

42 Foreign currency transactions

Expenditure incurred in foreign currency	**31 March 2019**	31 March 2018
Membership fees	18.85	13.65
	18.85	13.65

43 Corporate social responsibility

Particulars	**31 March 2019**	31 March 2018
Amount required to be spent as per section 135 of the Act	-	20.07
Amount spent during the year*	-	11.91
Total	-	11.91

* Amount 7.76 Lakhs is incurred during the year relating to FY 17-18.

Notes to the financial statements *(Continued)*

For the year ended 31 March 2019
Currency: Indian Rupees in lakhs

44 Operating Segment

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

45 Specified bank note

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 have not been made since the requirement does not pertain to financial year ended 31 March 2019.

46 Subsequent events

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

47 Derivative contracts

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

48 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 **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No: 116231W/W-100024

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

Sd/-
Rohit Alexander
Partner
Membership No: 222515

Sd/-
Ashok Kini
Non-Executive Chairman &
Independent Director
DIN 00812946

Sd/-
Sudeep Gupta
Whole-time Director
DIN 07899859

Sd/-
Rishi Daultani
Chief Financial Officer

Sd/-
Basavraj Loni
Company Secretary

Navi Mumbai
28 May 2019

B S R & Associates LLP
Chartered Accountants
5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India
Telephone +91 (22) 4345 5300
Fax +91 (22) 4345 5399

Independent Auditor's Report

To the members of FINO PayTech Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of FINO PayTech Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries listed in Annexure I (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2019, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiary as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2019, of its consolidated loss and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

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

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the holding Company's annual report, but does not include the financial statements and our auditors' report thereon.

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

4

Independent Auditor's Report ***(Continued)***

FINO PayTech Limited

Other Information ***(Continued)***

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

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

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

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

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

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

Independent Auditor's Report *(Continued)*

FINO PayTech Limited

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements ***(Continued)***

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

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (company and subsidiaries) to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entity included in the consolidated financial statements, which have been audited by other auditor, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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

Independent Auditor's Report *(Continued)*

FINO PayTech Limited

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements *(Continued)*

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

Other Matters

We did not audit the financial statements of FINO Financial Services Private Limited ('FFSPL'), a subsidiary, whose financial statements reflect total assets of Rs. 3,103 as at 31 March 2019, total revenues of Rs. Nil and net cash flows amounting to Rs. (410) for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the audit reports of the other auditors.

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

Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditor on separate financial statements of such subsidiary as were audited by other auditor, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

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

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor of its subsidiary company, none of the directors of the Group companies is disqualified as on 31 March 2019 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 Holding Company, its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'.

Independent Auditor's Report *(Continued)*

FINO PayTech Limited

Report on Other Legal and Regulatory Requirements ***(Continued)***

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2019 on the consolidated financial position of the Group. Refer Note 42 to the consolidated financial statements.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2019.

iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2019.

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2019.

C. With respect to the matter to be included in the Auditor's report under section 197(16):

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditor of such subsidiary company incorporated in India which was not audited by us, the remuneration paid during the current year by the Holding Company, its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Rohit Alexander
Partner
Membership No: 222515

Mumbai
28 May 2019

Annexure I: List of entities consolidated as at 31 March 2019

1	Fino Payment Bank Limited
2	Fino Finance Private Limited
3	Fino Trusteeship Services Limited
4	Fino Financial Services Private Limited

FINO PayTech Limited

Annexure A to the Independent Auditors' report on the consolidated financial statements of FINO PayTech Limited for the year ended 31 March 2019

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

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

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2019, we have audited the internal financial controls with reference to consolidated financial statements of FINO PayTech Limited (hereinafter referred to as 'the Holding Company') and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the 'Guidance Note').

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in 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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as the 'Act').

Auditors' Responsibility

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

FINO PayTech Limited

Annexure 'A' to the Independent Auditor's report on the consolidated financial statements of FINO PayTech Limited for the year 31 March 2019 *(Continued)*

Auditor's Responsibility ***(Continued)***

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

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

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated 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 controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 consolidated Financial Statements

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

FINO PayTech Limited

Annexure 'A' to the Independent Auditor's report on the consolidated financial statements of FINO PayTech Limited for the year 31 March 2019 *(Continued)*

Other Matters

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

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Rohit Alexander
Partner
Membership No: 222515

Mumbai
28 May 2019

FINO PayTech Limited

Consolidated Balance sheet

As at 31 March 2019

(Currency: Indian Rupees in lakhs)

	Note	31 March 2019	31 March 2018
I. ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	2	**3,617.59**	4,771.40
(b) Capital work-in-progress		**45.97**	136.24
(c) Goodwill	51	**716.66**	716.66
(d) Other intangible assets	3	**1,890.42**	2,075.11
(e) Financial assets			
(i) Investments	4	**485.74**	0.55
(ii) Loans	5	**10,921.69**	12,568.60
(iii) Others	6	**1,130.53**	2,671.20
(f) Deferred tax assets (net)	39	**1,833.53**	3,751.66
(g) Income tax assets (net)	39	**3,774.85**	4,214.34
(h) Other non-current assets	7	**400.58**	716.63
Total non current assets		**24,817.56**	31,622.39
(2) Current assets			
(a) Inventories	8	**2,031.92**	1,937.62
(b) Financial assets			
(i) Investments	9	**7,322.41**	6,375.92
(ii) Trade receivables	10	**3,838.81**	4,179.91
(iii) Cash and cash equivalents	11A	**48,521.93**	20,226.11
(iv) Bank balances other than (iii) above	11B	**4,372.98**	20,111.43
(v) Loans	12	**23,918.94**	33,115.90
(vi) Others	13	**10,864.07**	421.42
(c) Other current assets	14	**1,097.25**	1,105.50
Total current assets		**101,968.31**	87,473.81
TOTAL ASSETS		**126,785.87**	119,096.20
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	15	**9,853.34**	9,808.84
(b) Other equity	16	**19,088.53**	25,777.04
Equity attributable to equity holders of the Company		**28,941.87**	35,585.88
Non-controlling interests		**11.95**	-
Total equity		**28,953.82**	35,585.88
(2) Non current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	**19,903.17**	23,354.37
(b) Provisions	18	**671.92**	710.16
(c) Other non-current liabilities	19	**141.98**	151.03
Total non current liabilities		**20,717.07**	24,215.56
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	**12,962.28**	9,716.40
(ii) Trade payables	21		
Due to micro and small enterprises		**2.49**	-
Due to other than micro and small enterprises		**6,417.24**	4,310.58
(iii) Other financial liabilities	22	**54,039.31**	31,130.32
(b) Other current liabilities	23	**2,320.94**	12,623.16
(c) Short-term provisions	24	**1,292.53**	1,486.68
(d) Current tax liabilities	39	**80.19**	27.62
Total current liabilities		**77,114.98**	59,294.76
Total liabilities		**97,832.05**	83,510.32
TOTAL EQUITY AND LIABILITIES		**126,785.87**	119,096.20

Notes to the financial statements *1-54*

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

As per our report of even date attached.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Sd/-
Rohit Alexander
Partner
Membership No: 222515

Sd/-
Ashok Kini
Non-Executive Chairman & Independent Director
DIN 00812946

Sd/-
Sudeep Gupta
Whole-time Director
DIN 07899859

Navi Mumbai
28 May 2019

Sd/-
Rishi Daultani
Chief Financial Officer

Sd/-
Basavraj Loni
Company Secretary

FINO PayTech Limited

Consolidated Statement of profit and loss

For the year ended 31 March 2019

(Currency: Indian Rupees in lakhs)

	Note	**Year ended 31 March 2019**	Year ended 31 March 2018
Revenue			
I. Revenue from operations (Gross of excise duty)	*26*	**52,723.73**	35,999.85
II. Other income	*27*	**2,015.37**	1,694.17
III. Total income (I+II)		**54,739.10**	37,694.02
IV. Expenses			
Purchase of goods and services	*28*	**11,880.45**	10,500.94
Changes in inventories of finished goods, work-in-progress and stock-in-trade	*29*	**(400.70)**	145.83
Excise duty		**-**	1.69
Employee benefits expenses	*30*	**17,302.44**	15,626.29
Finance costs	*31*	**6,562.96**	5,475.70
Depreciation and amortization expenses	*2,3*	**2,456.17**	2,722.48
Other expenses	*32*	**22,332.86**	20,826.57
Total expenses (IV)		**60,134.18**	55,299.50
V. Loss before tax (III - IV)		**(5,395.08)**	(17,605.48)
VI. Tax expense:			
1. Current tax	*39*	**73.25**	-
2. Tax provision for earlier years	*39*	**-**	302.78
3. Deferred tax	*39*	**1,864.38**	(1,187.45)
VII. Loss for the year (V - VI)		**(7,332.71)**	(16,720.81)
VIII. Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit liability / (asset)		**(40.82)**	153.64
Equity investments through other comprehensive income - net change in fair value		**236.81**	-
Income tax related to items that will not be reclassified to profit or loss		**(53.74)**	(18.62)
		142.25	135.02
(ii) Items that will be reclassified to profit or loss			
Investments measured at FVOCI		**1.43**	11.61
Income tax related to items that will be reclassified to profit or loss		**-**	-
		1.43	11.61
Other comprehensive income for the year (net of tax)		**143.68**	146.63
IX. Total comprehensive income for the year (VII + VIII)		**(7,189.03)**	(16,574.18)
Loss attributable to:			
Owners of the Company		**(7,343.92)**	(16,725.09)
Non-controlling interests		**11.21**	4.28
Loss for the year		**(7,332.71)**	(16,720.81)
Other Comprehensive Income attributable to:			
Owners of the Company		**143.68**	144.62
Non-controlling interests		**-**	2.01
Other comprehensive income for the year		**143.68**	146.63
Total comprehensive income attributable to:			
Owners of the Company		**(7,200.24)**	(16,580.47)
Non-controlling interests		**11.21**	6.29
Total comprehensive income for the year		**(7,189.03)**	(16,574.18)
X. Earnings per share attributable to owners of the Company	*37*		
1. Basic earnings per share (INR)		**(5.75)**	(13.26)
2. Diluted earnings per share (INR)		**(5.75)**	(13.26)

Notes to the financial statements *1-54*

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

As per our report of even date attached.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Sd/-
Rohit Alexander
Partner
Membership No: 222515

Sd/-
Ashok Kini
Non-Executive Chairman & Independent Director
DIN 00812946

Sd/-
Sudeep Gupta
Whole-time Director
DIN 07899859

Navi Mumbai
28 May 2019

Sd/-
Rishi Daultani
Chief Financial Officer

Sd/-
Basavraj Loni
Company Secretary

FINO PayTech Limited

Consolidated statement of changes in equity

For the year ended 31 March 2019

(Currency: Indian Rupees in lakhs)

(a) Equity share capital

	As at 31 March 2019		As at 31 March 2018	
	No. of Shares	**Amount**	No. of Shares	Amount
Balance at the beginning of the reporting period	**98,088,410**	**9,808.84**	95,153,300	9,515.33
Changes in equity share capital during the year	**445,000**	**44.50**	2,935,110	293.51
Balance at the end of the reporting period	**98,533,410**	**9,853.34**	98,088,410	9,808.84

(b) Other equity

Particulars	**Attributable to owners of the Company**										**Total**
	Fully Convertible preference shares	**Equity component of compound financial instruments**	**Reserves & Surplus**				**Items of Other comprehensive income**		**Total attributable to owners of the company**	**Attributable to Non-Controlling Interests**	
			Retained Earnings	**Statutory Reserve**	**ESOP Reserve**	**Securities Premium**	**Equity Instrument at FVTOCI**	**Debt instrument through FVTOCI**			
Balance at 31 March 2017	**2,383.12**	**209.68**	**(18,345.25)**	**33.43**	**58.61**	**57,268.09**	**-**	**-**	**41,607.68**	**386.32**	**41,994.00**
Total comprehensive income for the year ended 31 March 2018											
Loss for the year	-	-	(16,725.09)	-	-	-	-	-	(16,725.09)	4.28	(16,720.81)
Other comprehensive income (net of tax)	-	-	133.17	-	-	-	-	11.45	144.62	2.01	146.63
- Remeasurements of defined benefit liability / (asset)											
Total comprehensive income for the year	**-**	**-**	**(16,591.92)**	**-**	**-**	**-**	**-**	**11.45**	**(16,580.47)**	**6.29**	**(16,574.18)**
ESOP expense recognised under fair value approach	-	-	-	-	302.16	-	-	-	302.16	-	302.16
Changes in ownership interest in subsidiaries that do not result in loss of control - Acquisition of NCI	-	-	(300.27)	3.00	-	-	-	0.16	(297.11)	(392.61)	(689.72)
Premium on issue of shares	-	-	-	-	-	740.01	-	-	740.01	-	740.01
Amounts utilised towards share issue expenses	-	-	-	-	-	(81.51)	-	-	(81.51)	-	(81.51)
Unamortized gain / loss on securitization written off through retained earning	-	-	86.28	-	-	-	-	-	86.28	-	86.28
Balance at 31 March 2018	**2,383.12**	**209.68**	**(35,151.16)**	**36.43**	**360.77**	**57,926.59**	**-**	**11.61**	**25,777.04**	**-**	**25,777.04**
Total comprehensive income for the year ended 31 March 2019											
Loss for the year	-	-	(7,343.92)	-	-	-	-	-	(7,343.92)	11.21	(7,332.71)
Other comprehensive income (net of tax)	-	-	(32.99)	-	-	-	175.24	1.43	143.68	-	143.68
- Remeasurements of defined benefit liability / (asset)											
Total comprehensive income for the year	**-**	**-**	**(7,376.91)**	**-**	**-**	**-**	**175.24**	**1.43**	**(7,200.24)**	**11.21**	**(7,189.03)**
ESOP expense recognised under fair value approach	-	-	-	-	139.05	-	-	-	139.05	-	139.05
Changes in ownership interest in subsidiaries that do not result in loss of control - Acquisition of NCI	-	-	1.81	-	-	-	-	-	1.81	0.74	2.55
Premium on issue of shares	-	-	-	-	(8.93)	290.69	-	-	281.76	-	281.76
Effect of options vested lapsed	-	-	1.21	-	(1.21)	-	-	-	-	-	-
Appropriation towards statutory reserve	-	-	(46.57)	46.57	-	-	-	-	-	-	-
Unamortized gain / loss on securitization written off through retained earning	-	-	89.11	-	-	-	-	-	89.11	-	89.11
Balance at 31 March 2019	**2,383.12**	**209.68**	**(42,482.51)**	**83.00**	**489.68**	**58,217.28**	**175.24**	**13.04**	**19,088.53**	**11.95**	**19,100.48**

FINO PayTech Limited

Consolidated statement of changes in equity

For the year ended 31 March 2019

(Currency: Indian Rupees in lakhs)

(b) Other equity *(Continued)*

Nature and purpose of reserves

1) Securities premium reserve

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

2) ESOP reserve

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

3) Statutory reserve (as per RBI Act)

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

4) Retained Earnings

Retained Earnings represents total of all profits/losses retained since the company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts,transfers to other reserves or any such other appropriations to specific reserves.

