



DIGITALLY EMPOWERED



Scan for
Annual Report

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Disclaimer

We have exercised utmost care in the preparation of this report. It contains forecasts and/or information relating to forecasts. Forecasts are based on facts, expectations and/or past figures. As with all forward-looking statements, forecasts are connected with known and unknown uncertainties, which may mean the actual result deviate significantly from the forecast. Forecasts prepared by the third parties, or data or evaluations used by third parties and mentioned in this communication, may be inappropriate, incomplete, or falsified. We cannot assess whether information in this report has been taken from third parties, or these provide the

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For reasons of brevity, Fino Payments Bank has been referred to as 'Fino Bank' or 'Fino' or 'The Bank' in this report

Performance at a glance, FY25

1,847.1
₹ Crore, Total revenue

4.6
₹ Lakh Crore, Total transaction throughput

2.3
₹ Lakh Crore, UPI throughput

189.6
₹ Crore, Renewal revenue

108.3
₹ Crore, PBT

191.2
₹ Crore, Cash profit

6

PRINCIPAL MESSAGES OF THIS REPORT

Fino reported a year of holistic growth in FY25, creating a foundation for business sustainability.

Fino Bank delivered its fifth consecutive year of profitability in FY25, validating its scalable, digital-first and non-lending payments bank model.

Fino Bank advanced its social impact by serving 1.43 Crore customers, including a significant female user base, through 19 Lakh merchant points across 97% of India's pin codes.

Fino Bank accelerated its digital momentum with 80% growth in transactions, ₹390 Crore in digital revenue and expanded UPI adoption, supported by continued technology investments.

Fino Bank strengthened customer engagement through 65% renewal in annual fee accounts, 48% rise in CASA renewal income and higher average deposit balances.

Fino Bank is aspiring for an upgrade to a Small Finance Bank, positioning itself for the next phase of inclusive and technology driven growth.

WHAT YOU **MUST READ** BEFORE YOU PROCEED WITH THIS ANNUAL REPORT



At first glance, we may seem like just another bank; we are much more than that.

We are engaged in a larger exercise.

Our mission extends beyond financial services; we are dedicated to enhancing the self-worth of our customers and partners. Enhancing their confidence. Empowering them with technology. Transforming their future.

We are a socio-commercial enterprise. We are committed to improving the lives of India's vast rural population. If our market were a country, it would be the second largest in the world.

Our focus is financial inclusion at an unprecedented scale, reflecting the seriousness of our purpose and the magnitude of our vision.

We aim to provide seamless digital services, freeing our customers from the constraints of manual transactions and long commutes.

By enabling them to make better use of their time, effort and money, we help them unlock new opportunities.

We are gradually climbing the customer value chain, engaging with a middle income, digitally savvy segment.

When you consider the 338 Crore transactions facilitated by our platform in FY25, the impact becomes clear - millions of hours saved and redirected towards building livelihoods, strengthening the nation from the ground up.

The result: At our core, we are driving employment, national income, productivity and prosperity.

PART 1

WHO WE ARE



Fino Payments Bank

A dynamic force driving financial inclusion for millions across rural India.

With a customer-centric approach, it is focused on building a strong and sustainable liability franchise.

In its digital banking avatar, it seamlessly caters to the daily payment requirements of a significant portion of the Indian population.

Positioned as a trusted local banking partner, Fino offers friendly, simplified and easily accessible services.

Challenging the conventional banking model, it operates with an asset-light approach, making banking efficient and inclusive.

It engages with digitally savvy customers and handholds aspirational customers in their digital adoption journey.

The result is that Fino is increasingly recognised as a truly local national bank.

Vision

To catalyse nation building by making every citizen financially secure.

Mission

To become the preferred bank for our customers by providing the simplest and most accessible financial services to grow their wealth.

Values

Courage

We believe, we challenge and we act.

Empathy

We understand and care about people's needs.

Frugal

We do more with less.

Reliability

We keep the promises we make and we are here to stay.

About us

Established on April 4, 2017, Fino Payments Bank is a specialised Indian bank focused on payments and banking services. We cater to the evolving financial needs of underserved segments, including low-income households, gig economy workers and rural communities, by offering a comprehensive suite of financial solutions.

Our promoters

Fino PayTech Limited, the sole promoter of Fino Bank, is a pioneer in technology-driven financial inclusion solutions.

Our presence

Fino Payments Bank operates through a phygital (physical + digital) ecosystem, seamlessly integrating technology with on-ground service.

With an asset-light business model, we leverage a rapidly expanding network of merchants, who act as local banking representatives, providing essential financial services to their communities. At the close of FY25, this network comprised around 19 Lakh merchants, covering all States and Union Territories across India.

Our employees

Fino Bank had 2,769 employees as on March 31, 2025; 10.3% of Fino Bank comprised women; the average age of employees was 33 years as on March 31, 2025.

Awards and accolades

- ASSOCHAM, Vibrant Bharat CFO Summit & Awards 2025: Best CFO - Excellence in Turnaround
- ASSOCHAM National E-Summit & Awards on Banking & Financial Lending Companies FY25: Innovation and Partnership Initiatives
- IBEX India 2025: Excellence in ESG & Sustainability Initiatives
- BankTech X-Factor Award FY25: Payments Bank of the Year

Our products

- Current and savings account (CASA)
- Cash management services (CMS)
- Micro ATM / Aadhaar enabled Payment System (AePS)
- Domestic Money Transfer
- Mobile banking through the FinoPay app
- Digital savings account
- Digital payment services
- UPI Circle, UPI Lite, Credit card on UPI, Auto pay on UPI
- Referral loans with partners
- Open banking platform
- Fixed Deposit services with a partner bank
- Life, Health, Motor and Shopkeeper Insurance with partners
- BC Banking



MILESTONES

OUR




2006

Established as a payments technology company

2007

Financial inclusion became the core of our business

2008

Introduced Direct Benefit Transfer (DBT) services

2011

Entered the lending business

Became the first profitable payments bank

2020

Launched Fino Payments Bank

2017

Expanded into retail banking with the Fino Money Mart initiative

2015

Launched domestic money transfer services

2014

2021

Became the first and only payments bank in India to be listed on the stock exchanges

2022

Crossed ₹1,000 Crore in revenue; began our digital journey with the FinoPay mobile app

2023

Launched our own UPI Switch, joining an exclusive group of banks with this capability

2024

Applied for a Small Finance Bank license; launched FinoPay on iOS; annuity income surpassed subscription revenue

2025

Digital emerged as a key growth driver accounting for 21% of Fino Bank's revenue



Our performance scorecard

1,847.1

₹ Crore, Revenue from operations, FY25

1,008.9

₹ Crore, Revenue from operations, FY22

CAGR 22%

234.4

₹ Crore, EBITDA, FY25

84.4

₹ Crore, EBITDA, FY22

CAGR 41%

108.3

₹ Crore, Profit before tax, FY25

42.7

₹ Crore, Profit before tax, FY22

CAGR 36%

1,849

₹ Crore, Average deposits, FY25

556

₹ Crore, Average deposits, FY22

CAGR 49%

189.6

₹ Crore, Income from CASA renewal, FY25

27.5

₹ Crore, Income from CASA renewal, FY22

CAGR 90%

143.0

Lakh, CASA customers, FY25

48.3

Lakh, CASA customers, FY22

CAGR 44%

337.9

Crore, Transaction count, FY25

67.4

Crore, Transaction count, FY22

CAGR 71%

Our revenue mix, FY25

30%

545.1

₹ Crore, Revenue from CASA segment

8%

156.3

₹ Crore, Revenue from CMS segment

18%

341.3

₹ Crore, Revenue from remittance segment

6%

119.9

₹ Crore, Revenue from AEPS segment

4%

64.7

₹ Crore, Revenue from micro ATM segment

7%

131.1

₹ Crore, Revenue from Business Correspondent banking segment

21%

390.3

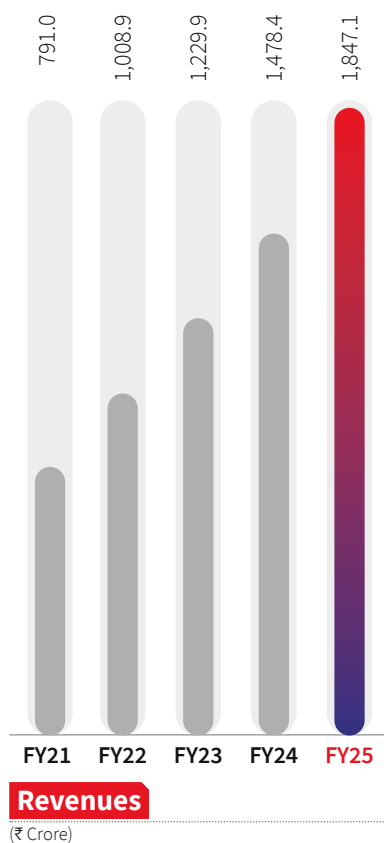
₹ Crore, Revenue from digital payment services segment

