

January 24, 2025

BSE Limited

P.J. Towers,
Dalal Street,
Mumbai- 400 001
(Scrip Code: 543386)

National Stock Exchange of India Limited

Exchange Plaza, 5th Floor, Plot No. C/1, G
Block, Bandra - Kurla Complex, Bandra
(E), Mumbai - 400 051
(Symbol: FINOPB)

Dear Sir/Madam,

**Sub: Disclosure under Regulation 30 of the Securities and Exchange Board of India
(Listing Obligations and Disclosure Requirements) Regulations, 2015**

**Ref: Disclosure of Misappropriation of Funds/ Cheating and Forgery vide our letter
dated September 20, 2023**

We wish to draw your reference to the disclosure made by Fino Payments Bank Limited (“**Bank**”) on September 20, 2023 regarding complaints received by the Bank from one of its client in Mumbai and some of its merchants / distributors / other Individuals in Gujarat and Maharashtra through email for non-receipt / repayment of funds pertaining to / invested in potential fictitious schemes allegedly floated by some of the employees of the Bank (“**identified employees**”).

In furtherance of the above disclosure dated September 20, 2023 the Bank due to technical and *bona fide* reasons, and out of abundant caution, hereby makes the following disclosure under Regulation 30 read with sub-para 20 of Para B of Part A of Schedule III of SEBI Listing Regulations along with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023 and the relevant details required thereunder are enclosed as **Annexure A**.

The above disclosure will also be available on the website of the Bank at www.finobank.com

Kindly take the same on record.

Thank You

Yours faithfully,
For Fino Payments Bank Limited

Basavraj Loni
Company Secretary & Compliance Officer

Place: Navi Mumbai

Annexure A

SR. No.	Particulars	Details
1.	At the time of unearthing of fraud or occurrence of the default/arrest:	
a.	Nature of fraud/default/arrest	<p>i. The Bank had received certain complaints during the period May 2023 – June 2024 from its clients in Mumbai and some of its merchants / distributors /other Individuals in Gujarat and Maharashtra through direct emails and through SEBI/ NSE/ RBI/ Legal Notice, for non-receipt / repayment of funds pertaining to / invested in potential fictitious schemes of Cash Management System and/or Gold Loan Referral Services allegedly floated by the identified employees, in their personal capacity.</p> <p>ii. The Bank had <i>suo moto</i> appointed KPMG to conduct a detailed independent investigation of the aforementioned incident(s).</p> <p>iii. The investigation indicates that the aforementioned complaints were a result of unauthorized actions and misrepresentation by the alleged staff members. Being so, deviations from standard practices deployed by the Bank attributable to the complainants and/or potential collusion by some complainants cannot be ruled out.</p>
b.	Estimated impact on the listed entity	The Bank is of the view that there is no liability/impact on it and the Bank has neither benefited nor incurred any loss due to these incident(s).
c.	Time of occurrence	December 2021 to April 2023.
d.	Person(s) involved	Name of identified employees: Kalpit Soni, Bilal Sayyed, Kunjal Solanki, Mehul Lad, Munir Vohra, Nikunj Dangi Parth Dave, Riyaz Matwankar, Shyam Kanojia, Surendra Sharma, Vinod Gadhwal, Vinod Khokhar, Yogesh Trivedi, Thomas Paul, Deepak Bari, Pravin Mishra, Imran Chauhan - These identified employees were terminated on

		<p>October 27, 2023.</p> <p>Further, Dharmesh Prajapati and Jitendra Solanki resigned on the date of receipt of warning letters i.e. October 31, 2023 and January 18, 2024 respectively.</p>
e.	Estimated amount involved (if any)	<p>Basis the KPMG investigation report, the total alleged complaint amount is approx. ₹ 35,54,76,207. However, the Complainants/ Merchants have not provided evidences/ documents substantiating their claims, hence, there is no way to conclude the accuracy of the amount claimed. In view of the same, the Bank has sent the complaint closure letters to all the Complainants.</p> <p>Accordingly, it is pertinent to note that the Bank after assessing the matter is of the considered view that it has no direct impact and/or liability as result of these incident(s).</p>
f.	Whether such fraud has been reported to appropriate authorities	The fraud was reported to RBI and other law enforcement agencies.
Further details regarding the fraud/default including:		
a.	Actual amount involved in the fraud /default (if any)	<p>Basis the KPMG investigation report, the total alleged complaint amount is approx. ₹ 35,54,76,207.</p> <p>However, the Complainants/ Merchants have not provided evidences/ documents substantiating their claims, hence, there is no way to conclude the accuracy of the amount claimed. In view of the same, the Bank has sent the complaint closure letters to all the Complainants.</p> <p>Accordingly, it is pertinent to note that the Bank after assessing the matter is of the considered view that it has no direct impact and/or liability as result of these incident(s).</p>
b.	Actual impact of such fraud /default on	The Bank is of the view that there is no

	the listed entity and its financials	liability/impact on it and the Bank has neither benefited nor incurred any loss due to these incident(s).
c.	Corrective measures taken by the listed entity on account of such fraud/default	<p>The Bank has <i>inter-alia</i> taken the following corrective and ancillary measures:</p> <ol style="list-style-type: none"> i. Took disciplinary actions against the identified employees who were involved in the fraud and terminated their services. ii. Filed Police Complaints/ FIR against the identified employees as below: <ul style="list-style-type: none"> • On June 09, 2023 and FIR was logged on June 17, 2023 at Pelhar police station, Nalasopara East against Zonal head. • On July 21, 2023 at Turbhe Police Station. • On October 09, 2023 with DCP, Zone 1, Navi Mumbai • On April 16, 2024 at Additional Commissioner of Police, Navi Mumbai. • On December 18, 2024 (Additional Complaint filed) at Turbhe Police Station iii. Terminated the agreements with some of the Merchants who were found to be in breach of the Bank's prescribed process and/or potential collusion with the identified employees. Further, for the remaining merchants who were found to be in breach of the Bank's prescribed process and/or potential collusion with the identified employees, the Bank is in the process of initiating termination process. iv. Issued public notices on June 22, 2023 reporting such frauds by the identified employee and cautioned public at large not to deal with him.

		<p>v. The awareness documents with regards to the whistleblower mechanism are placed on notice boards across corporate, regional and zonal offices. Further, internal e-mails regarding availability of these documents are also circulated from time to time and the whistleblower mechanism is conveyed in the induction training modules.</p> <p>vi. Reviewed the existing agreements with merchants and do's and don'ts have been communicated to the merchants regarding sharing of username and password, processes with enhanced controls for tracking of issuance, custody and usage of Bank's stationary was rolled out.</p>
--	--	---