Notes to the financial statements *1-54*

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

As per our report of even date attached.

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No: 116231W/W-100024

Sd/-

Rohit Alexander

Partner

Membership No: 222515

Navi Mumbai

28 May 2019

For and on behalf of the Board of Directors

FINO PayTech Limited

Sd/-

Ashok Kini

Non-Executive Chairman & Independent Director

DIN 00812946

Sd/-

Sudeep Gupta

Whole-time Director

DIN 07899859

Sd/-

Rishi Daultani

Chief Financial Officer

Sd/-

Basavraj Loni

Company Secretary

FINO PayTech Limited

Consolidated Statement of cash flows

For the year ended 31 March 2019

(Currency: Indian Rupees in lakhs)

	Note	**Year ended 31 March 2019**	Year ended 31 March 2018
A. Cash flow from operating activities			
Loss before tax from continuing operations		**(5,395.08)**	(17,605.48)
Loss before tax		**(5,395.08)**	(17,605.48)
Adjustments to reconcile loss before tax to net cash used in operating activities			
Depreciation		**2,456.17**	2,722.48
Profit / (loss) on sale of fixed assets	*27*	**0.53**	(1.42)
Share based payment expense	*30*	**139.05**	302.16
Dividend income / Profit on sale - investments	*27*	**-**	(6.79)
Interest income	*26,27*	**(12,117.80)**	(10,496.70)
Interest and finance charges	*31*	**6,562.96**	5,475.70
Provision for loan losses expenses	*32*	**1,423.30**	5,930.25
Provision for doubtful debts and assets	*32*	**(112.72)**	2,947.76
Remeasurements of the net defined benefit Plans		**(40.82)**	153.64
Operating loss before working capital changes		**(7,084.41)**	(10,578.40)
Working capital adjustments:			
Inventories		**(400.70)**	1,919.85
Trade receivables		**760.22**	(2,158.83)
Other current assets		**8.25**	(294.18)
Current financial assets - loans		**9,247.99**	(5,946.69)
Other current financial assets		**(10,442.65)**	1,536.71
Non current financial assets - others		**1,540.68**	(1,807.53)
Non current assets		**316.05**	(373.36)
Non current financial assets - loans		**223.61**	(12,683.79)
Trade payables		**2,109.15**	228.18
Other current liabilities		**(10,213.11)**	11,089.18
Other current financial liabilities		**22,188.66**	4,302.85
Non current liabilities		**(9.06)**	117.55
Provisions		**(232.38)**	1,312.04
Cash generated from / (used in) operations before adjustments for interest received and interest paid		**8,012.30**	(13,336.42)
Interest paid		**(5,577.16)**	(4,703.21)
Interest received		**10,060.25**	8,881.96
Cash generated from / (used in) operations		**12,495.39**	(9,157.67)
Income tax paid		**418.80**	(1,538.30)
Net Cash generated from / (used in) operating activities (A)		**12,914.19**	(10,695.97)
B. Cash flows from investing activities			
Acquisition of property, plant and equipment (including Capital work-in-progress)		**(628.74)**	(3,962.30)
Proceeds from sale of property, plant and equipment		**16.02**	1,786.81
Acquisition of intangibles		**(415.21)**	(1,678.72)
Purchase of investments (current and non - current)		**(1,193.44)**	(6,054.72)
Proceeds from fixed deposits		**15,738.47**	5,427.63
Interest received		**2,006.52**	1,687.68
Net cash generated from / (used in) investing activities (B)		**15,523.62**	(2,793.62)

FINO PayTech Limited

Consolidated Statement of cash flows *(Continued)*

for the year ended 31 March 2019

(Currency: Indian Rupees in lakhs)

	Note	Year ended 31 March 2019	Year ended 31 March 2018
C. Cash flows from financing activities			
Proceeds from issue of equity shares		**326.26**	952.01
Proceeds from subordinate debt		**2,000.00**	-
Proceeds from long-term borrowings		**17,450.00**	25,800.00
Repayment of long term borrowings		**(22,133.53)**	(20,526.15)
Proceeds of short term borrowings (net)		**3,245.87**	2,645.61
Interest and finance charges paid		**(1,033.14)**	(772.49)
Acquisition of non controlling interest		**2.55**	(689.72)
Net Cash (used in) / generated from Financing Activities (C)		**(141.99)**	7,409.26
Net increase / (decrease) in cash and cash equivalents (A + B + C)		**28,295.82**	(6,080.33)
Cash and cash equivalents at the beginning of the year		**20,226.11**	26,306.44
Cash and cash equivalents at the end of the year	*11A*	**48,521.93**	20,226.11
Cash and cash equivalents			
Cash on hand and balances with banks		**48,521.93**	20,226.11
Other bank balances		**-**	-
Cash and cash equivalents	*11A*	**48,521.93**	20,226.11

The above cash flow statement has been prepared under the "indirect method" as set out in the Ind AS - 7 on statement of cash flows specified under section 133 of the Companies Act, 2013.

Notes to the financial statements *1-54*

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

As per our report of even date attached.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Sd/-
Rohit Alexander
Partner
Membership No: 222515

Sd/-
Ashok Kini
Non-Executive Chairman & Independent Director
DIN 00812946

Sd/-
Sudeep Gupta
Whole-time Director
DIN 07899859

Navi Mumbai
28 May 2019

Sd/-
Rishi Daultani
Chief Financial Officer

Sd/-
Basavraj Loni
Company Secretary

1.1 General information

FINO PayTech Limited Group is primarily engaged in providing technology based solutions and services related to financial inclusion. It is a business and banking technology platform combined with extensive services delivery channel. The Group includes a Non-Banking Financial Company - Non Deposit Accepting or Holding Company ('NBFC-ND') registered with Reserve Bank of India ('RBI'). It is engaged in providing finance to poor women in rural areas of India who are organized as Joint Liability Groups ('JLG'). The Group services institutions like banks, micro finance institutions, government entities and insurance companies. The Group includes a Bank which offers services such as current and savings accounts, remittances, business correspondent, mobile banking, bill payments and third party financial products distribution. The Bank is engaged in providing various types of financial services to the rural, poor and underserved and unserved classes to help them be economically self-reliant.

1.2 Significant Accounting Policies

1.2.1 Basis of preparation

The consolidated financial statements of the Group 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.

This is a first set of Group’s annual financial statements in which Ind AS 115 : Revenue from Contract with Customers have been applied. Changes to significant accounting policies are described in Note 52.

1.2.2 Functional and presentation currency

These consolidated financial statements are presented in Indian rupees (INR), which is the Group’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 measurement

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

- certain financial assets and liabilities that may be measured at fair value;
- defined benefit plans – plan assets measured at fair value;
- share-based payments

1.2.4 Current versus non-current classification

The group presents assets and liabilities in the balance sheet based on current and non-current classification.

An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle

1.2 Significant Accounting Policies *(Continued)*

1.2.4 Current versus non-current classification *(Continued)*

- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is classified as current when it is:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

1.2.5 Use of estimates and judgments

The preparation of consolidated 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 and statement of profit and loss and disclosure of contingent liabilities. The actual amounts realized may differ from these estimates. 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.

Estimates and assumptions are required in particular for:

- **Determination of the estimated useful lives of tangible assets**

  Useful lives of tangible 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, they 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 assumptions. 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.

1.2 Significant Accounting Policies *(Continued)*

1.2.5 Use of estimates and judgments *(Continued)*

- **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. 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.

- **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 the incorporation of forward looking information.

- **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.

- **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.

- **Discounting of long-term financial assets/liabilities**

  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.

1.2 Significant Accounting Policies (Continued)

1.2.6 Measurement of fair values

The Group'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 Group 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.*
- *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 categorised 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 Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

1.2.7 Basis for Consolidation

i. Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in equity under the head 'Capital reserve'. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

ii. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The consolidated financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

1.2 Significant Accounting Policies (Continued)

1.2.7 Basis for Consolidation (Continued)

The following are the entities considered in the consolidated financial statements:

Sr. No.	Name of the Entity	Country of Incorporation	Proportion of Ownership interest as on reporting date
1	Fino Payments Bank Limited	India	99.99%
2	Fino Finance Private Limited	India	99.99%
3	FINO Trusteeship Services Limited	India	49.00%
4	Fino Financial Services Private Limited	India	99.99%

In addition to above, the group controls FINO Fintech Foundation Trust and FINO ESOP Trust, which are incorporated in India and are consolidated for financial reporting purpose.

iii. Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable net assets at the date of acquisition.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iv. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, net of deferred taxes, are eliminated.

1.2.8 Foreign currency

Foreign currency transactions

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

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. 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. Foreign currency differences are generally recognized in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of transaction.

1.2.9 Revenue

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.

1.2 Significant Accounting Policies (Continued)

1.2.9 Revenue (Continued)

- **Sale of Goods and Services**

  i. Revenue from sale of goods in the course of ordinary activities is recognized at the fair value of the consideration received or receivable, net of returns and allowances and volume rebates. Revenue is recognized when control of the ownership in goods are transferred to the customer. Revenues are recognized when collectability of the resulting receivables is reasonably assured.

  ii. Enrollment and other incomes are recognized on accrual basis in accordance with the terms and conditions of the underlying mandates entered into with the respective customers.

  iii. Revenue from Core Banking Services ('CBS') service is recognized on accrual basis.

  iv. Revenues from other services are recognized pro-rata over the period of the contract as and when services are rendered.

  v. Disbursement fee includes remittance and service fees which are recognized based on the amount of disbursements/ remittances/ collections made through Point of Transaction (POT) devices.

  vi. Business correspondent fee is recognised on the allotment of POT devices to individual agents.

  vii. Transaction fee is recognized on the completion of individual transactions made through POT devices.

  viii. Account Maintenance fees is recognised on the basis of number of accounts maintained.

  ix. Agent registration fee is recognized on receipt of non-refundable agent deposit.

  x. Insurance broking income is recognized based on the numbers of policies sold to customers on behalf of insurance companies.

  xi. Service charges are recognised on accrual basis in accordance with the service agreement, if any with the customer

  xii. Dividend income is recognized when right to receive dividend is established.

- **Grants/ Subsidies**

  Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

  Revenue grants are recognised in the statement of profit and loss in the same period as the related cost which they are intended to compensate are accounted for.

1.2 Significant Accounting Policies *(Continued)*

1.2.10 Finance income and finance costs

i. Loan processing fees is amortised over the tenor of the loan.

ii. Interest Income on JLG loans given is recognised at the effective interest rate, on an accrual basis.

iii. Interest income on deposits with banks is recognised on a time proportion accrual basis taking into account the amount outstanding and the effective interest rate.

iv. Interest expense on borrowing is recognised using the effective interest rate method.

1.2.11 Securitization Transactions

The group 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 group continues to hold substantially all the risks and rewards of ownership of the financial assets, the group shall continue to recognize the financial assets.

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

1.2.12 Guarantee Commission

Commission paid by the group to third parties for guarantees issued by them in respect of the group's borrowings have been amortized over the tenure of the guarantee.

1.2.13 Income Tax

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

Provision for current tax is recognised based on estimated tax liability computed after adjusting for allowances, disallowances and exemptions in accordance with the tax laws applicable.

Deferred taxation

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled. The carrying amount of deferred income 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.

1.2 Significant Accounting Policies *(Continued)*

1.2.13 Income Tax *(Continued)*

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

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 realised.

Minimum Alternate Tax ('MAT')

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.

1.2.14 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 if the Group 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 ex-gratia.

ii. Defined contribution plans

- Provident fund

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

iii. Defined benefit plans

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

- Gratuity Fund

  The Group'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.

1.2 Significant Accounting Policies (Continued)

1.2.14 Employee benefits (Continued)

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

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 Group 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 15 days are encashed at the end of financial year on the basic salary. Encashment of more than 15 days of leave is not permitted. Leave balance over 15 days will lapse at the end of the financial year. The obligation is measured on the basis of an annual independent actuarial valuation.

iv. Share-based payments arrangement

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. 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.

(Currency: Indian Rupees in lakhs)

1.2 Significant Accounting Policies *(Continued)*

1.2.15 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.

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.

ii. Subsequent expenditure

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

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 as prescribed under Schedule II.

Assets costing less than INR 5,000 are depreciated at 100% in the year of acquisition.

1.2 Significant Accounting Policies *(Continued)*

1.2.15 Property, plant and equipment (*Continued)*

Depreciation methods, useful lives and residual values are reviewed annually and adjusted if appropriate. Based on technical evaluation 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
Computer server	6 Years	6 Years
Office equipment	5 Years	5 Years
Vehicles	8 Years	8 Years
Furniture and fixtures	10 Years	10 Years

Point of Transactions ('POT') devices which are classified as plant and machinery are depreciated over the useful life of the asset (five years).

1.2.16 Goodwill & other Intangible assets:

i. Goodwill:

Goodwill is included on the basis of its deemed cost, which represents the amount recorded under previous GAAP, adjusted for the reclassification of certain intangibles. Subsequent measurement is at cost less any accumulated impairment losses.

ii. Other Intangible assets:

Computer Software

Intangible assets are stated at cost less accumulated amortization and impairment Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date they are available for use. The estimated useful life of an identifiable intangible asset is based on the number of factors including the effects of obsolescence, demand, competition, and other economic factors and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end. Intangible assets are amortised over a period of five years.

1.2 Significant Accounting Policies *(Continued)*

1.2.17 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.

i. Financial assets

Classification

The Group 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 recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Debt instruments are measured 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 whose objective 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.

  Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation 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.

Financial instruments 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 objective is 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.

Financial instruments at fair value through 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.

1.2 Significant Accounting Policies *(Continued)*

1.2.17 Financial Instruments *(Continued)*

- In addition, the Group 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 instruments that do not meet the SPPI criteria are measured at FVTPL with all changes in the fair value recognized in profit and loss.

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 Group decides to classify the same either as at FVOCI or FVTPL. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.
- If the Group 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 no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Group 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 profit and loss.

Derecognition

The group 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 group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the group enters into transactions whereby it transfer 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.

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 Group 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.

1.2 Significant Accounting Policies *(Continued)*

1.2.17 Financial Instruments *(Continued)*

b) Other receivables - The application of simplified approach does not require the Group to 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.

ii. Financial liabilities

Classification

The Group 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.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

The Group’s financial liabilities includes trade and other payables, loans and borrowings and security deposits.

Derecognition

A financial liability is de-recognised 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. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

iii. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated 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.

iv. 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 Group are recognised at the proceeds received net of direct issue cost.

v. Compound instrument

Compound financial instruments issued by the Group comprise convertible share warrants denominated in INR that can be converted to equity shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

1.2 Significant Accounting Policies *(Continued)*

1.2.17 Financial Instruments *(Continued)*

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 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.