6%

98.4

₹ Crore, Treasury and other segments

HOW WE HAVE **GROWN** ACROSS THE LAST FEW YEARS



Definition

Growth in sales net of taxes

Why this is measured

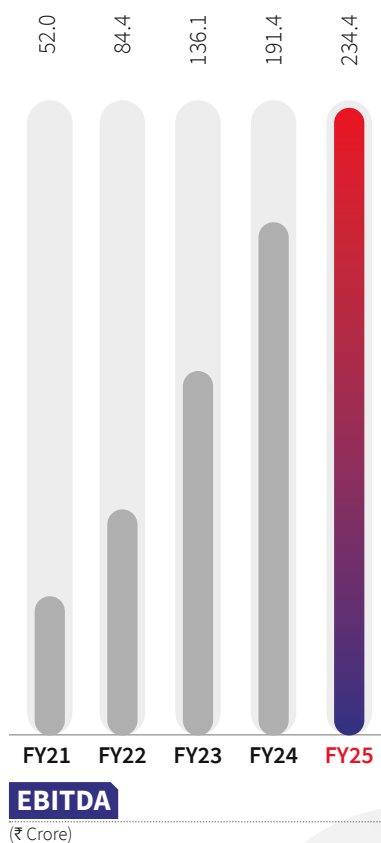
It is an index that showcases Fino Bank's ability to maximise revenues, which provides a basis against which Fino Bank's success can be compared with sectoral peers.

What this means

The growth in revenues provides Fino Bank with the critical mass to amortise fixed costs, service customers with on-time and in-full service and enhance profitability.

Value impact

Fino Bank reported a 25% growth in revenue to ₹1,847.1 Crore in FY25. This growth was mainly on account of an increase in volume and realisations (towards the later part of the year) that enhanced revenues.



Definition

Earnings before the deduction of fixed expenses (interest, depreciation, extraordinary items and tax)

Why this is measured

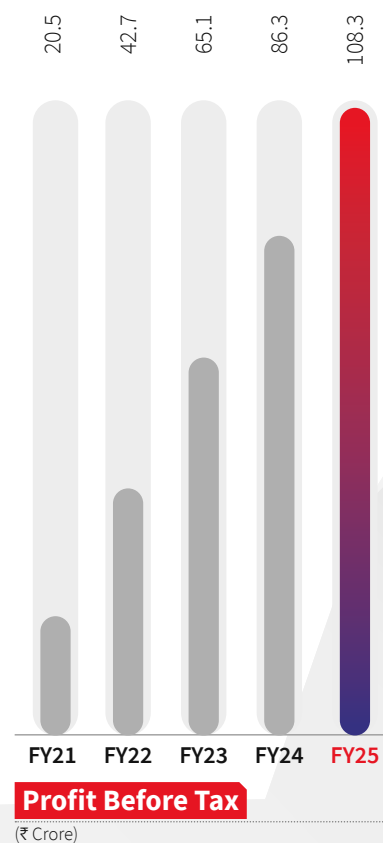
It is an index that showcases Fino Bank's ability to generate a surplus after optimising operating costs, providing a base for comparison with sectoral peers.

What this means

Helps create a robust surplus-generating growth engine that enhances reinvestment.

Value impact

Fino Bank reported an EBITDA growth of 22% in FY25.



Definition

Profit Before Tax (PBT) refers to the earnings generated during the year after accounting for all operating expenses, interest costs, and provisions, but before the deduction of income tax.

Why this is measured

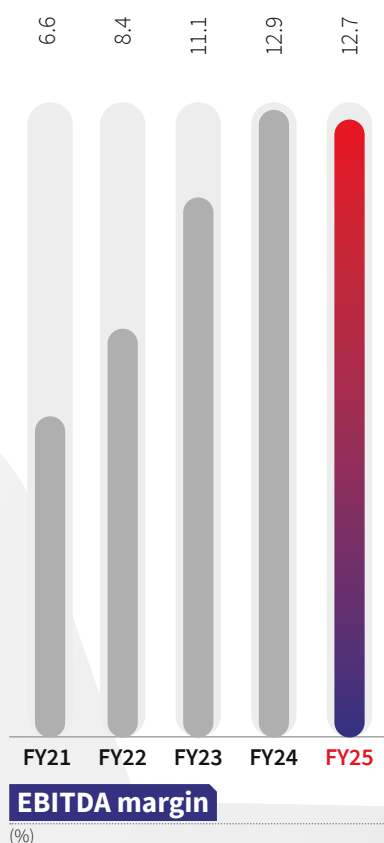
PBT serves as a key indicator of the core profitability and operational efficiency of the business. It reflects the strength of the underlying business model and its ability to generate value for shareholders, independent of tax-related considerations.

What this means

A healthy PBT indicates that the business is generating sufficient surplus to support growth. It enhances Fino Bank's ability to reinvest in operations, fund expansions, and maintain financial stability - reinforcing a sustainably self-reliant growth cycle.

Value impact

The PBT increased by 26% to ₹108.3 Crore in FY25.

**Definition**

EBITDA margin is a key profitability metric that measures a company's operating efficiency. It is calculated as Earnings Before Interest, Tax, Depreciation, and Amortisation (EBITDA) expressed as a percentage of total revenue.

Why this is measured

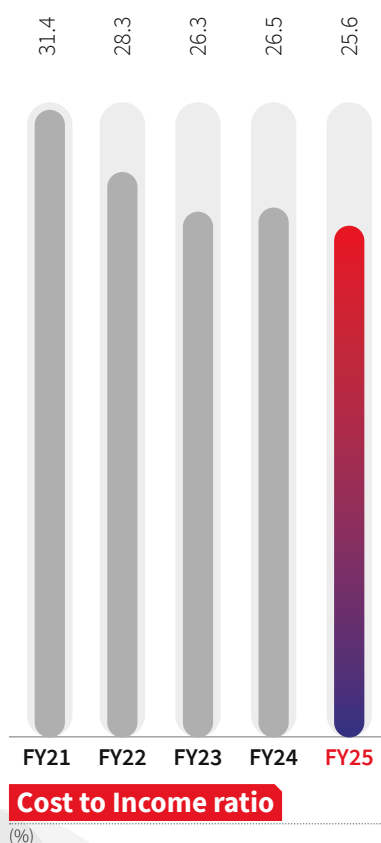
The EBITDA margin indicates the operating profit a company generates on each rupee of revenue before accounting for non-operating expenses. It helps assess the cost discipline and operational strength of the business.

What this means

A strong EBITDA margin reflects the inherent buffer in the business model, showcasing Fino Bank's ability to generate healthy operating profits. When coupled with scale, it has the potential to enhance the overall surplus and shareholder value.

Value impact

Fino Bank reported a 26 bps decrease in its EBITDA margin in FY25.

**Definition**

The Cost to Income ratio measures the operating costs as a percentage of total income. It reflects how efficiently a company manages its expenses in relation to its revenue-generating capability.

Why this is measured

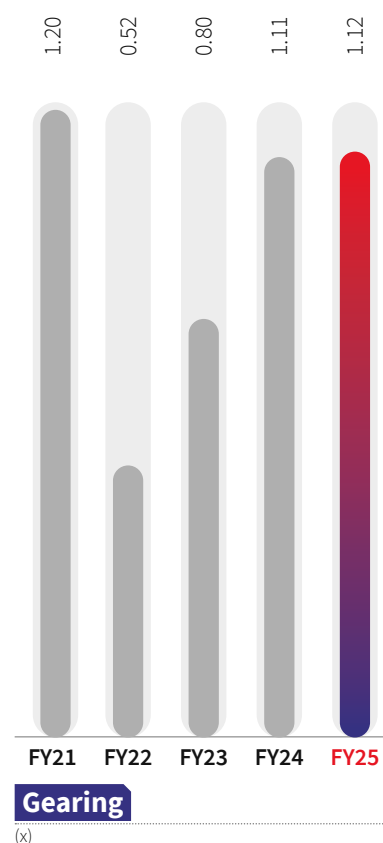
This ratio helps evaluate the operational efficiency and cost discipline of the business. A lower ratio indicates that a company is generating higher income relative to its costs, which is critical for sustaining profitability.

What this means

A well-managed Cost to Income ratio signifies prudent expense management and efficient operations. Over time, maintaining or improving this ratio strengthens margins and supports long-term value creation for stakeholders.

Value impact

Fino Bank reported a 90 bps reduction in its Cost to Income ratio in FY25.

**Definition**

This is the ratio of debt to net worth.

Why this is measured

This is one of the defining measures of a company's financial health. This indicates the ability of Fino Bank to remunerate shareholders over debt providers (the lower the gearing the better).

What this means

This indicates whether Fino Bank enhances shareholder value by keeping the equity side constant while moderating debt.

Value impact

Fino Bank's gearing stood at 1.12 in FY25, a moderate increase over FY24.