1.2.18 Inventories

Inventories which comprise work-in-progress and traded goods are carried at lower of cost and net realizable value.

Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In determining the cost, weighted average cost method is used.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

1.2.19 Provisions and contingent liabilities

Provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but will probably not, require an outflow of resources. When there is a possible obligation of a present obligation in respect of which the likelihood of outflow of resources is remote, no provision disclosure is made.

A contingent asset is not recognised but disclosed in the consolidated financial statements where an inflow of economic benefit is probable.

1.2 Significant Accounting Policies *(Continued)*

1.2.20 Leases

i. Lease payments

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

ii. Lease assets

Assets held by the Group under leases that transfer to the Group substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

1.2.21 Impairment of non-financial assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. Goodwill is tested annually for impairment.

For impairment testing, assets that do not generate independent cash flows are grouped together into cash generating units (CGUs). Each CGU represents the smallest group of assets that generates cash flows that are largely independent of the cash flows of other assets or CGUs.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate pre-tax discount factor that reflects current market assessments of the time value of money and the risk specific to the CGU.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

1.2.22 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash, bank balances and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

1.2 Significant Accounting Policies *(Continued)*

1.2.23 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.

1.2.24 Borrowing cost

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.

1.2.25 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the group has not applied as they are effective from 1 April 2019:

A. Ind AS 116: Leases-

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The group will adopt Ind AS 116 effective annual reporting period beginning April 1, 2019. The group will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Group will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

The following changes to lease accounting may have impact as follows:

a. Right of' use assets will be recorded for assets that are leased by the group.

b. Liabilities will be recorded for future lease payments in the group's financial statement

1.2 Significant Accounting Policies *(Continued)*

1.2.25 Recent accounting pronouncements *(Continued)*

c. Lease expenses will be for depreciation of right-of-use assets and interest on lease liabilities. Interest will typically be higher in the early stages of a lease and reduce over the

term. Currently operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the increase is in line with expected general inflation, in which case lease payments are recognized on contractual terms

d. Operating lease cash flows are currently included within operating cash flows in the statement of cash flows

e. Under Ind AS - 116, these will be recorded as cash flows from financing activities reflecting the repayment of lease liabilities (Borrowings) and related interest

The group is currently evaluating the impact of Ind AS 116 on its financial statements.

B. Ind AS 109- Prepayment Features with negative compensation:

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments.

The group does not expect this amendment to have any significant impact on its financial statements.

C. Ind AS 12- Income Taxes:

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The group does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty. (2) the entity is to assume that the taxation authority will `have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability.

The group does not expect this amendment to have any significant impact on its financial statements.

1.2 Significant Accounting Policies *(Continued)*

1.2.25 Recent accounting pronouncements *(Continued)*

D. Ind AS 19- Plan amendment, curtailment or settlement:

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In

addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The group does not expect this amendment to have any significant impact on its financial statements.

E. Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements:

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.

The group does not expect this amendment to have any significant impact on its financial statements.

F. Ind AS 23- Borrowing Costs:

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

The group does not expect this amendment to have any significant impact on its financial statements.

FINO PayTech Limited

Notes to the consolidated financial statements *(Continued)*
As at 31 March 2019

(Currency: Indian Rupees in lakhs)

2 Property, plant and equipment

A. Reconciliation of carrying amount

P A R T I C U L A R S	**Owned assets**						**Total**
	Leasehold improvements	**Computers / hardware**	**Plant and Machinery**	**Furniture and Fixtures**	**Vehicles**	**Office Equipment**	
Year ended 31 March 2018							
Gross block							
Balance at 1 April 2017	1,269.32	2,725.93	1,151.01	146.96	25.17	666.59	5,984.98
Additions	872.80	1,914.54	590.87	19.34	79.06	485.69	3,962.30
Disposals	-	(424.65)	(570.84)	-	(10.56)	-	(1,006.05)
Closing gross block	2,142.12	4,215.82	1,171.04	166.30	93.67	1,152.28	8,941.23
Accumulated depreciation							
Balance at 1 April 2017	244.73	1,401.45	452.51	46.05	14.35	194.02	2,353.11
Depreciation charge during the year	477.46	1,008.67	281.40	24.59	16.96	418.94	2,228.02
Disposals	-	(265.98)	(138.60)	-	(6.72)	-	(411.30)
Closing accumulated depreciation	722.19	2,144.14	595.31	70.64	24.59	612.96	4,169.83
Net block	**1,419.93**	**2,071.68**	**575.73**	**95.66**	**69.08**	**539.32**	**4,771.40**
Year ended 31 March 2019							
Gross block							
Balance at 1 April 2018	2,142.12	4,215.82	1,171.04	166.30	93.67	1,152.28	8,941.23
Additions	5.09	649.85	0.98	0.04	17.17	44.78	717.91
Disposals	-	-	-	-	(17.17)	(0.50)	(17.67)
Closing gross block	2,147.21	4,865.67	1,172.02	166.34	93.67	1,196.56	9,641.47
Accumulated depreciation							
Balance at 1 April 2018	722.19	2,144.14	595.31	70.64	24.59	612.96	4,169.83
Depreciation charge during the year	350.17	1,028.91	100.73	2.22	34.99	339.25	1,856.27
Disposals	-	-	-	-	(1.82)	(0.40)	(2.22)
Closing accumulated depreciation	1,072.36	3,173.05	696.04	72.86	57.76	951.81	6,023.88
Net block	**1,074.85**	**1,692.62**	**475.98**	**93.48**	**35.91**	**244.75**	**3,617.59**

Notes to the consolidated financial statements *(Continued)*
As at 31 March 2019

(Currency: Indian Rupees in lakhs)

3 Other intangible assets

PARTICULARS	GROSS BLOCK				ACCUMULATED AMORTIZATION				NET BLOCK	
	Balance as at 1 April 2017	Additions	Disposals	Balance as at 31 March 2018	Balance as at 1 April 2017	Charge for the year	Eliminated on disposal of	Balance as at 31 March 2018	Balance as at 31 March 2018	Balance as at 31 March 2017
Computer software	904.47	2,173.18	-	3,077.65	508.08	494.46	-	1,002.54	2,075.11	396.39
TOTAL	**904.47**	**2,173.18**	**-**	**3,077.65**	**508.08**	**494.46**	**-**	**1,002.54**	**2,075.11**	**396.39**
PARTICULARS	**Balance as at 1 April 2018**	**Additions**	**Disposals**	**Balance as at 31 March 2019**	**Balance as at 1 April 2018**	**Charge for the year**	**Eliminated on disposal of**	**Balance as at 31 March 2019**	**Balance as at 31 March 2019**	**Balance as at 31 March 2018**
Computer software	3,077.65	415.21	-	3,492.86	1,002.54	599.90	-	1,602.44	1,890.42	2,075.11
TOTAL	**3,077.65**	**415.21**	**-**	**3,492.86**	**1,002.54**	**599.90**	**-**	**1,602.44**	**1,890.42**	**2,075.11**

Notes to the consolidated financial statements *(Continued)*
As at 31 March 2019

(Currency: Indian Rupees in lakhs)

		31 March 2019	31 March 2018
4	**Financial assets - Investments (non current)**		
	Investments measured at amortised cost		
	Investments in government securities		
	Unquoted		
	- National saving certificate	**0.94**	0.55
	Investment carried at fair value through other comprehensive income (FVTOCI)- equity instruments		
	3,030 (Previous year: Nil) shares of Rs. 10 each fully paid up in TAP Smart Data Information Services Pvt.Ltd	**484.80**	-
		485.74	0.55
	(a) Aggregate amount of unquoted investments	**485.74**	0.55
	(b) Aggregate amount of impairment in value of investments	**-**	-
5	**Financial assets - Loans**		
	Secured loans		
	Considered good:		
	Loans to MSME	**1,643.48**	459.77
	Considered doubtful:		
	Loans to MSME	**43.23**	1.90
	Less: Loss allowance	**(43.23)**	(1.90)
	(A)	**1,643.48**	459.77
	Unsecured loans		
	Considered good:		
	Loans to JLG groups	**8,210.24**	11,620.42
	Loans to MSME	**0.15**	-
	Security deposits	**1,067.82**	488.41
	Considered doubtful:		
	Loans to JLG groups	**390.49**	455.38
	Less: Loss allowance	**(390.49)**	(455.38)
	Security deposits	**131.88**	133.90
	Less: Loss allowance	**(131.88)**	(133.90)
	(B)	**9,278.21**	12,108.83
	(A + B)	**10,921.69**	12,568.60
6	**Other non-current financial assets**		
	Deposits with banks (maturing after 12 months from the reporting date)*	**6.12**	0.88
	Deposits for margin money with banks**	**1,124.64**	2,670.79
	Less: Loss allowance	**(0.23)**	(0.47)
		1,130.53	2,671.20

* Includes deposits of Rs. 5.85 lakhs (Previous year Rs. 0.85 lakhs) provided against the pending litigations under Value Added Tax Act.
** Includes deposits of Rs. 155.15 lakhs (Previous Year : Rs. 2,224.93 lakhs) provided as cash collateral against borrowings, deposits of Rs. Nil (Previous Year : Rs. 290.41 lakhs) provided as cash collateral against loan securitised and deposits of Rs. 42.39 lakhs (Previous Year : Rs. 102.05 lakhs) provided as cash collateral against business correspondent arrangement.

		31 March 2019	31 March 2018
7	**Other non-current assets**		
	Prepaid expenses	**56.53**	96.01
	Deposits with Government Authorities	**74.44**	337.21
	Balances with Government Authorities	**269.61**	283.41
		400.58	716.63
8	**Inventories**		
	Work-in-progress	**-**	136.08
	Stock-in-trade	**3,976.26**	3,575.56
	Less : Impairment of inventories	**(1,944.34)**	(1,774.02)
		2,031.92	1,937.62

Inventories are valued at lower of cost or net realisable value.

		31 March 2019	31 March 2018
9	**Financial assets- Investments (Current)**		
	Investment in government securities		
	Investment carried at fair value through other comprehensive income (FVTOCI)- investment in T-bills	**7,322.41**	6,375.92
		7,322.41	6,375.92
	(a) Aggregate book value of quoted investments;	**7,322.41**	6,375.92
	(b) Aggregate market value of quoted investments;	**7,322.41**	6,375.92
	(c) Aggregate amount of impairment in value of investments	**-**	-

Notes to the consolidated financial statements *(Continued)*
As at 31 March 2019

(Currency: Indian Rupees in lakhs)

10 Trade receivables	31 March 2019	31 March 2018
Unsecured		
- Considered Good	**3,838.81**	4,179.91
- Considered Doubtful	**4,978.91**	5,451.76
Less: Loss allowance	**(4,978.91)**	(5,451.76)
	3,838.81	4,179.91
Of the above, trade receivables from related parties are as below:		
Total Trade receivables from related parties	**20.10**	-
Less: Provision	-	-
Net Trade receivables	**20.10**	-

11A Cash and cash equivalents

a. Balance with banks :		
In current account	**23,938.00**	15,454.56
In deposits with original maturity of 3 months or less	**22,560.20**	2,072.48
In escrow account	**74.42**	74.42
b. Cash on hand	**1,952.53**	2,628.08
Less: Loss allowance	**(3.22)**	(3.43)
	48,521.93	20,226.11

11B Bank balances other than cash and cash equivalents

Deposits with Banks*	**4,326.65**	20,065.17
Other bank balances**	**50.17**	50.17
Less: Loss allowance	**(3.84)**	(3.91)
	4,372.98	20,111.43

* Includes deposits of Rs. 126.60 lakhs (Previous year Rs. 432.52 lakhs) provided against the pending litigations under Value Added Tax Act & Rs. 271.45 lakhs (Previous Year : Rs. Nil) provided as cash collateral against borrowings)
** Represents bank balance which is restricted on account of its corresponding creditors.

12 Current financial assets - Loans

Secured loans			
Considered good:			
Loans to MSME		**512.12**	78.64
Considered doubtful:			
Loans to MSME		**13.37**	0.33
Less: Loss allowance		**(13.37)**	(0.33)
	(A)	**512.12**	78.64
Unsecured loans			
Considered good:			
Loans to JLG groups		**23,134.99**	32,941.87
Loans to MSME		**40.98**	-
Loans to employees/contractual staff		**23.77**	22.63
Death claim receivable		**163.56**	22.23
Security deposits		**43.52**	50.53
Considered doubtful:			
Loans to JLG groups		**1,406.75**	1,835.55
Less: Loss allowance		**(1,406.75)**	(1,835.55)
Death claim receivable		**73.53**	62.59
Less: Loss allowance		**(73.53)**	(62.59)
Security deposits		**34.95**	301.02
Less: Loss allowance		**(34.95)**	(301.02)
	(B)	**23,406.82**	33,037.26
	(A + B)	**23,918.94**	33,115.90

13 Other current financial assets

Recoverable on account of settlement	**9,037.98**	330.30
Other receivables	**1,828.21**	91.21
Less: Loss allowance	**(2.12)**	(0.09)
	10,864.07	421.42

14 Other current assets

Prepaid expenses	**169.17**	331.78
Advances to staff/agents/employees	**155.41**	114.42
Advance to suppliers	**325.83**	418.51
Other current assets	**446.84**	240.79
	1,097.25	1,105.50

(Currency: Indian Rupees in lakhs)

	31 March 2019	31 March 2018
15 Share capital		
a Authorised :		
Equity shares of Rs.10 each		
120,000,000 (31 March 2018 ; 120,000,000) Equity shares	**12,000.00**	12,000.00
Fully convertible Preference Shares of Rs.10 each		
50,000,000 (31 March 2018 : 50,000,000) Equity shares	**5,000.00**	5,000.00
TOTAL	**17,000.00**	17,000.00
b Issued and subscribed and paid up:		
98,533,410 (31 March 2018 : 98,088,410) Equity shares fully paid up*	**9,853.34**	9,808.84
2,643,210 (31 March 2018 : 2,643,210) 0.001% Preference shares of class - A fully paid up	**264.32**	264.32
9,919,694 (31 March 2018 : 9,919,694) 0.001% Preference shares of class - B fully paid up	**991.97**	991.97
11,268,311 (31 March 2018 : 11,268,311) 0.001% Preference shares of class - C fully paid up	**1,126.83**	1,126.83
TOTAL	**12,236.46**	12,191.96

*On consolidation, 252,951 (previous year : 323,951) shares held by Fino ESOP trust are reduced from share capital.