1.62

% of India's total UPI transactions addressed by Fino Bank's platform in Q4 FY25

5.5

Lakh+, Digital accounts opened by Fino Bank by the end of FY25

338

Number of Crore transactions addressed by Fino Bank in FY25

53

Lakh, Digitally active customers in March 2025, an 8% QoQ growth

9,110

Number of bank accounts opened by Fino Bank on an average per day in FY25

89.1

Crore, Digital transactions in Q4 FY25

8 REMARKABLE THINGS FINO BANK ACHIEVED IN THE LAST FEW YEARS

10

Seconds, the frequency with which a Fino Bank account was opened in FY25

33.9

Crore, UPI P2M transactions in Q4 FY25, a 55% YoY growth



PART 2

HOW WE ARE DIFFERENT

AT FINO, **'FIKAR NOT'** MEANS PEACE OF MIND.

Fino has done for under-banked and unbanked what traditional banking could not.

It has made banking feel accessible, human and safe by bridging the distance between rural aspirations and digital infrastructure.

It has transformed saving, sending and receiving money - from anxiety to no-worry.

This is reflected in two words.

'Fikar not.'



‘Fino made banking easy.’

Manasa,
Kirlampudi, Andhra Pradesh

‘Fino ghar tak service deta hain.’

Suman Singh,
Shahjahanpur, Uttar Pradesh

‘Ab ek bank ke liye 10-20 km jaane ki aavashyakta nahin.’

Meena Devi,
Bhilwara, Rajasthan

‘Fino baaharwala hain hi nahi. Sab to jaane pechaane hain.’

Ganesh Sahu, Bolangir, Odisha

‘Hamaare hi bhaasha me Fino ne sab samjhaaya. Phir darr kaisa?’

Phulmani Behera, Godda, Jharkhand

‘Ek bhi bhaari-bharkam form nahin sign karna pada.’

Lakshmi Patil, Nanded, Maharashtra

‘Fino Bank taught us how to send money using mobile phone.’

Anjali Reddy,
Nirmal, Telangana

‘Ab main phone se bhi payment kar sakta hoon, FinoPay se.’

Manoj Malik,
Hisar, Haryana

‘Fino ne dukaan ki beema lene mein hamari madad ki.’

Seema Verma,
Barabanki, Uttar Pradesh

Fikar not

Fino has taken the worry and scare out of everyday banking for its customers

‘Fino Bank ne madad ki. Isi liye to confidence badhaa!’

Suresh Negi,
Nainital, Uttarakhand

‘Payment ek baar. No fikar baar-baar.’

Vikas Tete,
Mahasamund, Chhattisgarh

‘It’s easy to pay electricity bill now using FinoPay mobile app.’

Priya Kumar,
Nagapattinam, Tamil Nadu

‘Simple and stress-free’

Rekha Nair,
Palakkad, Kerala

‘Main aurat hoon. Fino ne mujhe manobal diya ke main khud bhi account khol sakti hoon.’

Geeta Rathod,
Udaipur, Rajasthan

HOW FINO HAS **TRANSFORMED LIVES** FOR MILLIONS ACROSS RURAL INDIA



Before Fino

- The nearest bank branch was often 15-20 km away.
- Visiting meant losing a day's wage, standing in line and feeling lost in a formal system.

'Bank jaane ka matlab tha kaam chhodna aur shahar jaake line mein lagna.'

Before Fino

- Forms to be filled, processes were unclear.
- Villagers feared making a mistake, losing money, or being scolded by the staff.
- Most people preferred keeping cash at home — vulnerable to theft, fire, or temptation.

'Bank ka naam sunte hi darr lagta tha... kuch samajh nahi aata tha.'

Before Fino

- Women had to depend on men to access financial services.
- Old-age pensions, MNREGA payments and subsidies were delayed or siphoned by middlemen.
- There was no safety net in emergencies; borrowing meant going to a moneylender.

'Paisa milta tha... par pataa nahin kahaan chala jaata tha.'

After Fino

- Local shops and kiosks now double as mini bank points.
- Micro ATMs, Aadhaar enabled biometric devices, QR codes and mobile phones enable banking and payments anytime, right in the village.
- Instant account opening with Aadhaar and haath-haath debit card.

'Ab toh kirane ki dukaan bhi Fino ban gayi hai.'

After Fino

- Local bank mitras (business correspondents) explain banking in regional dialects.
- Villagers can ask questions freely, without fear or anxiety.

'Pehle bank mein baat nahi kar paate the, ab Fino me poochhne mein hichkichaahat nahi hoti.'

After Fino

- Subsidies, pensions and wages now come directly into Aadhaar-linked accounts.
- Villagers receive SMS alerts, can withdraw cash immediately and know exactly how much was credited.

'Ab paisa seedha humare haath mein aata hai.'

After Fino

- Women have their own accounts and manage small savings.
- Young people receive salaries and payments digitally.
- Even the elderly can withdraw pensions using Aadhaar fingerprint authentication from the comfort of their homes.

'Ab ghar ki mahilayen bhi apne paison ka hissa sambhaalti hain.'

After Fino

- People now save regularly and pay for essentials digitally using FinoPay mobile app.
- Mobile recharge, electricity bills, insurance premium - all paid digitally and on time.

'Fino ke baad paisa bachaane ki aadat ban gayi hain.'





FINO HAS EMERGED AS THE TURN-TO PARTNER ACROSS DIFFERENT DAY PARTS OF **EMERGING INDIA**

Fino is transforming lives across rural as well as under banked areas across urban and semi-urban India by serving as a multi-role enabler - adapting to the needs of a customer's daily life and providing relevant, timely services across the day. Its impact is felt not just in financial transactions, but in the emotional reassurance, social dignity and economic empowerment that it facilitates.





6 am

Farmers check subsidy credits or crop payment deposits before heading to the fields.



7 am

Women check balances to plan the day's purchases or savings.



8 am

Gig workers and daily wage earners withdraw their salary or MNREGA wages received.



9 am

Customers visit their kirana store agent to make purchases as well as deposit small savings.



10 am

Villagers pay mobile bills or electricity bills at Fino points; the digitally savvy pay through the FinoPay mobile banking app.



11 am

Customer recharge DTH and mobile at the Fino merchant or through the FinoPay app.



12 noon

Women top-up their children's school digital payments or contribute to savings groups via their bank accounts.



1 pm

Government scheme beneficiaries withdraw funds using fingerprints (AePS) at the Fino Hamesha outlet.



2 pm

Employees get their salary credits in real time; women and elderly citizens receive welfare payments without the need to travel or depend on others.

'Ghar ka kharcha, bijli ka bill, bachche ki fees - sab mobile se ho jaata hai.'

'Pehle dus logon se haath jod ke paisa lena padta tha. Ab seedha Fino ke zariye haqdari milti hai.'



4 pm

A micro-entrepreneur uses the FinoPay app to see daily earnings, pay suppliers, or transfer money to the family.



5 pm

Fino's digital receipts are shared for accountability or record-keeping.



6 pm

There is no cash stored under pillows or hidden in kitchen containers - everything is in Fino Bank, safe.

'Aaj ki mehnat, aaj hi ke khaate mein jama ho jaati hai.'



7 pm

SMS alerts and passbooks reassure families that their money is safe, trackable and growing.



8 pm

Families plan for the future: saving for a daughter's marriage, a solar lantern, or a bicycle - all via digital savings.

'Ab loan ke liye kahin aur jaane ki zaroorat nahi; Fino hai na madad karne ke liye!'

Case study 1

Fino's innovative **'Bank on Wheels'** initiative is aimed at improving banking access across rural areas

Reality: Several rural regions lack access to formal banking and financial literacy.

Challenge: The key challenges lay in building financial awareness in digitally unexposed communities and overcoming infrastructure barriers that made physical branches impractical. Ensuring ongoing access to services also required onboarding local merchants as banking touchpoints.

Outcome: Fino Payments Bank launched Bank on Wheels (BoW)-a mobile-van initiative delivering banking services and awareness directly to underserved villages across six States (including Uttar Pradesh, Bihar and Maharashtra). BoW delivered services (Aadhaar updates, PAN applications, account openings, cash transactions, fund transfers, bill payments and insurance) and onboarded new merchants. Encouraged by its impact, Fino plans to extend the initiative to more States, reinforcing its last-mile financial inclusion.



Handholding customers' digital adoption journey

Case study 2



Reality: Rising customer aspirations, increased smartphone usage

Challenge/ Opportunity: Amar Singh, a fruit vendor from Jhansi, had little exposure to banking till a few years ago. He lacked the confidence to engage in banking activities, but that changed since a Fino merchant became operational in his neighbourhood. Initially, Amar transacted at that point to send money to his family or make payments. Fino merchant helped him transact using micro ATM and AePS devices as well as pay utility bills. With repeated use Amar grew in comfort and confidence. He opened a Fino bank account to receive and make payments. The merchant helped Amar download FinoPay app on his smartphone and guided on its use.

Outcome: Today, Amar is among the millions of hitherto technology challenged people to embrace digital banking. Close to 40% of the Bank's customer base is digitally active, indicating that more people from the rural hinterlands are gradually adopting digital means. People like Amar are confidently using UPI to send and receive money, make utility and other bill payments, apply for loans and insurance. With the self-service channel, quality of life has improved with a Fino merchant always a call away to help.

FINO IS HELPING TRANSFORM BHARAT

Fino is enhancing financial inclusion by embedding banking into the fabric of rural life - changing behaviours, building trust and democratising prosperity.

Banking the unbanked

Fino is bringing first-time or new to banking (NTB) account holders - small farmers, daily wage workers, women and senior citizens - into the formal financial system. It is enabling zero-balance accounts, Aadhaar-linked access and doorstep service, ensuring that no one is excluded for lack of documentation or literacy.

'Pehli baar humara bhi bank mein khata khula.'



Anytime, anywhere banking

Fino's extensive network of banking points (local merchants, BPCL outlets) open for extended time allows customers to bank at their convenience. Further, FinoPay mobile app on smartphone allows instant banking.

'Ab banking sevayein kahin bhi, kabhi bhi'



Financial empowerment of women

Thanks to Fino, thousands of women have gained financial privacy, agency and independence for the first time. They can now save discreetly, access direct benefits transfer from the government DBTs, bank on the go with FinoPay app and if a loan required, Fino merchant can refer them for loans.

'Ab mahilayen bhi bina kisi par nirbhar hue banking kar sakti hain.'



Enabling small-scale savings and spending

Customers can now deposit as little as ₹10, make utility payments digitally and receive real-time SMS alerts through their Fino accounts. These small actions encourage a culture of saving, replacing informal cash storage or risky lending. Impact: Financial literacy is now being practised, not just being preached.

'Ideal for every day small spends'



Localised, last-mile reach

With local merchants serving as banking points, Fino is deepening banking into the heart of India's villages. Fino is making banking happen at familiar village locations like kirana shops and vans. Result: Rural India no longer needs to travel to a bank; Fino Bank travels to them.

'Gully gully Fino!'



Promoting digital and cashless behaviour

Fino is helping even non-smartphone users go digital through assisted services via AePS, Micro ATM. It handholds customers in their digital adoption journey, enabling them to adopt self-service through FinoPay app usage. This builds comfort with digital finance and reduces a dependence on cash.

'Haath-haath debit card'



ADVANTAGES OF PAYMENTS BANKS

- Improved banking access in remote rural areas
- Growth in rural banking and financial inclusion
- Growth of the formal financial system
- Effective alternative to commercial banks
- Efficiently deals with low-value, high-volume transactions
- Access to a diversified range of financial services
- Takes digital banking to the masses

THE VALUE OF FINO BANK

Provides banking in the neighbourhood.

Provides a customised approach to under-banked customers.

Provides core services, products and friendliness.

Focuses on the unbanked, under-banked and new-to-banking customers.

Serves the lower to middle economic end of India's locational and demographic spectrum.

Business model's designed around the frequent everyday small spends of customers.

Deepened service innovations addressing previously unmet needs.

Replaced physical branches with pioneering 'human ATMs' at scale.

Combines intent seriousness, local presence, friendly approach and personalisation.

Offers completely paperless and smartphone-accessible services.

Offers digital banking, enables UPI payments and meets growing customer aspirations.

OUR DISTINCTIVE BUSINESS MODEL

Overview

Fino's business model is built on the 'DTP' framework - **Distribution, Technology and Partnerships**.

The '**D**' in our approach stands for our commitment to a pan-India presence, which ensures accessibility at every nakkad and neighborhood (**Gully Gully Fino!**).

The '**T**' in our engagement stands for the backbone of our business-technology, which drives our agility. Through an in-house developed core, we respond swiftly to market shifts and technological advancements, outpacing traditional banking models.

The '**P**' in our approach stands for partnerships across both distribution and product offerings. Our distribution partners enable rapid branchless expansion through merchant representatives, enhancing customer convenience. Meanwhile, product partnerships allow us to introduce new services, tap into fresh markets and elevate customer experiences.

Upsides of the business model

The impact of the DTP approach is evident.

As our merchant-led representation model proved effective, we reduced physical branches and aggressively expanded our merchant network from 1 Lakh in 2019 to around 19 Lakh by end of FY25.

Three transformative realities that our business faces.

One, as we expanded our branchless network, costs declined while our reach widened, enabling more customers to engage in basic transaction services like money transfers and withdrawals.

Two, as transaction volumes grew, more under-banked customers opened accounts with us, strengthening our liquidity.

Three, customers subscribed annually, unlocking unlimited transactions without rising processing fees, providing us with a stable, recurring income.

This transition towards customer ownership has laid the foundation for sustainable growth.

The ownership model delivers several advantages. The model expands its product offerings to rural customers. The model increases bank balances, improving liquidity. The model ensures steady annuity revenues and a growing revenue visibility. The model strengthens customer engagements through call centers and smartphone access, enabling seamless cross-selling.

The success of this approach enabled Fino to achieve what was once considered impossible - PAT positive

status by Q4 FY20. Fino Bank reinvested its surplus and in FY22, Fino became India's first payments bank to launch a successful IPO.

By March 31, 2025, Fino expanded its customer base, distribution points, revenues, cash profits, net worth and cash reserves, while maintaining an asset-light, cash-light model (merchant commissions instead of fixed salaries). This shift from transactions to ownership strengthened engagement via merchant points and the FinoPay mobile banking app.

As on March 31, 2025, Fino recorded 1.43 Crore customers, 19 Lakh distribution points, ₹1,847.1 Crore in topline (FY25), 25% annual revenue growth, ₹191.2 Crore in cash profit and ₹571.9 Crore of net worth.

Three unique liquidity dimensions of our business model

Asset light model

Minimal physical branches complemented by an extensive digitally enabled merchant network

Digitising cash

Instant B2B and B2C remittances, ensuring cash circulation within the local economy

Ownership model

Increased customer base, deposits and annual fees leading to a stable annuity income

A small red triangle pointing to the right.

PART 3

OUR MANAGEMENT'S PERSPECTIVE

CHAIRMAN'S MESSAGE

FINO IS GEARING UP FOR **THE NEXT PHASE**



Rajat Kumar Jain
Part-time Chairperson &
Independent Director

Dear Shareholders,

It is my privilege to present to you the Annual Report of Fino Payments Bank for FY25. As we reflect on this year, we do so not merely as a Bank delivering financial services, but as a catalyst shaping the future of India's digital and inclusive economy.

The past year has underscored India's remarkable resilience. Amid global uncertainties, rising geopolitical tensions, and evolving regulatory frameworks, our nation continued its trajectory as the fastest-growing major economy. With GDP growth outpacing global peers, the India story remains one of optimism, driven by a young demographic, increasing financial formalisation, and the accelerated adoption of digital technologies.

Within this context, the payments ecosystem in India has emerged as a global benchmark. UPI's exponential growth, the formalisation of financial transactions, and rising digital engagement across rural and semi-urban India are transforming the way Bharat transacts. However, this progress also warrants a responsibility to ensure that growth is inclusive, that technology bridges rather than widens divides and that transactions are secure and safe from frauds.

Fino's journey is intricately woven into this larger narrative. We are not just participants in the payments landscape; we are enablers of digital inclusion for millions. Our unique model, combining a robust merchant network, last-mile physical presence, and technology-driven platforms, allows us to serve customers often overlooked by traditional financial institutions. Our mission transcends transactions; it is about creating access, fostering trust, and delivering value across India's remote corners.



The Board remained steadfast in its commitment to governance, risk management, and long-term value creation. We worked closely with the management team to ensure that Fino's strategy remained aligned with the evolving regulatory environment and the needs of customers. The foundation we have built - anchored in compliance, customer trust, and operational excellence-positions us well for growth.

Looking ahead, we believe that the opportunity for Fino is immense. As India's digital payments ecosystem deepens, and as the government continues to drive financial inclusion and digital literacy, Fino is uniquely positioned to scale its impact. The emerging opportunities and challenges allow us to innovate on the product and delivery side with the right set of partners that further strengthen our business model.

Payments banks played, and continue to play a critical role in changing the rural banking landscape with Fino being at the forefront. It is a proud moment to have witnessed Fino's performance over the years that could well serve as an industry benchmark. A pioneer in digital financial inclusion, Fino recorded five successive years of profitability, a remarkable achievement given the constraints on payments banks.

Our fintech pedigree and technology-first approach paved the way for the creation of an asset-light business model. The strategic investments in cutting-edge technology over the years are aimed at strengthening the core banking system, digital infrastructure and cyber security. Fino's emphasis on digital in the last couple of years has yielded exceptional results. From a modest start, digital now contributes substantially to our throughput and revenue, emerging as a key growth driver. New business avenues around the UPI stack are on the anvil, which we believe will reinforce Fino's role in taking UPI and digital to the masses.