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

Equity share :		
Outstanding at the beginning of the year	**98,088,410**	95,153,300
Equity Shares issued during the year in consideration for cash	**71,000**	-
Equity Shares issued during the year pursuant to exercise of ESOPs	**374,000**	2,935,110
Outstanding at the end of the year	**98,533,410**	98,088,410
Preference share :		
Outstanding at the beginning of the year	23,831,215	23,831,215
Converted into equity shares	-	-
Outstanding at the end of the year	**23,831,215**	23,831,215

d Terms / rights attached to each classes of shares

1. Rights, preferences and restrictions attached

Equity shares : The Group has only one class of equity shares having a par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Group, the holders of equity shares will be entitled to receive remaining assets of the Group, after repayment of all the liabilities and distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by them.

During the current year, the group has not declared any dividend (Previous year: Nil)

Preference shares : All the Fully convertible preference share ('FCPS') holders carry one voting right for each share held by them. Holder of Series A, B and C Preference shares were entitled to Dividend of Rs.195,938,615, Rs.230,342 and Rs.360,493,144, respectively, (“Past Dividend Amount”) and shall be paid in accordance with applicable Laws as and when the Company has sufficient funds to make such payment, whether in full or in part. The full payment of the Past Dividend Amounts shall be made by the Company before declaring any dividends (other than for purposes of payment of Past Dividend Amounts) on or after the date of the Shareholders Agreement dated 29th July, 2016. The Preference Shareholders shall, in addition to the respective accumulated preference dividend noted above, be entitled to, a minimum guaranteed dividend of 0.001% on the face value of the Preference Shares in accordance with applicable Laws; and the Company shall not, after full payment of Past Dividend Amounts, declare any dividend that is payable only to a select class of Shareholders.

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

Equity share	**31 March 2019**		31 March 2018	
	No. of Shares	**% holding**	No. of Shares	% holding
Bharat Petroleum Corporation Limited	**28,435,423**	**28.86%**	28,435,423	28.99%
ICICI Prudential Life Insurance Company Ltd.	**11,328,854**	**11.50%**	11,328,854	11.55%
Blackstone GPV Capital Partners (Mauritius) VI-B FDI Limited	**7,512,207**	**7.62%**	7,512,207	7.66%
HAV 3 Holdings (Mauritius) Limited	**7,456,993**	**7.57%**	7,456,993	7.60%
International Finance Corporation	**6,569,567**	**6.67%**	6,569,567	6.70%
ICICI Bank Limited	**5,750,000**	**5.84%**	5,750,000	5.86%
ICICI Lombard General Insurance Company Limited	**5,289,194**	**5.37%**	5,289,194	5.39%

Fully convertible preference shares

	As at 31 March 2019		As at 31 March 2018	
	No. of Shares	**% holding**	No. of Shares	% holding
Blackstone GPV Capital Partners (Mauritius) VI-B FDI Limited	**11,268,311**	**47.28%**	11,268,311	47.28%
HAV 3 Holdings (Mauritius) Limited	**6,797,990**	**28.53%**	6,797,990	28.53%
International Finance Corporation	**3,104,350**	**13.03%**	3,104,350	13.03%
Intel Capital Corporation	**2,660,564**	**11.16%**	2,660,564	11.16%

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

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Group, please refer note 35.

g Terms of conversion of Fully convertible preference shares :

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

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

h Terms of conversion of share warrants:
Share warrants are held by ICICI Bank Limited (number of share warrants 40 lakhs (Previous year 40 lakhs)) and ICICI Lombard General Insurance Company Limited (number of share warrants 15 lakhs (Previous year 15 lakhs)). Each warrant is convertible into 1 equity share at the rate of Rs. 10 each. The exercise of outstanding warrants shall be made before the date of filling of red herring prospectus of the company and in accordance with other terms and conditions of the articles of association of the company or such other date ('Expiry date') by which all convertible instruments are required to be converted pursuant to applicable regulations.

i 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 (Previous Year : Nil)

(Currency: Indian Rupees in lakhs)

16 Other Equity	31 March 2019	31 March 2018
Securities premium reserve	**58,217.28**	57,926.59
Fully convertible preference shares	**2,383.12**	2,383.12
Equity component of compound financial instrument	**209.68**	209.68
Statutory reserve	**83.02**	36.43
ESOP reserve	**489.69**	360.77
Retained earnings	**(42,482.54)**	(35,151.16)
Other comprehensive income		
Debt instrument through OCI	**13.04**	11.61
Equity instrument through OCI (Refer note 4)	**175.24**	-
	19,088.53	25,777.04
Securities premium reserve		
Opening balance	**57,926.59**	57,268.09
Additions during the year	**290.69**	658.50
Closing balance	**58,217.28**	57,926.59
Fully convertible preference shares (Refer note 15)		
Opening balance	**2,383.12**	2,383.12
Conversions during the year	**-**	-
Closing balance	**2,383.12**	2,383.12
Equity component of compound financial instrument (Refer note 15)		
Opening balance	**209.68**	209.68
Additions during the year	**-**	-
Closing balance	**209.68**	209.68
Statutory reserve		
Statutory reserve u/s 45-IC of Reserve Bank of India Act,1934 ('the RBI Act')		
Opening balance	**36.43**	33.43
Additions during the year	**46.59**	3.00
Closing balance	**83.02**	36.43
Share based payment reserve (Refer note 35)		
Opening balance	**360.77**	58.61
Additions during the year	**128.92**	302.16
Closing balance	**489.69**	360.77
Retained earnings		
Opening balance	**(35,151.16)**	(18,345.25)
Net loss for the year	**(7,343.92)**	(16,939.08)
ESOP lapsed	**1.21**	-
Transfer to Statutory Reserve (as per RBI Act)	**(46.59)**	-
Changes in ownership interest in subsidiaries that do not result in loss of	**1.81**	-
Unamortised gain on securitisation	**89.10**	-
Remeasurements of defined benefit liability / (asset) (net of tax)	**(32.99)**	133.17
Closing balance	**(42,482.54)**	(35,151.16)
Other comprehensive income		
Debt instrument through OCI	**11.61**	-
Increase/(Decrease) during the year	**1.43**	11.61
Closing balance	**13.04**	11.61
Equity instrument through OCI (Refer note 4)		
As per Last Balance Sheet	**-**	-
Increase/(Decrease) during the year	**175.24**	-
Closing Balance	**175.24**	-
	19,088.53	25,777.04

Notes to the consolidated financial statements *(Continued)*
As at 31 March 2019

(Currency: Indian Rupees in lakhs)

17 Non-current financial liabilities - Borrowings	31 March 2019	31 March 2018
Secured		
Term loans from banks	**6,776.02**	4,663.86
Term loans from non banking financial companies	**4,192.17**	10,753.25
Privately placed redeemable non convertible debentures	**4,433.78**	5,418.92
Vehicle loans	**35.83**	47.87
Unsecured		
Subordinated debt (Non-convertible debenture)	**4,465.37**	2,470.47
	19,903.17	23,354.37

Secured loan :
Term loans from banks are taken at an interest rate ranging from 10.75% p.a. to 14% 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 1.2 times of the outstanding loans and in case of certain loans,also through cash collaterals.

From the balance sheet as at 31 March 2019	Rate range	Non current	Current maturity	Total
Repayable in installments :				
a) Monthly				
Maturity more than 3 years	-	-	-	-
Maturity more than 1 year to 3 years	11.10%-11.40%	866.00	-	866.00
Maturity within 1 year	11.10%-14.00%	-	1,376.65	1,376.65
Total		**866.00**	**1,376.65**	**2,242.65**
b) Quarterly				
Maturity more than 1 year to 3 years	10.75%-13.50%	5,917.78	-	5,917.78
Maturity within 1 year	10.75%-13.50%	-	5,856.74	5,856.74
Total		**5,917.78**	**5,856.74**	**11,774.52**
Add : Accrued interest		**-**	**68.22**	**68.22**
Total repayable in installments (a+b) and Accrued interest		**6,783.78**	**7,301.61**	**14,085.39**
Less: Unamortised finance cost		7.76	32.48	40.24
Total		6,776.02	7,269.13	14,045.15

From the balance sheet as at 31 March 2018	Rate range	Non current	Current maturity	Total
Repayable in installments :				
a) Monthly				
Maturity more than 3 years	11.10%	41.67	-	41.67
Maturity more than 1 year to 3 years	11.10%-13.05%	1,978.30	-	1,978.30
Maturity within 1 year	11.10%-13.05%	-	2,326.13	2,326.13
Total		**2,020.97**	**2,326.13**	**4,346.10**
b) Quarterly				
Maturity more than 3 years	10.75%	83.70	-	83.70
Maturity more than 1 year to 3 years	10.75%-12.00%	2,590.57	-	2,590.57
Maturity within 1 year	10.75%-11.40%	-	2,511.46	2,511.46
Total		**2,674.27**	**2,511.46**	**5,186.73**
c) Annually				
Maturity within 1 year	13.00%	-	166.00	166.00
Total		**-**	**166.00**	**166.00**
Add : Accrued interest		**-**	**51.76**	
Total repayable in installments (a+b+c) and Accrued interest		**4,695.24**	**5,055.35**	**9,698.83**
Less: Unamortised finance cost		31.38	60.85	40.48
Total		4,663.86	4,994.49	9,658.35

(Currency: Indian Rupees in lakhs)

17 Non-current financial liabilities - Borrowings *(Continued)*

Term loans from non banking financial companies are taken at an interest rate ranging from 10.90% p.a. to 15.0% 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 1.15 times of the outstanding loans, through cash collaterals / first loss default guarantee deposit and in case of certain loans, also post dated cheques.

From the balance sheet as at 31 March 2019	**Rate range**	**Non current**	**Current maturity**	**Total**
Repayable in installments :				
a) Monthly				
Maturity more than 3 years	-	-	-	-
Maturity more than 1 year to 3 years	11.25%-14.00%	3,623.10	-	3,623.10
Maturity within 1 year	10.90%-15.00%	-	8,265.21	8,265.21
Total		**3,623.10**	**8,265.21**	**11,888.31**
b) Quarterly				
Maturity more than 1 year to 3 years	13.00%-13.25%	583.33	-	583.33
Maturity within 1 year	12.75%-15.00%	-	1,749.55	1,749.55
Total		**583.33**	**1,749.55**	**2,332.88**
Add : Accrued interest		**-**	**77.24**	**77.24**
Total repayable in installments (a+b) and Accrued interest		**4,206.43**	**10,092.00**	**14,298.43**
Less: Unamortised finance cost		14.26	80.86	95.12
Total		4,192.17	10,011.14	14,203.32

From the balance sheet as at 31 March 2018	**Rate range**	**Non current**	**Current maturity**	**Total**
Repayable in installments :				
a) Monthly				
Maturity more than 3 years	11.25%	32.55	-	32.55
Maturity more than 1 year to 3 years	10.90%-15.00%	8,095.38	-	8,095.38
Maturity within 1 year	10.90%-15.00%	-	9,632.44	9,632.44
Total		**8,127.93**	**9,632.44**	**17,760.37**
b) Quarterly				
Maturity more than 1 year to 3 years	12.50%-15.00%	2,683.33	-	2,683.33
Maturity within 1 year	12.50%-15.00%	-	1,899.80	1,899.80
Total		**2,683.33**	**1,899.80**	**4,583.13**
Add : Accrued interest		-	162.40	162.40
Total repayable in installments (a+b) and Accrued interest		**10,811.26**	**11,694.64**	**22,505.89**
Less: Unamortised finance cost		58.01	116.37	174.38
Total		10,753.25	11,578.27	22,331.51

Non convertible debentures are issued at an interest rate of 14.30% p.a. to 14.90% p.a. and are repayable in bullet payment ranging from 36 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 1.2 times of the outstanding debentures.

From the balance sheet as at 31 March 2019	**Rate range**	**Non current**	**Current maturity**	**Total**
Repayable on maturity :				
Maturity more than 3 years	14.30%-14.90%	4,486.00	-	4,486.00
Maturity within 1 year	14.50%	-	1,000.00	1,000.00
Add : Accrued interest		-	19.74	
Total repayable on maturity and accrued interest		**4,486.00**	**1,019.74**	**5,486.00**
Less: Unamortised finance cost		52.22	2.11	54.33
Total		**4,433.78**	**1,017.62**	**5,451.40**

From the balance sheet as at 31 March 2018	**Rate range**	**Non current**	**Current maturity**	**Total**
Repayable in installments :				
a) Monthly				
Maturity within 1 year	12.00%-12.16%	-	937.50	937.50
Total		**-**	**937.50**	**937.50**
b) Repayable on maturity :				
Maturity more than 3 years	14.30%-14.90%	4,486.00	-	4,486.00
Maturity within 1 year to 3 years	14.50%	1,000.00	**-**	**1,000.00**
Total		**5,486.00**	**-**	**5,486.00**
Add : Accrued interest		**-**	**22.23**	**22.23**
Total repayable in installments (a+b) and Accrued interest		**5,486.00**	**959.73**	**6,445.73**
Less: Unamortised finance cost		67.08	2.26	69.34
Total		**5,418.92**	**957.47**	**6,376.39**

(Currency: Indian Rupees in lakhs)

17 Non-current financial liabilities - Borrowings *(Continued)*

Subordinated debt of Rs. 250,000,000 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. 200,000,000 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.

From the balance sheet as at 31 March 2019	**Rate range**	**Non current**	**Current maturity**	**Total**
Repayable on maturity :				
Maturity more than 3 years	14.50%-16.10%	4,500.00	-	4,500.00
Add : Accrued interest		-	23.84	23.84
Total repayable on maturity and accrued interest		**4,500.00**	**23.84**	**4,523.84**
Less: Unamortised finance cost		34.63	-	34.63
Total		**4,465.37**	**23.84**	**4,489.21**

From the balance sheet as at 31 March 2018	**Rate range**	**Non current**	**Current maturity**	**Total**
Repayable on maturity :				
Maturity more than 3 years	16.10%	2,500.00	-	2,500.00
Add : Accrued interest		-	-	-
Total repayable on maturity and accrued interest		**2,500.00**	**-**	**2,500.00**
Less: Unamortised finance cost		29.53	-	29.53
Total		**2,470.47**	**-**	**2,470.47**

Vehicle loan is taken at an interest rate of 7.70% p.a. and is repayable in monthly installments in 60 months. Loan is secured by way of exclusive charge created through hypothecation of the vehicle.