With opportunities come challenges. Digitalisation, for all its ease and convenience, exposed the banking industry and payments ecosystem to new forms of threats - mule accounts, money laundering and digital arrests. We are confident that Fino will address these challenges by complying with, as well as strengthening, know your customer (KYC) norms to safeguard customer interests and its business. Continuous investments in technology are critical to mitigate fraud risks, explore growth opportunities, improve efficiencies and enhance the customer experience, while adhering to regulatory guidelines.

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strategy remained aligned with the evolving regulatory environment and the needs of customers. The foundation we have built - anchored in compliance, customer trust, and operational excellence-positions us well for growth.

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After close to eight years as the leading payments bank, Fino is gearing up for the next phase. Our application for a small finance bank license is under consideration by the regulator. The learnings from our referral loan business will keep us in good stead as new avenues emerge in the long run. Our aspiration to become a differentiated small finance bank reflects our ambition to broaden our offerings while maintaining the agility and customer-centricity that define us.

On behalf of the Board, I extend my deepest gratitude to our shareholders, customers, partners, regulators, and employees. Your trust and support inspire us to continue building a resilient, responsible, and future-ready institution that empowers every Indian to participate in the digital economy.

Warm regards,

Rajat Kumar Jain

Part-time Chairperson & Independent Director

STRATEGIC
PERSPECTIVE**Rishi Gupta**Managing Director &
Chief Executive Officer

FINO PAYMENTS BANK DELIVERED A ROBUST FY25 WITH **STRONG DIGITAL- LED GROWTH**, IMPROVED PROFITABILITY AND DEEPENING CUSTOMER ENGAGEMENT

Overview

At Fino, we are engaged in a commercial business with a social purpose.

This warrants the balancing of various priorities. The result is that our objective extends beyond corporate profit to societal prosperity.

Since the start of our operations in 2017, we have helped shape a new banking experience for millions of Indians.

These millions have made a leap from not being served or banked to a point where they can transact digitally. From being unbanked to getting assisted

services, our customer is now digitally empowered.

Fino has also helped birth a generation of banking merchants and partners across genders. This has transpired in the space of just a few years.

In doing so, we are helping seed a new Bharat: from being under-resourced to empowerment, from financial exclusion to inclusion, from social inequity to social justice (more than 10% of our merchant network, around 30% of our 1.43 Crore customers and a significant part of our digitally active customers are women).

By extending the power of digital banking across the world's largest rural population cluster, we believe we are catalysing not just communities and a country, but the world as well.

I am pleased to report that good social intent can be good business as well. Our Bank reported its fifth successive year of profitability (business and financial growth) during the last financial year, the first such instance by a payments bank in India, deepening our respect as India's premier digital payments bank.

Record performance

When Fino Bank went into business almost 8 years ago, the initial review of our business model elicited just two words.

‘No hope.’

Most industry observers viewed us with dismissive interest because, in their opinion, we did not have a validated business model. There was no model against which we could be judged. Our payments bank approach - that would not engage in any lending - had not been attempted.

The general apprehension was that our costs would always be higher than our capacity to generate transaction-based commissions (revenues).

Their argument was that in a world where almost everything virtual was being disintermediated and given away free, no customer would be willing to pay us a commission for a transaction platform.

In this background, look at the truly transformational numbers we reported for FY25.

We reported a 25% increase in revenues to ₹1847.1 Crore, which was faithful with our upwardly revised guidance of 25% (as opposed to the erstwhile 20%).

We delivered a 22% increase in EBITDA to ₹234.4 Crore.

We delivered a 26% growth in profit before tax to ₹108.3 Crore.

When one sees this performance across the life cycle of our existence from 2017 - when the model found no takers - to a point when our revenue has grown more than 8-fold in less than 8 years, we have conclusively laid one doubt to rest: that our model of a payments bank is indeed viable, scalable, profitable and sustainable.

There is now a reverse perspective of analysts coming to educate us on how we are sitting at the bottom of a long J-curve that should translate into sizably compounded numbers a decade from now. We are now respected as the National Local Bank of India as there is a wider acceptance that we can empower around 65% of India through transaction convenience that enhances financial prosperity.

Our sustainable business model provided a potent combination of speed, scale and security - the 3S.

We specialised in small value banking and payment transactions; we made the transaction system simple, scalable, secure, paperless and facilitated assisted digital services that collectively evoked trust, the most important element in the business of banking.



I guess we have arrived!

Business quality

I will turn to alternative numbers that validate the health of our business.

Fino has been a culture changer.

This culture has commenced with our service. Fino largely serves the unbanked and under banked customer with the same respect as it would any urban equivalent. A new Fino account takes only a few minutes to create; a debit card is issued almost instantly after account opening; in FY25, Fino Bank opened a new bank account every 10 seconds, translating to over 9,100 new accounts daily.

Six years ago, 1% of our throughput comprised digital transactions; this increased to 49% during the year under review - a sizable ₹2.3 Lakh Crore.

Fino's customer base nearly doubled in just two years - from around 78 Lakh customers in Q4 FY23 to around 1.1 Crore in Q4 FY24 to over 1.4 Crore in Q4 FY25 - which broadens the operating base of our payments bank, widens prospects and expands our liability franchise, among other things.

Fino reported a corresponding increase in current account, savings accounts (CASA) renewal income: from ₹73.1 Crore in FY23 to ₹127.8 Crore in FY24 to ₹189.6 Crore in FY25 - a growth of 48% during the last financial year, creating a larger platform for annuity revenues.

Our daily average throughput grew 10x in six years to more than ₹1,250 Crore.

Our digital transactions increased 80% to 287.8 Crore, validating the stability of our platform to address the sharpness of this growth.

Our digital revenue increased 4x to ₹390.3 Crore in the last financial year, which was 21% of our overall revenue.

The number of digitally active transacting customers was around 53 Lakh in FY25; our payments bank emerged among the top 10 banks for mobile app effectiveness in India.

Around 40% of our customers turned to UPI transactions and accounted for approximately 55% of our active customers, which indicated the habit-forming nature of our services.

The bottom line is that these numbers do not merely represent how we performed during the last financial year; they also provide a perspective of how we are expected to perform in the years to come.

As we see it, the annuity nature of our business is expected to strengthen our virtuous cycle, translating into a more sizable financial and intangible impact across the foreseeable future.

Our 3S approach

At Fino, we were among the first movers to capitalise on a country seeking to digitalise.

The emergence of the JanDhan, Aadhaar and Mobile trinity (JAM) as well as Digital India and Goods and Service Tax initiatives catalysed banking services, especially in rural India. With growing aspirations there was a need for a smartphone compatible payments system that could be trusted.

At Fino, we rose to the priorities of the occasion.

Our sustainable business model provided a potent combination of speed, scale and security - the 3S.

We specialised in small value banking and payment transactions; we made the transaction system simple, scalable, secure, paperless and facilitated assisted digital services that collectively evoked trust, the most important element in the business of banking.

This trust transformed the contours of our engagement. Gradually a message began to go out that Fino was not a babu company but a friendly neighbourhood resident (reflected in the **Gully Gully Fino** vision); that the local Fino merchant was always available; that with Fino there was no need to worry. Fino became the turn-to partner for everyday small value transactions (**Har Din Fino**). Fino emerged as the under-banked customer's primary bank.

The word spread. The number of under-banked individuals who transacted at Fino points eventually enlisted for an annual relationship fee. We moved from transactions to the acquisition of customers (ownership) and gradually moved to monetisation (our TAM approach).

The result is captured in the numbers: around 65% of the annual fee-paying customers renewed their accounts in FY25. We are optimistic that this will only increase, enhancing our predictable annuity income.

New age, new solutions

At Fino, we are proud of having built a new age differentiated and competitive payments bank with an emphasis on digital, data and distribution (D-D-D).

Technology with a strong digital infrastructure represents the heart of our business. Each successive investment made in technology has had a catalytic influence on Fino Bank's revenues and profitability. Through the FinoPay mobile banking app nearly 6 Lakh digital savings accounts were opened till March 31, 2025. The Bank's forward-looking investment in a UPI switch three years ago led to an increased share in the national UPI transaction play from 1.27% to 1.62%, which is creditable given the vastness of the country's UPI cake and the relative low age of Fino Bank's existence. Fino Bank's prospects appear brighter as UPI adoption grows.

Fino Bank incurred a capital expenditure of ₹165 Crore in FY25, half of this outlay addressing the core banking upgrade to Finacle, which is expected to go live in the current financial year. The 'hollow the core' architecture is expected to enhance scalability, speed and resilience.

As a result of advanced technology, Fino Bank's cost-to-income ratio declined from 26.5% in FY25.

Fino Bank's voluminous data (customer and merchant) widens opportunities. Following the increased customer base, annuity income grew 7x from FY22 to FY25 and average deposits increased 37% during the last financial year to ₹1849 Crore (peak deposits in excess of ₹2500 Crore). The average customer balance moved from ₹1,036 in FY22 to ₹1356 in FY25 (for active customers, this strengthened to around ₹2,000); for UPI-active customers, the deposit increased to more than ₹2,500, enhancing the float available with our Bank.