From the balance sheet as at 31 March 2019	**Rate range**	**Non current**	**Current maturity**	**Total**
Repayable in installments :				
a) Monthly				
Maturity more than 1 year to 3 years	7.70%	35.90	-	35.90
Maturity within 1 year	7.70%	-	12.05	12.05
		35.90	**12.05**	**47.95**
Add : Accrued interest		-	0.00	-
Less: Unamortised finance cost		0.07	0.00	0.07
Total		**35.83**	**12.05**	**47.88**

From the balance sheet as at 31 March 2018	**Rate range**	**Non current**	**Current maturity**	**Total**
Repayable in installments :				
a) Monthly				
Maturity more than 3 years	7.70%	8.76	-	8.76
Maturity more than 1 year to 3 years	7.70%	39.19	-	39.19
Maturity within 1 year	7.70%	-	11.13	11.13
		47.95	**11.13**	**59.08**
Add : Accrued interest		-	0.75	0.75
Less: Unamortised finance cost		0.08	0.04	0.12
Total		47.87	11.84	59.71

Notes to the consolidated financial statements *(Continued)*
As at 31 March 2019

(Currency: Indian Rupees in lakhs)

		31 March 2019	31 March 2018
18	**Non current liabilities - Provisions**		
	Provision for employee benefits		
	Gratuity [Refer note 36]	**518.23**	537.89
	Compensated Absences [Refer note 36]	**105.66**	124.24
	Other provision :		
	Provision for litigation *	**48.03**	48.03
		671.92	710.16

* During the year ended 31 March 2011, Navi Mumbai Municipal Corporation (NMMC) raised a demand of INR 102.20 lakhs towards cess on purchases within the NMMC jurisdiction. The Group has been contesting this claim and is of the view that the demand in excess of INR 48.03 lakhs was not tenable. Hence, the Company has created a provision of INR 48.03 lakhs towards the obligation. Currently, the Commissioner Appeals has remanded back the case of assessing officer for fresh hearing.

19	**Other non-current liabilities**		
	Lease equalisation reserve	**135.61**	151.03
	Contract liability	**6.37**	-
		141.98	151.03
20	**Current financial liabilities - Borrowings**		
	Secured		
	Loans repayable on demand from banks*	**12,108.52**	8,571.02
	Borrowing against loans securitised	**291.71**	583.54
	Vehicle loans	**12.05**	11.84
	Unsecured		
	Liability component of compound financial instrument (Refer Note 15(h))	**550.00**	550.00
		12,962.28	9,716.40

* Cash credit facility from bank are taken at an interest rate ranging from 11.15% to 13.45% p.a. (previous year : 9.8% to 13.35%) and the same are secured against outstanding loans, cash collaterals,trade receivables and inventories .
Over draft facilities from banks are taken at an interest rate ranging from 7.6% to 14% p.a. (previous year : 4.6% to 7.9%) and the same are secured against cash collaterals.

21	**Trade and other payables**		
	Dues to micro enterprises and small enterprises	**2.49**	-
	Dues to other than micro enterprises and small enterprises	**6,417.24**	4,310.58
		6,419.73	4,310.58

Disclosure of outstanding dues of Micro and Small Enterprise under Trade Payables is based on the information available with the Group regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006. There is no undisputed amount overdue as on 31 March 2019, to Micro, Small and Medium Enterprises on account of principal or interest.

(Currency: Indian Rupees in lakhs)

22	**Current - Other financial liabilities**	**31 March 2019**	31 March 2018
	Current maturities of long-term debt	**17,280.27**	16,572.76
	Current maturities of non convertible debenture	**1,017.62**	957.47
	Interest accrued but not due on borrowings	**23.84**	-
	Deposit collected from agents	**2.69**	5,183.76
	Deposit from customers	**5,774.94**	3,922.75
	Collections payable on loan securitised	**71.69**	177.04
	Earnest money deposits from BC/Merchants	**9,525.52**	10.05
	CMS collection payable account	**1,539.88**	2,214.19
	Payable on settlement account	**13,237.51**	671.12
	Payable on account of BC business	**4,255.39**	166.34
	Other payables	**1,309.95**	1,254.84
		54,039.31	31,130.32

23	**Other current liabilities**		
	Advances from customers	**247.49**	18.25
	Statutory dues payables	**1,035.07**	674.26
	Deferred revenue [Refer note 25]	**5.18**	2.20
	Others	**1,033.20**	11,928.45
		2,320.94	12,623.16

24	**Current liabilities - Provisions**		
	Provision for employee benefits		
	Gratuity [Refer note 36]	**240.57**	144.11
	Compensated absences [Refer note 36]	**67.94**	48.10
	Other provisions :		
	Provision on first loss default guarantee	**955.99**	1,263.89
	Provision for inventory	**28.03**	30.58
		1,292.53	1,486.68

25	**Deferred income**		
	Contract liability	**11.55**	2.20
		11.55	2.20

(Currency: Indian Rupees in lakhs)

	Particulars	**Year ended 31 March, 2019**	Year ended 31 March, 2018
26	**Revenue from operations**		
	A. Sale of products		
	Cards and devices	**2,855.06**	359.48
	B. Rendering of services		
	Enrollment income	**2,409.48**	1,101.48
	Commission,exchange,brokerage	**18,785.83**	3,863.01
	Interest income on portfolio loans	**9,704.50**	8,582.41
	Disbursement charges	**5,301.83**	8,689.22
	Other services	**13,667.03**	13,404.25
	Total revenue from operations	**52,723.73**	35,999.85
27	**Other income**		
	Interest received on financial assets carried at amortised cost		
	Deposits with banks	**1,324.23**	1,429.97
	Other interest income	**209.97**	81.26
	Interest received on financial assets carried at fair value through other comprehensive income (FVTOCI)		
	T-bills	**472.32**	176.45
	Dividend received / profit on sale of investments carried at fair value through profit or loss	**-**	6.79
	Profit / (loss) on sale of fixed assets (net)	**0.53**	(1.42)
	Other miscellaneous income	**8.32**	1.12
	Total other income	**2,015.37**	1,694.17
28	**Purchase of goods and services**		
	Purchase of goods:		
	Cards and devices	**2,504.77**	995.02
	Other direct cost	**501.94**	1,001.95
	Purchase of services:		
	Sourcing charges	**8,115.56**	6,761.59
	Enrollment expenses	**513.15**	943.81
	Others	**245.03**	798.57
	Total purchases of goods and services	**11,880.45**	10,500.94
29	**Changes in inventories of finished goods, work-in-progress and stock-in-trade**		
	Opening Stock :		
	Traded goods	**3,575.56**	2,974.35
	Work-in-progress	**136.08**	883.12
	Closing Stock:		
	Traded goods	**3,976.26**	3,575.56
	Work-in-progress	**-**	136.08
	Changes in inventories of finished goods, work-in-progress and stock-in-trade		
	Traded goods	**(400.70)**	(601.21)
	Work-in-progress	**136.08**	747.04
	Less : Provision	**(136.08)**	-
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	**(400.70)**	145.83

Notes to the consolidated financial statements *(Continued)*
For the year ended 31 March 2019

(Currency: Indian Rupees in lakhs)

	Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
30	**Employee benefit expenses**		
	Salaries and wages	**16,089.06**	14,259.95
	Contribution to provident and other funds	**1,025.04**	901.81
	Share based payment expenses	**139.05**	302.16
	Staff welfare expenses	**49.29**	162.37
	Employee benefit expenses	**17,302.44**	15,626.29
31	**Finance costs**		
	Interest on borrowings measured at amortised cost	**5,180.15**	5,159.49
	Interest on deposits	**123.99**	35.63
	Interest on debentures	**949.23**	-
	Other borrowing costs	**309.59**	280.58
	Finance costs	**6,562.96**	5,475.70
32	**Other expenses**		
	Repairs and maintenance:		
	- Others	**886.47**	716.55
	Rent	**1,931.25**	1,896.38
	Rates and taxes	**40.82**	77.37
	Insurance	**318.45**	237.51
	Power and fuel	**307.39**	231.82
	Communication cost	**1,273.81**	1,402.23
	Commission and brokerage	**9,461.56**	424.03
	Bank charges	**377.76**	311.33
	Technology and technical support expenses	**12.50**	3.21
	Travelling and conveyance	**912.91**	1,539.22
	Training expenses	**30.59**	68.45
	Legal and professional charges	**2,827.50**	1,735.36
	Stationery and printing expenses	**403.43**	474.21
	Directors sitting fees	**20.25**	17.39
	Payment to auditors		
	- Statutory audit	**112.07**	82.75
	- Reimbursement of expenses	**-**	7.78
	(Write back) / provision for doubtful debts and inventory	**(112.72)**	2,947.76
	Provision for loan losses expenses	**1,423.30**	5,930.25
	Advertisement, publicity and sales promotion expenses	**420.99**	1,426.06
	Miscellaneous expenses	**1,684.53**	1,296.91
		22,332.86	20,826.57

(Currency: Indian Rupees in lakhs)

33 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 2019	**FVTPL**	**FVOCI**	**Amortised Cost**	**Total**	**Level 1**	**Level 3**	**Total**
Financial assets measured at fair value							
Current investments		7,322.41		7,322.41	7,322.41		7,322.41
Non-current investments		484.80		484.80		484.80	484.80
Financial assets not measured at fair value							
Non current financial assets							
Non current investments			0.94	0.94		0.94	0.94
Loans							
Security deposits			1,067.82	1,067.82		1,083.54	1,083.54
Loans to JLG groups			8,210.24	8,210.24		8,261.77	8,261.77
Loans to MSME			1,643.63	1,643.63		1,617.47	1,617.47
Other non current financial assets			1,130.53	1,130.53		1,131.25	1,131.25
Current financial assets							
Trade receivables			3,838.81	3,838.81			-
Cash and cash equivalents			48,521.93	48,521.93			-
Other bank balances			4,372.98	4,372.98			-
Loans							
Security deposits			43.52	43.52			-
Loans to JLG groups			23,134.99	23,134.99			-
Loans to MSME			553.10	553.10			-
Loans to employees			23.77	23.77			-
Others			163.56	163.56			-
Other current financial assets			10,864.07	10,864.07			-
	-	7,807.21	103,569.89	111,377.10	7,322.41	12,579.77	19,902.18
Financial liabilities measured at fair value							
Long term borrowings				-			-
Financial liabilities not measured at fair value							
Long term borrowings			19,903.17	19,903.17		19,338.88	19,338.88
Short term borrowings			12,962.28	12,962.28			-
Trade payables			6,419.73	6,419.73			-
Other current financial liabilities			54,039.31	54,039.31			-
	-	-	93,324.48	93,324.48	-	19,338.88	19,338.88

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

(Currency: Indian Rupees in lakhs)

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

A. Accounting classification and fair values *(Continued)*

	Carrying amount				Fair value		
31 March 2018	**FVTPL**	**FVOCI**	**Amortised Cost**	**Total**	**Level 1**	**Level 3**	**Total**
Financial assets measured at fair value							
Current investments	-	6,375.92	-	6,375.92	6,375.92	-	6,375.92
Financial assets not measured at fair value							
Non current financial assets							
Non current investments			0.55	0.55			-
Loans							
Security deposits			488.41	488.41		473.93	473.93
Loans to JLG groups			11,620.42	11,620.42		11,821.29	11,821.29
Loans to MSME			459.77	459.77		456.77	456.77
Other non current financial assets			2,671.20	2,671.20		2,414.64	2,414.64
Current financial assets							
Trade receivables			4,179.91	4,179.91			-
Cash and cash equivalents			20,226.11	20,226.11			-
Other bank balances			20,111.43	20,111.43			-
Loans							
Security deposits			50.53	50.53			-
Loans to JLG groups			32,941.87	32,941.87			-
Loans to MSME			78.64	78.64			-
Loans to employees			22.63	22.63			-
Others			22.23	22.23			-
Other current financial assets			421.42	421.42			-
	-	6,375.92	93,295.11	99,671.04	6,375.92	15,166.63	21,542.55
Financial liabilities not measured at fair value							
Long term borrowings			23,354.37	23,354.37		25,869.68	25,869.68
Short term borrowings			9,716.40	9,716.40			-
Trade payables			4,310.58	4,310.58			-
Other current financial liabilities			31,130.32	31,130.32			-
	-	-	68,511.67	68,511.67	-	25,869.68	25,869.68

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

(Currency: Indian Rupees in lakhs)

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

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

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

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

Financial instruments measured at fair value

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

Sensitivity analysis on level 3 fair values
For the fair values of Investment in equity instruments, reasonably possible changes at the reporting date to one of the significant observable inputs, holding other inputs constant, would have the following effects:

	31 March 2019			
Significant observable inputs	Input considered	Equity	Input considered	Equity
	Increase		Decrease	
Long term growth rate	5.50%	7.51	4.50%	(7.20)
Cost of equity	27.00%	39.40	29.00%	(18.83)

C. Financial risk management

The Group has exposure to the following risks arising from financial instruments:
▪ Credit risk ;
▪ Liquidity risk ; and
▪ Market risk

i. Risk management framework

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

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

(Currency: Indian Rupees in lakhs)

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

C. Financial risk management *(Continued)*

ii. Credit risk

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

The following financial assets represents the maximum credit exposure:

	Financial assets	
	31 March 2019	31 March 2018
Loans to JLG	**33,142.47**	46,853.21
Trade receivables	**8,817.72**	9,631.68
	41,960.19	56,484.89

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

	March 31, 2019	March 31, 2018
Trade receivables		
Opening balance	**5,451.76**	5,914.07
Net impairment loss recognised	**93.45**	531.25
Balance written back	**(566.30)**	(993.56)
Closing balance	**4,978.91**	5,451.76

'12 month ECL' and 'Lifetime ECL not impaired' are collectively assessed. 'Lifetime ECL credit impaired' are individually assessed.

A. Trade Receivables

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

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

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

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

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

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

(Currency: Indian Rupees in lakhs)

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

C. Financial risk management *(Continued)*

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

Credit quality of financial loans:
For JLG loans, the group has established a credit policy under which each new customer is analysed individually for creditworthiness before the group offers any loan.

Financial services business has a comprehensive framework for monitoring credit quality of its loans based on days past due monitoring. Repayment by individual customers and portfolio is tracked regularly and required steps for recovery is taken through follow ups and legal recourse.

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

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

The Group categorises loan assets into stages based on the days past due status.
- Stage 1: 0-30 days past due
- Stage 2: 31- 90 days past due
- Stage 3: More than 90 days past due

Assumption considered in the ECL model:
- "Loss given Default" (LGD) is an estimate of loss from a transaction given that a default occurs.
- "Probability of Default" (PD)is defined as the probability of whether the borrowers will default on their obligations in the future. For assets which are in Stage 1, a 12 month PD is required. For Stage 2 assets a lifetime PD is required while Stage 3 assets are considered to have a 100% PD.
- "Exposure at Default" (EAD) represents the expected exposure in the event of a default and is the gross carrying amount in case of the financial assets held by the group.