Fino Bank added 1.5 Lakh merchants in FY25, widening the distribution network to 19 Lakh points covering 97% of India's pin codes. Our focus extended from merchant on-boarding to enhancing activity ratios, deepening an engagement with users and driving multi-product revenue streams (launched 'Gullak savings account to encourage users to maintain larger bank balances).

Road ahead

Fino is at the centre of the largest and most exciting digital micro-banking opportunity in the world.

In line with its validated **Transaction, Acquisition and Monetisation (TAM)** approach, Fino will focus on its existing business drivers – CASA, CMS and digital - to enhance revenue visibility. It will widen offerings (including referral loans) through partnerships.

Going ahead, we are confident of our strategic direction wherein we will continue to invest in technology to future-proof our business model and adapt it to dynamic industry and regulatory changes. This is in line with the RBI's growing priority for cyber security.

Further, Fino Bank is in the process of deploying artificial intelligence (AI), machine learning (ML) and predictive analytics to analyse customer transaction data. This will empower Fino Bank to identify trends that deepen our real-time risk management and operational efficiency.

At Fino, we will continue to deepen our compliance commitment. Our risk-calibrated approach is aimed at sustaining long-term business momentum. The principles of good governance will continue to guide us in building Fino into a strong financial services institution.

We are prepared for the next leap, transforming Fino into a small finance bank when permitted by India's regulator.

Small finance bank destination

We submitted a proposal to the Reserve Bank of India for a license upgrade into an SFB. There has been adequate information exchange; Fino is prepared for the transition.

Fino's differentiated SFB model will comprise asset-lightness, limited branches, liability-first lending franchise, distribution and technology investments. Investments in specialised teams, proposed products, geographies, technology and other aspects related to the transition are underway.

Fino's loan referral business increased from ₹33 Crore (Q4 FY24) to ₹200 Crore (Q4 FY25) with a target to reach ₹300 Crore per quarter. This could increase revenues and enrich the learning engine that could enhance Fino's credit exposure following the transition.

Conclusion

The highlight of our journey is that while demonstrating the viability of a digital payments bank, we have helped transform the lives of millions, providing them access to affordable and convenient banking services while making them financially and digitally empowered.

On the net effect, Fino is optimistic of scaling its viable and validated business model to deliver superior value for its stakeholders in a sustainable way.

Warm regards,

Rishi Gupta

Managing Director &
Chief Executive Officer

PART 4

DEEPENING A CULTURE OF EXCELLENCE

HOW INDIA IS TRANSFORMING WITHIN OUR BUSINESS LANDSCAPE

Smartphones are evolving from entertainment devices to essential tools for financial transactions through UPI



There is a noticeable rise in economically active women with decision-making power is shaping financial participation



The Bank introduced women-centric digital savings accounts, integrated digital payment services and expanded merchant QR code offerings



Consumers are rapidly recognising and embracing the banking capabilities available through their smartphones



A decisive step - nearly 40% of all bank accounts in India are owned by women aged 18 and above. This figure rises to 42.2% in rural areas



The Bank introduced partner loan offerings on FinoPay, UPI Circle, Auto Pay on UPI, UPI Lite and Credit card on UPI



There is a significant increase in QR code usage across India, contributing to a robust and growing transaction ecosystem



A recent government report indicates a growing trend of women participation in the formal banking sector, including ownership of demat accounts. Strengthening our digital proposition

The Bank launched FinoPay on iOS, revamped our SEO-optimised website to boost traffic and user engagement and enhanced services via micro-ATMs and the Aadhaar-enabled Payment System (AePS)



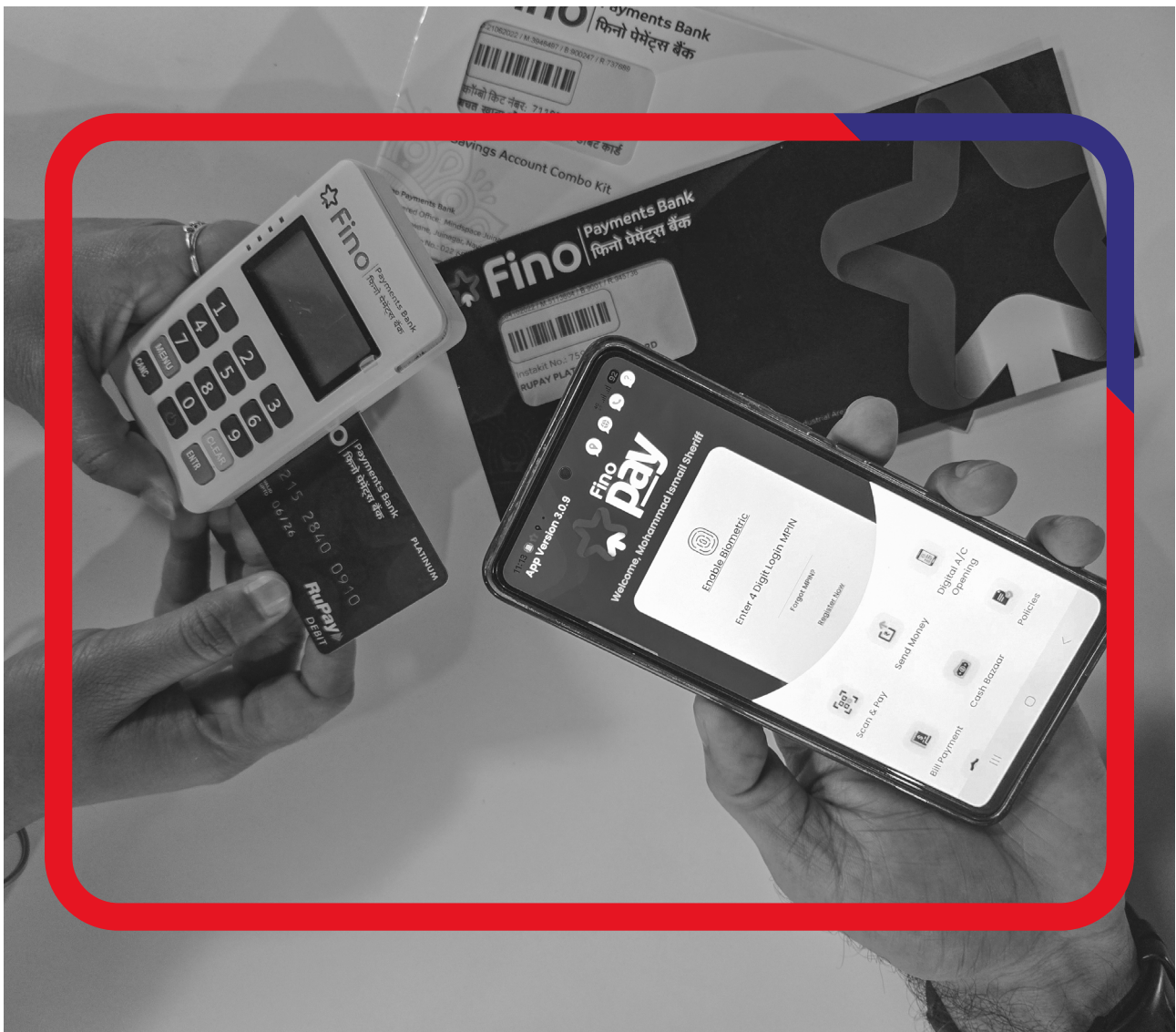
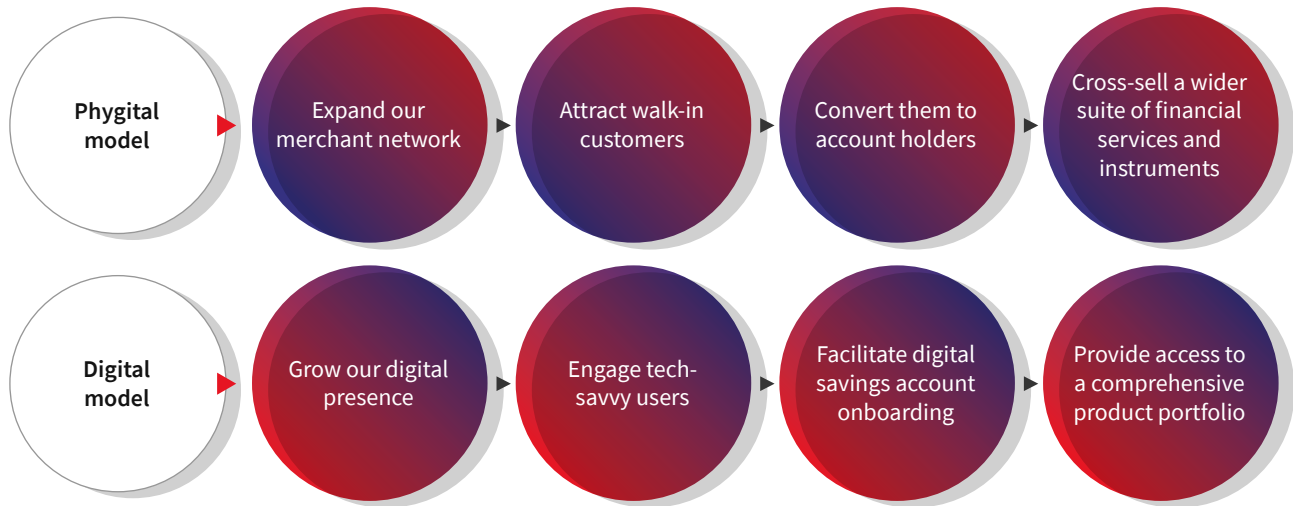
Progressive regulatory changes are being implemented to strengthen citizen confidence in the digital banking system



The Bank successfully developed a proprietary UPI Switch to drive seamless transactions



How this will translate into business action





Growing together at Fino

What employees have to say about working at our Bank

“Across my seven years of continuous service since 2018, one thing has remained constant - Fino's people-first culture. I was on bed rest for 15 days but received support from my seniors and my full salary. That moment defined what Fino stands for to me: True support.”