Estimation techniques:
The financial services 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 FLDG's placed for Business correspondent (BC) Lending business, the ECL shall be calculated as lower of :
    a. ECL on the underlying loan portfolio
    b. Amount of FLDG's provided

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

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

(Currency: Indian Rupees in lakhs)

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

C. Financial risk management *(Continued)*

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

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

	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Loans to Joint liability groups				
Balance as at 31 March 2017	503.45	1,184.93	581.47	2,269.84
Transfer to 12 month ECL	(5.55)	5.55	-	-
Transfer to Lifetime ECL not credit impaired	0.31	(0.31)	-	-
Transfer to Lifetime ECL credit impaired	(29.16)	(71.35)	100.51	-
Net remeasurement of loss allowance	(7.88)	44.99	193.11	230.21
New financial assets originated or purchased	492.20	339.63	633.96	1,465.79
Financial assets that have been derecognised	(453.81)	(1,120.34)	-	(1,574.15)
Write – offs	-	-	(100.78)	(100.78)
Balance as at 31 March 2018	**499.56**	**383.10**	**1,408.27**	**2,290.91**
Transfer to 12 month ECL	3.17	(2.19)	(0.98)	-
Transfer to Lifetime ECL not credit impaired	(15.11)	17.22	(2.11)	-
Transfer to Lifetime ECL credit impaired	(16.13)	(17.96)	34.09	-
Net remeasurement of loss allowance	(81.93)	257.51	133.57	309.15
New financial assets originated or purchased	339.54	253.65	160.52	753.71
Financial assets that have been derecognised / Write – offs	(254.37)	(353.84)	(948.34)	(1,556.53)
				-
Balance as at 31 March 2019	**474.73**	**537.49**	**785.02**	**1,797.24**

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

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

Credit concentration and collaterals held:
The group does not hold any collaterals against any of its credit exposures.

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

(Currency: Indian Rupees in lakhs)

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

C. Financial risk management *(Continued)*

iii. Liquidity risk

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

Maturity profile of financial liabilities

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

			Contractual cash flows				
31 March 2019	**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	**14,045.15**	**16,016.08**	**4,196.36**	**4,489.25**	**7,246.01**	**84.46**	**-**
Rupee term loans from others	**14,203.32**	**15,730.50**	**6,378.46**	**4,897.29**	**4,205.64**	**249.11**	**-**
Redeemable non convertible debentures	**5,451.40**	**7,773.53**	**1,395.56**	**316.62**	**650.71**	**5,410.64**	**-**
Working capital loans from banks	**12,108.52**	**12,108.52**	**12,108.52**	**-**	**-**	**-**	**-**
Subordinated debt	**4,465.37**	**7,420.63**	**350.20**	**346.13**	**691.67**	**3,572.60**	**2,460.03**
Borrowing against loans securitised	**291.71**	**291.71**	**291.71**	**-**	**-**	**-**	**-**
Vehicle loan	**47.88**	**55.24**	**7.71**	**7.71**	**15.41**	**24.41**	**-**
Trade and other payables	**6,419.73**	**6,419.73**	**6,419.73**	**-**	**-**	**-**	**-**
Liability component of compound financial instrument	**550.00**	**550.00**	**550.00**	**-**	**-**	**-**	**-**
Other current financial liabilities	**35,741.41**	**35,741.41**	**35,741.41**	**-**	**-**	**-**	**-**

			Contractual cash flows				
31 March 2018	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	9,658.35	10,941.21	2,832.76	2,959.08	3,355.45	1,793.91	-
Rupee term loans from others	22,331.52	26,851.21	8,459.13	6,595.14	8,693.14	3,103.81	-
Redeemable non convertible debentures	6,376.39	9,613.53	1,317.14	542.60	1,692.44	6,061.35	-
Working capital loans from banks	8,571.02	8,571.02	8,571.02	-	-	-	-
Subordinated debt	2,470.47	3,910.40	200.70	200.70	405.53	3,103.47	-
Borrowing against loans securitised	583.54	704.72	704.72	-	-	-	-
Vehicle loan	59.71	70.65	7.71	7.71	15.41	39.82	-
Trade and other payables	4,310.58	4,310.58	4,310.58	-	-	-	-
Liability component of compound financial instrument	550.00	550.00	550.00	-	-	-	-
Other current financial liabilities	13,600.09	13,600.09	13,600.09	-	-	-	-

(Currency: Indian Rupees in lakhs)

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

C. Financial risk management *(Continued)*

iv. Market risk

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

Currency risk

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

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

The currency profile of financial assets and financial liabilities as at 31 March 2019, 31 March 2018 are as below:

	31 March 2019 USD	**31 March 2019 EURO**	**31 March 2019 BDT**
Financial assets			
Cash and cash equivalents	**0.16**	**0.55**	**-**
Trade and other receivables*	**19.51**	**-**	**6.19**
	19.67	**0.55**	**6.19**
Financial liabilities			
Trade and other payables	-	-	-
	-	-	-

* Fully provided for

	31 March 2018 USD	31 March 2018 EURO	31 March 2018 BDT
Financial assets			
Cash and cash equivalents	0.15	0.57	-
Trade and other receivables	19.51	-	6.28
	19.66	0.57	6.28
Financial liabilities			
Trade and other payables	12.25	-	-
	12.25	-	-

(Currency: Indian Rupees in lakhs)

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

C. Financial risk management *(Continued)*

iv. Market risk *(Continued)*

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

	Year-end spot rate	
	31 March 2019	31 March 2018
USD 1	**69.17**	65.04
EUR 1	**77.7**	80.62
BDT 1	**0.83**	0.79

Sensitivity analysis

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

	Profit / (loss)		**Equity (net of tax)**	
	Strengthening	**Weakening**	**Strengthening**	**Weakening**
31 March 2019				
USD - 1% Movement*	**0.00**	**(0.00)**	**0.00**	**(0.00)**
EUR - 1% Movement*	**0.01**	**(0.01)**	**0.01**	**(0.01)**
	0.01	**(0.01)**	**0.01**	**(0.01)**

	Profit / (loss)		Equity (net of tax)	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2018				
USD - 1% Movement	0.07	(0.07)	0.05	(0.05)
EUR - 3% Movement	0.02	(0.02)	0.02	(0.02)
BDT - 2% Movement	0.06	(0.06)	0.04	(0.04)
	0.15	(0.15)	0.11	(0.11)

*Amount is appearing as Rs. 0.00 since the balance is below Rs. 500

(Currency: Indian Rupees in lakhs)

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

C. Financial risk management *(Continued)*

Interest rate risk

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

Exposure to interest rate risk

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

	31 March 2019	31 March 2018
Borrowings		
Fixed rate borrowings	**39,845.38**	30,667.43
Variable rate borrowings	**11,317.97**	19,933.57
	51,163.35	50,601.00

Fair value sensitivity analysis for fixed-rate instruments

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

Cash flow sensitivity analysis for variable-rate instruments

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

	Profit / (loss)		**Equity (net of tax)**	
	100 bp increase	**100 bp decrease**	**100 bp increase**	**100 bp decrease**
31 March 2019				
Variable-rate instruments	(113.18)	113.18	(83.75)	83.75
Cash flow sensitivity (net)	(113.18)	113.18	(83.75)	83.75
31 March 2018				
Variable-rate instruments	(199.34)	199.34	(137.74)	137.74
Cash flow sensitivity (net)	(199.34)	199.34	(137.74)	137.74

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

(Currency: Indian Rupees in lakhs)

34 Capital Management

For the purpose of the Group's capital management, capital includes issued capital and other equity reserves . The primary objective of the Group's Capital Management is to maximise shareholders value. The Group manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Group monitors capital using Adjusted net debt to equity ratio. For this purpose, adjusted net debt is defined as total liabilities less cash and bank balances.

	31 March 2019	31 March 2018
Total liabilities	**97,832.05**	83,510.32
Gross Debt	**97,832.05**	83,510.32
Less - Cash and Cash Equivalents	**(48,521.93)**	(20,226.11)
Less - Other Bank Deposits*	**(4,372.98)**	(20,111.43)
Adjusted Net debt	**44,937.14**	43,172.78
Total equity	**28,953.82**	35,585.88
Adjusted Net debt to equity ratio	**1.55**	1.21

*Includes lien marked amount (Refer note 11B)

Currency: Indian Rupees in lakhs

35 Share-based payment arrangements:

A. Description of share-based payment arrangements

i. Share option programmes (equity-settled)

The Group has only one Employee Stock Option Plan ESOP II 2007 ('Plan') in force for a total grant of 2,24,83,000 options across the various schemes under the said Plan. The Plan provides that the Group's employees are granted an option to acquire equity shares of the holding company that vests in a graded manner. During the previous year an amendment has been made to the employee stock option scheme with reference to exercise of vested option by Option Grantee's nominee or legal heirs in case of death of option holder in accordance with which, all Vested Options may be Exercised by the Option Grantee's nominee or legal heirs immediately after, but in no event later than five years from the date of Death of the option holder. This amendment has come into force from 24th May, 2017.

ESOP

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

The weighted average share price as at the date of exercise of options exercised during the year during the year ended 31 March 2019 was INR 104.51 (31 March 2018 : INR 99.50). Since the holding 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.

Currency: Indian Rupees in lakhs

35 Share-based payment arrangements: *(Continued)*

Grant date	Exercise price	**Share options 31 March 2019**	Share options 31 March 2018
1-Jan-07	10.00	**100,000**	100,000
03-Sep -07 to 01 Apr-09	20.00	**1,106,000**	1,108,500
1-Aug-10	30.00	**505,000**	585,000
01-Oct-11 to 01-Mar-12	75.00	**909,000**	1,104,000
01-Aug-12 to 01-Dec-15	80.00	**2,520,750**	2,694,750
01-Apr-16 to 01-Dec-16	70.64	**504,000**	732,500
06-Aug-17 to 03-Apr-18	100.00	**1,640,000**	1,995,000
01-Aug-18 to 01-Mar-19	105.00	**560,000**	-

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 2019				**31 March 2018**
Grant date	**1-Mar-19**	**30-Aug-18**	**1-Aug-18**	**3-Apr-18**	**16-Aug-17**
Fair value at grant date	INR 25.33 - Year 1 INR 30.85 - Year 2 INR 36.01 - Year 3 INR 40.84 - Year 4	INR 25.28 - Year 1 INR 31.15 - Year 2 INR 36.57 - Year 3 INR 41.59 - Year 4	INR 25.00 - Year 1 INR 30.86 - Year 2 INR 36.27 - Year 3 INR 41.27 - Year 4	INR 26.74 - Year 1 INR 32.23 - Year 2 INR 37.37 - Year 3 INR 42.17 - Year 4	INR 21.87 - Year 1 INR 26.80 - Year 2 INR 31.34 - Year 3 INR 35.56 - Year 4
Share price at grant date	105.00	104.50	104.50	104.50	99.50
Exercise price	105	105	105	100	100.00
Expected volatility (weighted-average)	20.00%	18.00%	18.00%	18.00%	18.00%
Expected life (weighted-average)	4.50	4.50	4.50	4.50	4.50
Expected dividends	Nil	Nil	Nil	Nil	Nil
Risk-free interest rate (based on government bonds)	6.7% - 7%	7.5%-7.7%	7.3%-7.6%	6.7% - 7.1%	6.50%

The following table lists the average inputs to the models used for the plans for the year ended 31 March 2019.

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 company'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.

Notes to the consolidated financial statements *(Continued)*
For the year ended 31 March 2019

Currency: Indian Rupees in lakhs

35 Share-based payment arrangements: *(Continued)*

C. Reconciliation of outstanding share options

Activity in the options outstanding under the employee's stock option Scheme as at 31 March 2019

Particulars	31 March 2019		31 March 2018	
	Average exercise price per share per option	Number of options	Average exercise price per share per option	Number of options
Options outstanding as at the beginning of the year	**70.96**	**8,319,750**	54.77	9,140,500
Add: Options granted during the year	**104.24**	**660,000**	100.00	1,995,000
Less: Options exercised during the year	**64.67**	**374,000**	38.26	2,701,000
Less: Options lapsed during the year	**89.95**	**761,000**	56.28	114,750
Options outstanding as at the year end	**72.21**	**7,844,750**	70.95	8,319,750
Options exercisable as on 31 March 2019	**63.76**	**5,942,250**	58.92	5,249,750

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 139.05 lakhs (31 March 2018 : INR 302.16 lakhs)

(Currency: Indian Rupees in lakhs)

36 Employee benefits

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

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

The Group has recognised INR 716.48 lakhs for 31 March 2019 (31 March 2018 : 631.98 lakhs) as expenditure and included under 'Employee benefit expenses' in the Statement of Profit and Loss.

(ii) Defined Benefit Plan:

Gratuity :

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

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

Compensated absences :

Compensated absences balance upto 15 days are encashed at the end of financial year on the basic salary. Encashment of more than 15 days of leave is not permitted. Leave balance over 15 days will lapse at the end of the financial year.

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

		Gratuity		**Compensated absences**	
	Note	**31 March 2019**	**31 March 2018**	**31 March 2019**	**31 March 2018**
Liability at the end of the year	18, 24	**758.80**	682.00	**173.60**	172.34
Fair value of Plan Assets at the end of the year		-	-	-	-
Net Obligation at the end of the year		**758.80**	**682.00**	**173.60**	**172.34**

(Currency: Indian Rupees in lakhs)

36 Employee benefits *(Continued)*

The Group contributes to the following post-employment defined benefit plans in India *(Continued)*

B. Movement in net defined benefit (asset) liability

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

	Gratuity					
	Defined benefit obligation		**Fair value of plan assets**		**Net defined benefit (asset)/ liability**	
	31 March 2019	31 March 2018	**31 March 2019**	31 March 2018	**31 March 2019**	31 March 2018
Opening balance	**682.00**	660.48	**-**	-	**682.00**	660.48
Included in profit or loss						
Current service cost	**115.78**	121.95	**-**	-	**115.78**	121.95
Past service cost		42.68	**-**	-	**-**	42.68
Interest cost (income)	**46.12**	47.64	**-**	-	**46.12**	47.64
	843.90	872.75	**-**	-	**843.90**	872.75
Included in OCI						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
Financial assumptions	**3.32**	-	**-**	-	**3.32**	-
Experience adjustment	**37.50**	(153.64)	**-**	-	**37.50**	(153.64)
	884.72	719.11	**-**	-	**884.72**	719.11
Other						
Contributions paid by the employer						
Benefits paid	**(125.92)**	(37.11)	**-**	-	**(125.92)**	(37.11)
Closing balance	**758.80**	682.00	**-**	-	**758.80**	682.00

C. Components of defined benefit plan cost:

	Gratuity	
Particulars	**31 March 2019**	31 March 2018
Recognised in Income Statement		
Current service cost	**115.78**	121.95
Interest cost / (income) (net)	**46.12**	47.64
Unrecognised Past Service Cost- non vested benefits	**-**	-
Past service cost	-	42.68
Total	**161.90**	212.27
Recognised in Other Comprehensive Income		
Remeasurement of net defined benefit liability/(asset)	**37.50**	(153.64)
Return on plan assets excluding net interest	**-**	-
Cumulative post employment (gains) recognised in the SOCIE	**37.50**	(153.64)

D. Category of assets

Category of assets	**31 March 2019**	31 March 2018
Corporate bonds	-	-
Equity shares	-	-
Government securities	-	-
Insurer managed funds	-	-
Bank balances	-	-
Others	-	-
Total	-	-

(Currency: Indian Rupees in lakhs)

36 Employee benefits *(Continued)*
The Group contributes to the following post-employment defined benefit plans in India *(Continued)*

E. Defined benefit obligations

i. Actuarial assumptions

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

	31 March 2019	31 March 2018
Discount rate	**6.75% - 7%**	7% - 7.25%
Expected Rate of Return on Plan Assets		-
Salary growth rate	**8.30%-9.60%**	5.8% - 10.40%
Withdrawal rate	**22.00%-54.00%**	21% - 36%
Mortality rate	**IALM 2006-08 Ultimate**	IALM 2006-08 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				**Compensated absences**			
	31 March 2019		31 March 2018		**31 March 2019**		31 March 2018	
	Increase	**Decrease**	Increase	Decrease	**Increase**	**Decrease**	Increase	Decrease
Discount rate (1% movement)	**(18.43)**	**19.39**	(23.37)	25.10	**169.52**	**177.89**	(5.70)	6.11
Future salary growth (1% movement)	**18.73**	**(18.15)**	24.62	(23.37)	**177.75**	**169.58**	6.00	(5.71)
Withdrawal rate (1% movement)	**(3.95)**	**4.09**	(4.03)	4.18	**173.33**	**173.89**	(0.25)	0.27

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

Expected future cash flows
The expected future cash flows in respect of gratuity as at 31 March 2019 were as follows

Expected future benefit payments	
March 31, 2020	244.00
March 31, 2021	291.64
March 31, 2022	317.23
March 31, 2023	341.68
March 31, 2024	352.15

Notes to the consolidated financial statements *(Continued)*
For the year ended 31 March 2019

(Currency: Indian Rupees in lakhs)

37 Earnings per share (EPS)

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

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

	31 March 2019	31 March 2018
i. Loss attributable to Equity holders of Company		
Loss attributable to owners of the company		
Continuing operations	**(7,343.92)**	(16,725.09)
Less: Preference Dividend including tax thereon	**(0.03)**	(0.03)
Loss attributable to equity holders of the Company for basic earnings	**(7,343.95)**	(16,725.12)
Loss attributable to equity holders of the Company adjusted for the effect of dilution	**(7,343.95)**	(16,725.12)
ii. Weighted average number of ordinary shares		
Issued ordinary shares at 1 April	**98,088,410**	95,153,300
Effect of shares issued for cash	**281,303**	1,613,410
Weighted average number of shares at 31 March	**98,369,713**	96,766,710
Convertible preference shares	**23,831,215**	23,831,215
Share warrants	**5,500,000**	5,500,000
Weighted average number of shares at 31 March for basic EPS	**127,700,928**	126,097,925
Weighted average number of shares at 31 March	**127,700,928**	126,097,925
Add: Potential Equity Shares	**2,449,440**	1,863,547
Weighted average number of shares at 31 March for diluted EPS	**130,150,368**	127,961,472
Basic earnings per share	**(5.75)**	(13.26)
Diluted earnings per share	**(5.75)**	(13.26)

Notes to the consolidated financial statements *(Continued)*
For the year ended 31 March 2019

(Currency: Indian Rupees in lakhs)

38 Operating leases

A. Leases as lessee

The Group has entered into commercial lease on certain office premises, office equipments, plant and machinery and computer equipments. These leases carry an average life of three to five years.

i. Future minimum lease payments
At 31 March, the future minimum lease payments under non-cancellable leases were receivable as follows.

	31 March 2019	31 March 2018
Less than one year	**1,197.18**	1,257.50
Between one and five years	**1,973.18**	3,234.33
More than five years	**10.83**	10.32
	3,181.19	4,502.15

ii. Amounts recognised in profit / (loss)

Lease expense	**1,931.25**	1,896.38
	1,931.25	1,896.38

Notes to the consolidated financial statements *(Continued)*

For the year ended 31 March 2019

(Currency: Indian Rupees in lakhs)

39 Tax expense

(a) Amounts recognised in profit and loss

	31 March 2019	31 March 2018
Current income tax		
Current period (A)	**73.25**	-
Changes in estimated related to prior years (B)	**-**	302.78
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	**1,864.38**	(1,187.45)
Reduction in tax rate	**-**	-
Recognition of previously unrecognised tax losses	**-**	-
Change in recognised deductible temporary differences	**-**	-
Deferred tax expense (C)	**1,864.38**	(1,187.45)
Tax expense for the year (A)+(B)+(C)	**1,937.63**	(884.67)

(b) Amounts recognised in other comprehensive income

	Year ended 31 March 2019			Year ended 31 March 2018		
	Before tax	**Tax (expense) / benefit**	**Net of tax**	Before tax	Tax (expense) / benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of defined benefit liability (asset)	**(40.82)**	**7.83**	**(32.99)**	153.64	(18.62)	135.02
Equity investments through other comprehensive income - net change in fair value	**236.81**	**(61.57)**	**175.24**	-	-	-
Items that will be reclassified to profit or loss						
Investments measured at FVOCI	**1.43**		**1.43**	11.61	-	11.61
	197.42	**(53.74)**	**143.68**	165.25	(18.62)	146.63

(c) Reconciliation of effective tax rate

	Year ended 31 March 2019	Year ended 31 March 2018
Loss before tax	**(5,395.08)**	(17,605.48)
Tax using the Company's domestic tax rate	**(1,402.72)**	(5,189.66)
Tax effect of:		
Tax impact of income not subject to tax	**(500.65)**	(588.10)
Tax effects of amounts which are not deductible for taxable income	**574.85**	289.19
Tax effect on items on which no deferred tax was recognized	**201.24**	145.18
Deferred tax assets not recognized because realization is not probable	**3,221.10**	3,487.39
Effect of permanent difference on utilisation of loss	**(22.19)**	-
Effect of different tax rate	**(0.44)**	683.59
MAT Credit entitlement recognised during the year	**(65.53)**	-
Expenses deductible in determining taxable book profits	**(690.19)**	-
Expenses not deductible in determining taxable book profits	**607.24**	-
Changes in estimated related to prior years	**-**	302.78
Others	**14.92**	(15.04)
	1,937.63	(884.67)

Notes to the consolidated financial statements *(Continued)*
For the year ended 31 March 2019

(Currency: Indian Rupees in lakhs)

39 Tax expense *(Continued)*

(d) Movement in deferred tax balances

	31 March 2019						
	Net balance April 1, 2018	**Recognised in profit or loss**	**Recognised in OCI**	**Other**	**Net**	**Deferred tax asset**	**Deferred tax liability**
Deferred tax asset						-	-
Property, plant and equipment	505.49	(86.05)	-	-	419.44	419.44	-
Loans	201.61	(201.61)	-	-	-	-	-
Security deposits	0.39	(0.31)	-	-	0.08	0.08	-
Borrowings	(188.93)	188.93			-	-	-
Provisions	2,513.42	(1,116.56)	7.83	-	1,404.69	1,404.69	-
Brought forward losses and unabsorbed depreciation	693.15	(693.15)	-	-	-	-	-
Equity instrument through OCI	-	(0.00)	(61.57)	-	(61.57)	-	(61.57)
Other items	26.53	44.37	-	-	70.89	70.89	-
Tax assets (Liabilities)	**3,751.66**	**(1,864.38)**	**(53.74)**	**-**	**1,833.53**	**1,895.10**	**(61.57)**
Set off tax							
Net tax assets	**3,751.66**	**(1,864.38)**	**(53.74)**	**-**	**1,833.53**	**1,895.10**	**(61.57)**

(e) Movement in deferred tax balances

	31 March 2018						
	Net balance April 1, 2017	Recognised in profit or loss	Recognised in OCI	Other	Net	Deferred tax asset	Deferred tax liability
Deferred tax asset							
Property, plant and equipment	532.78	(27.29)	-	-	505.49	505.49	-
Loans	94.56	107.05	-	-	201.61	201.61	-
Security deposits	0.11	0.28	-	-	0.39	0.39	-
Borrowings	(120.45)	(68.48)	-	-	(188.93)	-	(188.94)
Provisions	1,803.42	710.00	-	-	2,513.42	2,513.42	-
Brought forward losses	82.08	611.07	-	-	693.15	693.15	-
Other items	311.80	(145.18)	(18.62)	(121.47)	26.53	26.54	-
Tax assets (Liabilities)	2,704.30	1,187.45	(18.62)	(121.47)	3,751.66	3,940.60	(188.94)
Set off tax							
Net tax assets	2,704.30	1,187.45	(18.62)	(121.47)	3,751.66	3,940.60	(188.94)

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

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

Tax losses carried forward

	31 March 2019	**Expiry date**	**31 March 2018**	**Expiry date**
Expire	**93.74**	31 March 2020	81.34	31 March 2019
	1,680.52	31 March 2022	93.74	31 March 2020
	1,193.02	31 March 2023	1,680.52	31 March 2022
	4,428.85	31 March 2024	1,193.02	31 March 2023
	4,155.29	31 March 2025	4,428.85	31 March 2024
	11,916.90	31 March 2026	4,155.29	31 March 2025
	23,468.32		11,632.76	

Tax Credits carried forward

	31 March 2019	**Expiry date**
Expire	**259.40**	31 March 2026
	259.40	

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

	For the year ended 31 March 2019	For the year ended 31 March 2018
Deductible temporary differences [Gross amount]	**1,573.52**	795.49
MAT Credit entitlement	**259.40**	-
Tax losses	**8,486.07**	4,084.34
	10,318.99	**4,879.83**

(f) Income tax assets amounting to Rs. 3,774.85 lakhs (previous year : 4,214.34 lakhs) includes provision of tax of Rs. 1,187.72 lakhs (previous year : 1,187.72 lakhs)

(g) Current tax liabilities amounting to Rs. 80.19 lakhs (previous year : 27.62 lakhs) includes income tax assets of Rs. 270.69 lakhs (previous year : 249.99 lakhs)

FINO PayTech Limited

Notes to the consolidated financial statements *(Continued)*
For the year ended 31 March 2019

(Currency: Indian Rupees in lakhs)

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

Name of the entity	**Net Assets, i.e. total assets minus total liabilities**		**Share of profit or loss**		**Share in other comprehensive income**		**Share in total comprehensive income**	
	As % of consolidated net assets	**Amount**	**As % of consolidated profit or loss**	**Amount**	**As % of consolidated other comprehensive income**	**Amount**	**As % of consolidated total comprehensive income**	**Amount**
Parent								
FINO PayTech Limited	72.64%	62,618.00	12.62%	(922.79)	124.18%	178.43	10.38%	(744.36)
Subsidiaries								
Indian								
FINO Payments Bank Limited	18.58%	16,020.91	86.43%	(6,319.55)	-6.45%	(9.27)	88.29%	(6,328.82)
FINO Finance Private Limited	8.75%	7,546.36	1.25%	(91.38)	-17.74%	(25.48)	1.63%	(116.86)
FINO Trusteeship Services Limited	0.01%	11.48	-0.15%	10.77	0.00%	-	-0.15%	10.77
FINO Financial Services Private Limited	0.00%	(1.68)	0.01%	(0.43)	0.00%	-	0.01%	(0.43)
Non-controlling interests in all subsidiaries	0.01%	11.95	-0.15%	11.21	0.00%	-	-0.16%	11.21
Total	**100.00%**	**86,207.02**	**100.00%**	**(7,312.18)**	**100.00%**	**143.68**	**100.00%**	**(7,168.49)**
Adjustments arising out of consolidation		(57,253.20)		(20.53)		-		(20.53)
As at 31 March 2019		**28,953.82**		**(7,332.70)**		**143.68**		**(7,189.03)**

Name of the entity	Net Assets, i.e. total assets minus total liabilities		Share of profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
FINO PayTech Limited	67.86%	62,981.25	28.04%	(4,689.02)	21.28%	31.21	28.10%	(4,657.83)
Subsidiaries								
Indian								
FINO Payments Bank Limited	24.01%	22,282.27	42.52%	(7,107.81)	63.86%	93.64	42.33%	(7,014.17)
FINO Finance Private Limited	8.13%	7,546.11	29.50%	(4,933.05)	13.48%	19.77	29.64%	(4,913.28)
FINO Trusteeship Services Limited	0.00%	1.46	-0.03%	5.22	0.00%	-	-0.03%	5.22
FINO Financial Services Private Limited	0.00%	(1.24)	0.00%	(0.43)	0.00%	-	0.00%	(0.43)
Non-controlling interests in all subsidiaries	0.00%	-	-0.03%	4.28	1.38%	2.01	-0.04%	6.29
Total	100.00%	92,809.85	100.00%	(16,720.81)	100.00%	146.63	100.00%	(16,574.18)
Adjustments arising out of consolidation		(57,223.97)		-		-		-
As at 31 March 2018		35,585.88		(16,720.81)		146.63		(16,574.18)

Notes to the consolidated financial statements *(Continued)*
For the year ended 31 March 2019

(Currency: Indian Rupees in lakhs)

41 Related Party Disclosures

A. Names of Related Parties

Sr. No.	Particulars	Country of Incorporation	Proportion of ownership interest
1	**Subsidiary Companies**		
	Fino Trusteeship Services Limited *	India	49.00%
	Fino Finance Private Limited *(Formerly known as Intrepid Finance and Leasing Private Limited)*	India	100.00%
	Fino Payments Bank Limited *(Formerly known as Fino Fintech Limited*)	India	100.00%
	Fino Financial Services Private Limited	India	100.00%
	Names of related parties by whom significant influence is exercised		
	Bharat Petroleum Corporation Limited	India	28.86%
	Key Management Personnel		
	Ashok Kini -Non-executive Chairman & Independent Director		
	Alok Gupta- Nominee Director of HAV 3		
	Amit Jain- Nominee director Blackstone		
	Pramod Sharma - Independent director (Resigned w.e.f. 31 December 2018)		
	Dr. Anjana Grewal - Independent Director		
	Rajeev Arora - Whole-time Director (Resigned as Whole-time Director w.e.f. 30 September 2018)		
	Sudeep Gupta - Additional Director in the capacity of Whole-time Director (w.e.f. 14 November 2018)		
	Rishi Daultani - Chief financial officer, Resigned w.e.f. 2 July 2018		
	Rishi Daultani - Chief financial officer, Appointed w.e.f. 23 August 2018		

*Special relationship with other shareholder of the company.