Prashant Kumar,
Cluster Head, Patna

“When I joined Fino in September 2016 after stints with other companies in the BFSI space, I did not just switch jobs-I changed my perspective. The culture here is collaborative and grounded, driven by a relevant mission. Being part of the effort to bring banking to underserved communities has been the most fulfilling chapter of my career.”

Anuj Kumar Mittal,
Zonal Head, Jaipur

“I joined Fino in January 2021, expecting the typical high-pressure environment of the banking sector. Instead, I found a workplace that felt like family. My manager guided patiently, never letting me feel overwhelmed. What set Fino apart was the immediacy of support whether for merchants or personal needs.”

Naveen Kumar Srivastava,
Regional Head, Delhi

“Since joining in February 2011, Fino has been more than a workplace it has been a place of constant learning, warmth and balance. Every day brings an opportunity to grow, whether by refining customer service or enhancing communication. Most importantly, Fino has helped me evolve professionally without compromising personal well-being. One word for Fino? Transformative.”

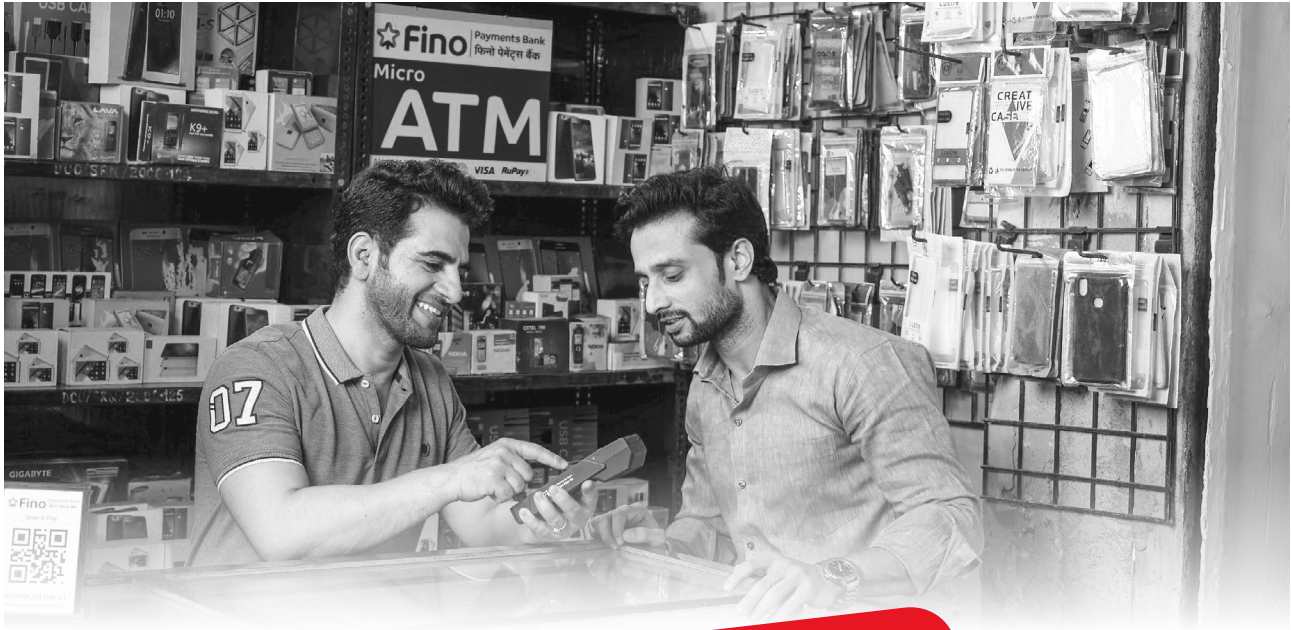
Sanjeev Kumar Sinha,
Senior Manager, Ranchi

“I joined Fino in 2015 as an MIS Executive and now manage the Outbound Call Center. The journey has been rewarding, thanks to Fino's strong leadership and growth-focused culture. A moment that stays with me was from 2023, when my mother was critically ill; my manager's support reflected the Bank's empathy.”

Sushil Lal,
Manager, Noida

“Since joining Fino in 2011 as a District Coordinator, I have grown to become Regional Head. What makes Fino special is the trust it places in employees—the freedom to make decisions. During the Aadhaar project in Jharkhand, our server remained operative under pressure, defining Fino's reliability. This company offers growth, stability and respect.”

Shishir Kumar Singh,
Regional Head, Korba



Empowering the network

Fino merchant testimonials

“Since switching from a leading bank to Fino in 2020, service quality improved. With the flexibility to resolve issues quickly, we now open 35–40 CASA accounts weekly.”

Jay Kumar,
Araria, Bihar

“We partnered Fino during the pandemic in 2021 and have benefited from their support. Clients trust the Bank; we now open 50–55 CASA and 40–50 merchant accounts monthly.”

Vikash Kumar,
Patna, Bihar

“Fino’s quick account activation, advanced tech and reliable service have been game-changers in rural areas. We open 25–30 CASA accounts monthly and also operate a CMS franchise with Fino.”

Satyam Kumar Choudhary,
Muzaffarpur, Bihar

“Fino’s smooth, hassle-free account opening and responsive support have built strong customer trust. We open 15–20 CASA accounts each month with ease.”

Uttam Singha,
Uttar Dinajpur, West Bengal

“After moving from a leading bank to Fino a decade ago, the difference has been remarkable. Instant account setup, welcome kits and a user-friendly app help us open 60–70 CASA and 50–60 merchant accounts monthly.”

K. Srikanth,
Bhadrachalam, Telangana

OPERATIONAL REVIEW

FINO PAYMENTS BANK BROAD-BASED BY LAUNCHING NEW PRODUCTS AND ENHANCING SCALABILITY IN FY25

Performance

The Bank delivered a record performance during the year under review.

Revenues grew 25% to ₹1,847.1 Crore, EBITDA strengthened 22% to ₹234.4 Crore and profit before tax improved 26% to ₹108.3 Crore. Profit after tax strengthened by 7% to ₹92.5 Crore as the Bank became tax-paying from the second quarter of the last financial year.

The year under review marked five years of consecutive profitability for our Bank, the first such instance among payments banks in India.

The performance would have been better but for challenges on the cash management service side of its business. Even as throughput increased 24% to ₹83,451 Crore during the year under review, the revenue contribution was 8%. However, in FY25, margins declined with a moderation in the take (0.18% in FY25 vs 0.21% in FY24) arising out of increased competition and the ongoing stress within the microfinance and NBFC sectors.

Besides, the Bank's remittance business was affected by regulatory changes in November 2024, which led to a ~40% industry-wide impact. The Aadhaar-enabled payment system (AePS)/ mobile automated teller machine (MATM) segment of the business processed ₹39,704 Crore in FY25 and generated a revenue of ₹185 Crore, with distinctive recovery signs in the second half of the last financial year; during the last quarter revenue increased 16% (YoY).

Lastly, the Bank's focus on ownership resulted in closing the year with a CASA base of 1.43 Crore, opening 33 Lakh accounts during FY25. As a set of retail customers moved from assisted/cash to self-empowering digital platforms, there was a cannibalisation of some transaction revenues that eventually enhanced annuity and CASA incomes.

Big message

The highlight of the Bank's performance during the last financial year was a surge in digital revenues and transactions, validating its rationale for business.

This was validated by the management's decision to increase revenue guidance by 500 bps during the year, ending the year with a revenue growth of 25%.

The performance of the Bank during the year under review represented a validation of its commitment to its enunciated 'DTP' framework, comprising distribution, technology and partnerships.