B. Transactions with key management personnel

i. Key management personnel compensation

Sr. No.	Particulars	**Year ended 31 March 2019**	Year ended 31 March 2018
i.	Short-term employee benefits	**19.73**	70.13
ii.	Post-employment defined benefit	**2.73**	5.22
iii.	Share based payments	**-**	63.54

(Currency: Indian Rupees in lakhs)

41 Related Party Disclosures *(Continued)*

Related party relationships, transactions and balances

Note 41 A above provides the information about the Group's structure including the details of the subsidiaries and the holding company. The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Nature of Transaction	**Related party by whom significant influence is exercised**	**Key Management Personnel**	**Total**
Purchase of services			
31 March 2019	36.71	-	36.71
31 March 2018	5.22	-	5.22
Loans repaid			
March 31, 2019	-	-	-
March 31, 2018	-	309.96	309.96
Balance Outstanding			
Other payables			
March 31, 2019	-	-	-
March 31, 2018	1.95	-	1.95
Loan			
March 31, 2019	-	-	-
March 31, 2018	-	4.90	4.90

All transactions with these related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

(Currency: Indian Rupees in lakhs)

42 Contingent liabilities

	31 March 2019	31 March 2018
a. Contingent liabilities		
(i) Arrears of preference share dividend	**5,566.68**	5,566.65
(ii) Value added tax and entry tax	**976.60**	578.25
(iii) Navi mumbai municipal corporation cess	**54.18**	54.18
(iv) Credit enhancements provided towards asset securitisation in the form of cash collaterals	**162.44**	372.97
(v) Corporate guarantee issued on behalf of subsidiaries	**5,498.28**	5,479.36
(vi) Performance security provided	**-**	1,933.03
(vii) Credit enhancements provided towards business correspondent arrangement in the form of cash collaterals	**532.92**	-
(viii) Income tax	**65.78**	65.78
(ix) Employers contribution to PF*	**368.25**	-

* Pertains to Fino Payments Bank Limited

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

There are numerous interpretative issues relating to the Supreme Court (SC) Judgement dated 28 February 2019, relating to components/allowances paid that need to be taken into account while computing an employer's contribution of provident fund under EPF Act. The company is in process of evaluating the method of computation of its PF contribution prospectively and would record any further effect in its financial statements, on receiving additional clarity on the subject.

During the year ended 31 March 2011, Navi Mumbai Municipal Corporation (NMMC) raised a demand of INR 102.20 lacs towards cess on purchases within the NMMC jurisdiction. The Group has been contesting this claim and is of the view that the demand in excess of INR 48.03 lacs was not tenable. Hence, the Group has created a provision of INR 48.03 lacs towards the obligation. Currently, the Commissioner Appeals has remanded back the case to assessing officer for fresh hearing.

There are pending litigation under UP VAT Act, department has considered all the movement of assets from one state to other state as a deemed sale in the year 2008-09 & 2010-11 and in the year 2009-10, 2011-12, 2012-13 & 13-14 department has increased card price. There are pending litigation under Maharashtra VAT Act, department has raised CST demand. Total liability under dispute is amounting to INR 976.60 Lacs against which company has paid INR 207.50 lacs under protest.

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

As a result of assessment proceedings under income tax act, there is an addition in income majorly on account of agent security deposit. Total demand raised by the department is Rs. 65.78 Lacs and company has paid Rs. 14.44 Lacs under protest. Group has assumed contingent liability for the aforesaid litigations.

b. Capital Commitments

The Group has capital commitments of INR 81.27 lakhs at 31 March 2019 (31 March 2018: INR 60.96 lakhs).

(Currency: Indian Rupees in lakhs)

43 Details of Dues to micro, small and medium suppliers

	31 March 2019	31 March 2018
Dues to micro and small suppliers		
a. The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	2.49	-
- Interest	-	-
b. The amount of interest paid by the Group as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) along with amount of the payment made to micro and small suppliers beyond the appointed day during each accounting year.	-	-
c. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
d. The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
e. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006.	-	-

44 Foreign currency transactions

Expenditure in foreign currency	**31 March 2019**	31 March 2018
Director sitting fees	**6.93**	-
Membership fees	**18.85**	13.65
Miscellaneous expenses	**18.02**	-
Legal and professional fees	**7.50**	-
AMC		-
	51.30	13.65

45 Corporate social responsibility

Particulars	**31 March 2019**	31 March 2018
1.) Gross amount required to be spent by the company during the year	-	20.07
2.) Amount spent during the year		
(i) Construction/acquistion of any asset	-	-
(i) on purposes other than (i) above*	-	11.91
Total	-	11.91

*Amount 7.76 lakhs is incurred during the year relating to FY 17-18.

Notes to the consolidated financial statements *(Continued)*

For the year ended 31 March 2019

(Currency: Indian Rupees in lakhs)

46 Segment reporting

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

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

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

Sr. No.	Particulars	Corporate		Lending		Retail		Others		Total	
		31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
1	**Segment Revenue**										
	External Turnover	21,551.74	20,019.41	13,571.03	13,007.29	18,483.91	4,316.77	-	-	53,606.68	37,343.47
	Inter Segment Turnover	(90.47)	(111.25)	(792.48)	(1,232.37)	-	-	-	-	(882.95)	(1,343.62)
	Total Turnover	**21,461.27**	**19,908.16**	**12,778.55**	**11,774.92**	**18,483.91**	**4,316.77**	**-**	**-**	**52,723.73**	**35,999.85**
	Other Income	77.90	107.79	9.13	14.76	470.13	189.55	1,482.62	1,382.07	2,039.78	1,694.17
	Inter Segment Turnover	-	-	-	-	-	-	(24.41)	-	(24.41)	-
	Total Income	**21,539.17**	**20,015.95**	**12,787.68**	**11,789.68**	**18,954.04**	**4,506.32**	**1,458.21**	**1,382.07**	**54,739.10**	**37,694.02**
2	**Segment Result before Interest and Taxes**	9,010.93	(109.87)	5,560.58	384.62	194.45	(5,732.58)	1,495.25	1,380.17	16,261.21	(4,077.66)
	Less : Interest Expense	909.04	628.11	5,529.83	4,778.69	123.99	35.63	0.10	-	6,562.96	5,442.43
	Less : Unallocated Expenses	-	-	-	-	-	-	-	-	15,093.32	8,085.39
	Profit / (Loss) Before Tax	**8,101.89**	**(737.98)**	**30.75**	**(4,394.07)**	**70.46**	**(5,768.21)**	**1,495.15**	**1,380.17**	**(5,395.07)**	**(17,605.48)**
	Tax	1,308.20	(921.81)	621.72	37.14	-	-	7.72	-	1,937.64	(884.67)
	Profit / (Loss) After Tax	**6,793.69**	**183.83**	**(590.97)**	**(4,431.21)**	**70.46**	**(5,768.21)**	**1,487.43**	**1,380.17**	**(7,332.71)**	**(16,720.81)**
3	**Other Information**										
	Segment Assets	33,535.24	40,203.97	49,997.72	56,870.50	35,938.01	14,800.18	48.71	398.80	119,519.68	112,273.45
	Add: Unallocated corporate assets									7,266.19	6,822.75
	Total segment assets									**126,785.87**	**119,096.20**
	Segment Liabilities	16,656.93	22,099.00	41,794.62	47,599.32	30,191.05	11,634.50	11.00	1.54	88,653.60	81,334.36
	Add: Unallocated corporate liabilities									9,178.45	2,175.96
	Total segment liabilities									**97,832.05**	**83,510.32**
	Depreciation and amortization expense									**2,456.17**	**2,722.48**

(Currency: Indian Rupees in lakhs)

47 Transfer of financial assets

The Group 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 2019	**Loans to Joint liability group**	**Credit enhancements**
Carrying amount of assets	**521.42**	**185.65**
Carrying amount of associated liabilities	**291.71**	**-**

31 March 2018	Loans to Joint liability group	Credit enhancements
Carrying amount of assets	563.45	372.97
Carrying amount of associated liabilities	583.54	-

(Currency: Indian Rupees in lakhs)

48 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.

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 2019						
Financial assets						
Bank balances other than cash and cash equivalents	185.65		185.65	(185.65)		-
Total	**185.65**	**-**	**185.65**	**(185.65)**	**-**	**-**
Financial liabilities						
Short term borrowings	291.71		291.71	(185.65)		106.06
Total	**291.71**	**-**	**291.71**	**(185.65)**	**-**	**106.06**

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 2018						
Financial assets						
Bank balances other than cash and cash equivalents	292.57		292.57	(292.57)		-
Total	**292.57**	**-**	**292.57**	**(292.57)**	**-**	**-**
Financial liabilities						
Short term borrowings	583.54		583.54	(292.57)		290.97
Total	**583.54**	**-**	**583.54**	**(292.57)**	**-**	**290.97**

Notes to the consolidated financial statements *(Continued)*
For the year ended 31 March 2019

(Currency: Indian Rupees in lakhs)

49 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 2019	Total Assets 31 March 2018
Securitisation vehicle for loans and advances	To generate: - Funding for the Company's lending activities,	- Credit enhancements placed with the SPV's	185.65	372.97

50 Subsequent Events

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

51 Impairment of Goodwill

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

	As at	
	31 March 2019	31 March 2018
Acquisition of the lending business	**716.66**	716.66
Less: Impairment loss	-	-
Total	**716.66**	716.66

The recoverable amount was based on fair value using price to book value. The fair value measurement was categorised as a Level 3 fair value based on inputs in the valuation technique used.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of historical data from external sources.

	As at	
	31 March 2019	31 March 2018
Price to book value multiple	**1.82**	2.37

The price to book value ratio is estimated basis of the lowest multiple of listed non-banking financial companies.

ii. Sensitivity analysis

Change in recoverable amount of Goodwill	As at	
	31 March 2019	31 March 2018
Increase by 5% of price to book value multiple	**801.64**	1,016.31
Decrease by 5% of price to book value multiple	**(801.64)**	(1,016.31)

Reduction in 5% sensitivity analysis of price to book value multiple will not warrant any impairment on goodwill since the fair value will be above the carrying value. Increase in 5% sensitivity analysis of price to book value multiple will not have any impact on goodwill since it is carried at cost.

(Currency: Indian Rupees in lakhs)

52 Revenue from contract with customers

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

The Group has applied Ind AS 115 - Revenue from contracts with customers from 1 April 2018. Ind AS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced Ind AS 18 - Revenue, Ind AS 11 - Construction Contracts and related interpretations. Under Ind AS 115, revenue is recognised when a customer obtains control of the goods or services.

The Group has adopted Ind AS 115 using the cumulative effect method, with the effect of applying this standard recognised at the date of application i.e. from 1st April 2018. Accordingly, the information presented for year ended 31 March 2018 has not been restated – i.e. it is presented, as previously reported, under Ind AS 18 and related interpretations. Additionally, the disclosure requirements in Ind AS 115 have not been applied to comparative information.

After evaluation of all the live contracts as on 1st April, 2018 there is no material impact on application of Ind AS 115 on financial statements.

The Group derives revenues primarily from sale of device along with AMC, enrolment services, BC services, repairs and maintenance of devices, advertisement services, micro ATM running charges, disbursement charges, transaction fees, registration charges, loan processing charges and interest income from loan given to various groups by lending business.

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

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

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

Enrollment services, BC services, repairs and maintenance of devices, advertisement services, micro ATM running charges , disbursement charges, transaction fees, registration charges,are recognized over the period of time / term of the contract.

Loan processing related to lending and interest income are recognised as per principles of Ind AS 109 - Financial instrument.

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

Notes to the consolidated financial statements (Continued)
For the year ended 31 March 2019

(Currency: Indian Rupees in lakhs)

52 Revenue from contract with customers *(continued)*

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

Major revenue streams	**Year ended 31 March 2019**	Year ended 31 March 2018
Corporate		
Sale of products	**2,855.06**	359.48
CBS Services, enrollment income and other services	**2,199.24**	3,655.31
BC Banking	**16,406.95**	15,893.37
	21,461.25	19,908.16
Retail		
Sale of products		
Other services description		
Cash management services	**908.05**	463.43
Insurance	**219.31**	35.82
Remittances	**549.89**	928.30
Commission, exchange & brokerage	**14,859.91**	2,102.71
Miscellaneous Income	**1,946.77**	786.51
Income other than lending business	**39,945.18**	24,224.93
Income from Lending business	**12,778.55**	11,774.92
Total revenue from operations	**52,723.73**	35,999.85
Timing of revenue recognition		
Products transferred at point in time	**2,855.06**	359.48
Services transferred over the period of time	**49,868.67**	35,640.37
	52,723.73	35,999.85

The information relating to trade receivables and contract liabilities relating to revenue from operations is disclosed in note no.10 and 25 respectively.

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

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2019, other than those meeting the exclusion criteria mentioned above, is 11.55 lakh. Out of this, the Group expects to recognize revenue of around 45% within the next one year and the remaining thereafter.

(Currency: Indian Rupees in lakhs)

53 Specified bank note

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 have not been made since the requirement does not pertain to financial year ended 31 March 2019.

54 Prior year comparatives

Previous year figures have been regrouped / reclassified wherever necessary to conform to current year's presentation.

As per our report of even date attached.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Sd /-
Rohit Alexander
Partner
Membership No: 222515

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

Sd /-
Ashok Kini
Non-Executive Chairman & Independent Director
DIN 00812946

Sd /-
Sudeep Gupta
Whole-time Director
DIN 07899859

Sd /-
Rishi Daultani
Chief Financial Officer

Sd /-
Basavraj Loni
Company Secretary

Navi Mumbai
28 May 2019

Form AOC-1

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

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries/Associate Company

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

Sl. No.	Particulars	Details	Details	Details	Details
1.	Name of the Wholly Owned subsidiary/ Associate Company/	Fino Finance Pvt. Ltd.	Fino Payments Bank Ltd.	Fino Trusteeship Services Ltd.	Fino Financial Services Pvt. Ltd.
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as Holding Company	Same as Holding Company	Same as Holding Company	Same as Holding Company
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	INR	INR
4.	Share capital	1,107.68	4,458.00	5.00	1.00
5.	Reserves & surplus	7,701.60	11,752.94	18.44	(2.68)
6.	Total assets	51,234.58	68,407.27	513.82	0.03
7.	Total Liabilities	42,425.29	52,196.33	490.38	1.71
8.	Investments	-	-	-	-
9.	Turnover	13,450.71	37,112.05	31.45	-
10.	Profit before taxation	572.67	(6,238.37)	29.70	(0.43)
11. `	Provision for taxation	339.84	-	7.72	-
12.	Profit after taxation	232.83	(6,238.37)	21.98	(0.43)
13.	Proposed Dividend	-	-	-	-
14.	% of shareholding	100%	100%	49%	100%

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

Part "B": Associates and Joint Ventures

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

Fino Trusteeship Services Limited	**Particulars**
1. Latest audited Balance Sheet Date	31.03.2019
2. Shares of Associate/Joint Ventures held by the company on the year end	Fino PayTech Limited
Number	24,500
Amount of Investment in Associates/Joint Venture	Rs. 2,45,000
Extend of Holding%	49%
3. Description of how there is significant influence	By holding of equity shares
4. Reason why the associate/joint venture is not consolidated	Not Applicable
5. Net worth attributable to shareholding as per latest audited Balance Sheet	Rs. 23.44 Lakhs
6. Profit/(Loss) for the year	Rs. 21.98 Lakhs
i. Considered in Consolidation	Yes
ii. Not Considered in Consolidation	Not Applicable

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