As the throughput mix shifted from 99% physical some years ago to 51% physical and 49% digital during the year under review, the daily average throughput rose in excess of ₹1,260 Crore compared to ₹979 Crore in the previous financial year. In FY25, the annual digital throughput was ₹2.25 Lakh Crore, registering a 70% YoY growth. Digital transactions increased a staggering 80% to 288 Crore in number, validating the extent of users moving from the physical to the digital and the widening appetite for digital transactions within a transforming economy. This had an immediate

cascade on digital revenues, which increased 4.2x to ₹390 Crore, accounting for 21% of the total revenues in FY25. As an extension of this reality, the Bank's UPI market share increased from 1.27% (Q4 FY24) to 1.62% (Q4 FY25), indicating the alignment between the Bank's services and the national digital framework.

The Bank's CASA-CMS business performed creditably; the B2B digital payments vertical grew from 5% of its revenues to 21% annualised (peaking at 27% if one took only the fourth quarter into account). The sharpness of growth in a single year was a validation of the ongoing sectorial transformation and the Bank's preparedness to capitalise. The complement indicated that Fino Bank's business model was profitable and scalable.

The direct-to-customer (D2C) business comprised 53 Lakh actively transacting UPI customers that graduated Fino to be among the top 10 banks for mobile app effectiveness. The B2B segment was marked by seamless, low-decline UPI infrastructure, leveraging in-house UPI switch for increased efficiency, flexibility and rapid product rollouts. The Bank's operations was marked by effective cyber risk management that comprised a cautious approach to digital scale-up, balancing growth and risk, increasingly relevant at a time when regulatory advisories on fraud/mule accounts increase. Fino Bank ended the year under review with proposed launches of Sound Box, offline QR codes and PPI product for merchants, focusing on enhancing lending and ecosystem stickiness.

Technology driver

Fino has a fintech pedigree and as such technology-first is in its DNA. Over the years, Fino developed innovative solutions that transformed rural banking - micro ATM, AePS, iris authentication, facial authentication, UPI switch, FinoPay app and suite of digital offerings – with robust cyber security measures. Given the fact that 83% of the country's digital payments are routed through the UPI and this percentage is growing, the Bank's prospects appear brighter.

By the close of the last financial, the Bank was at an advanced stage in migrating to Finacle core banking system, which is expected to go live in the first half of FY26. The Bank will infuse Artificial Intelligence (AI) across its initiatives; focused AI use cases were under development to enhance real-time risk management, operational efficiency and customer experience (CX).

Customer at the centre

The Bank is driven by the strong belief that 'Customer perception is our reality' and this inspires Fino to keep its customers at the centre of all the experiences that it designs and delivers, with technology as an enabler.

As part of its CX vision, Fino's core banking system (CBS) and customer relationship management (CRM) system will be enhanced with AI capabilities. The Bank is strengthening its online journeys on merchant portal and FinoPay by unifying data across touchpoints and focusing on creating a seamless omni channel experience, Fino's North Star.

Leverage technology for CX enhancement

- **Assisted journeys:** invest to improve merchant portal's usability and functionality; incorporate features such as push notifications, personalised offers, easy navigation; superior end-to-end account opening journey, account management dashboards and real-time customer support via chatbots/ live chat.
- **Self-service tools:** Enhance self-service options such as online FAQs, Whatsapp service journeys and automated voice systems for faster resolution.

Broad-basing the business

The priority will be to deepen the role of marketing, especially digital marketing and acquire prospective CASA customers through this low cost route. The objective will be to generate revenues from diverse streams that moderate the Bank's excessive dependence on any single line of business. Fino will continue to launch new products that monetise existing assets, strengthen customer service across touch points, convert 'off-us' to 'on-us' customers for higher revenue per customer, cross-sell and upsell, enhance the role of referral lending in exchange for fee income (increased from ₹33 Crore in the fourth quarter of FY24 to ₹200 Crore in the fourth quarter of FY25) to ₹300 Crore a quarter that could prove to be an income cum learning opportunity as Fino broadbases its lending portfolio in preparation for the aspired small finance bank (SFB) status.

Optimism

The industry scenario is optimistic. There is an underlying national trend from the physical to the digital, increased customer receptivity and regulatory support.

Fino Bank is attractively placed to sustain its momentum. Its Gullak CASA product is expected to attract customers willing to maintain minimum balances that enhances the float available with the Bank. The B2B UPI stack is expected to grow on account of differentiators comprising an in-house UPI switch, low technical declines and nationwide client acquisition. The D2C UPI business will continue to empower Fino's cash-to-UPI conversion for the mass market, marked by instant account opening, debit card and UPI handle creation at merchant points.

The Bank has demonstrated attractive and stable margins, expects the cost-income ratio to be maintained around 25% and sustain its CASA and digital momentum through an enhanced technology interplay.

The big message is that one phase in in Fino Bank's existence is likely to be completed across the foreseeable future as the Bank graduates from its digital payments personality to an SFB. Our advantage will be that we will remain asset-light with a modest branch network and a liability-first lending franchise that leverages the existing distribution network and technology investments.

In doing so, we are attractively placed to sustain momentum and enhance stakeholder value.



Numbers we are proud to have achieved in FY25

49

% of digital contribution to our overall throughput

1.62

% contribution to the country's total UPI ecosystem transaction volume in Q4 FY25

37

% of our CASA base that is digitally active

27

% of our Q4 FY25 revenue from the Digital Payment Services line of business

189.6

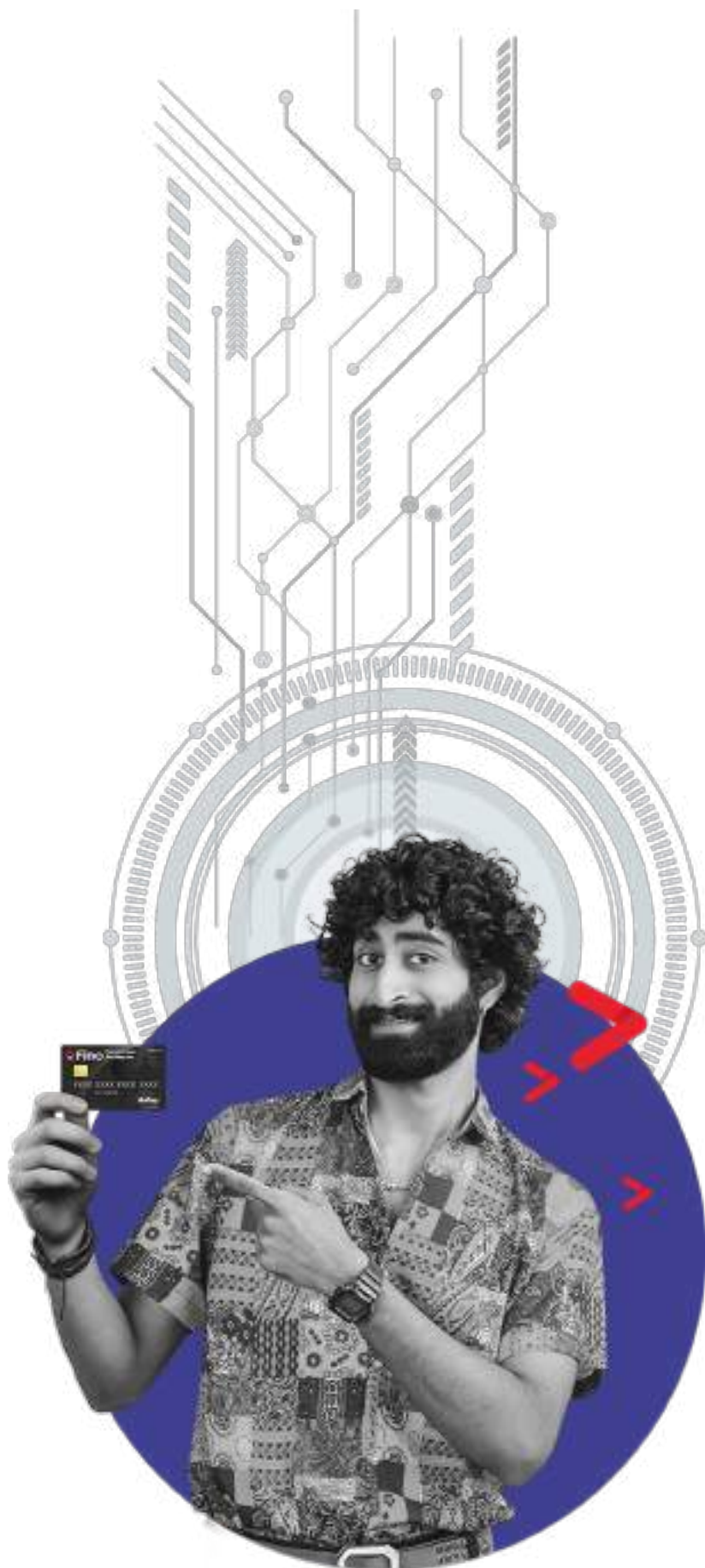
₹ Crore renewal income

48

% YoY growth in renewal income

33+

Lakh new customers added



BUSINESS EXCELLENCE

ACCELERATING DIGITAL TRANSFORMATION AT FINO

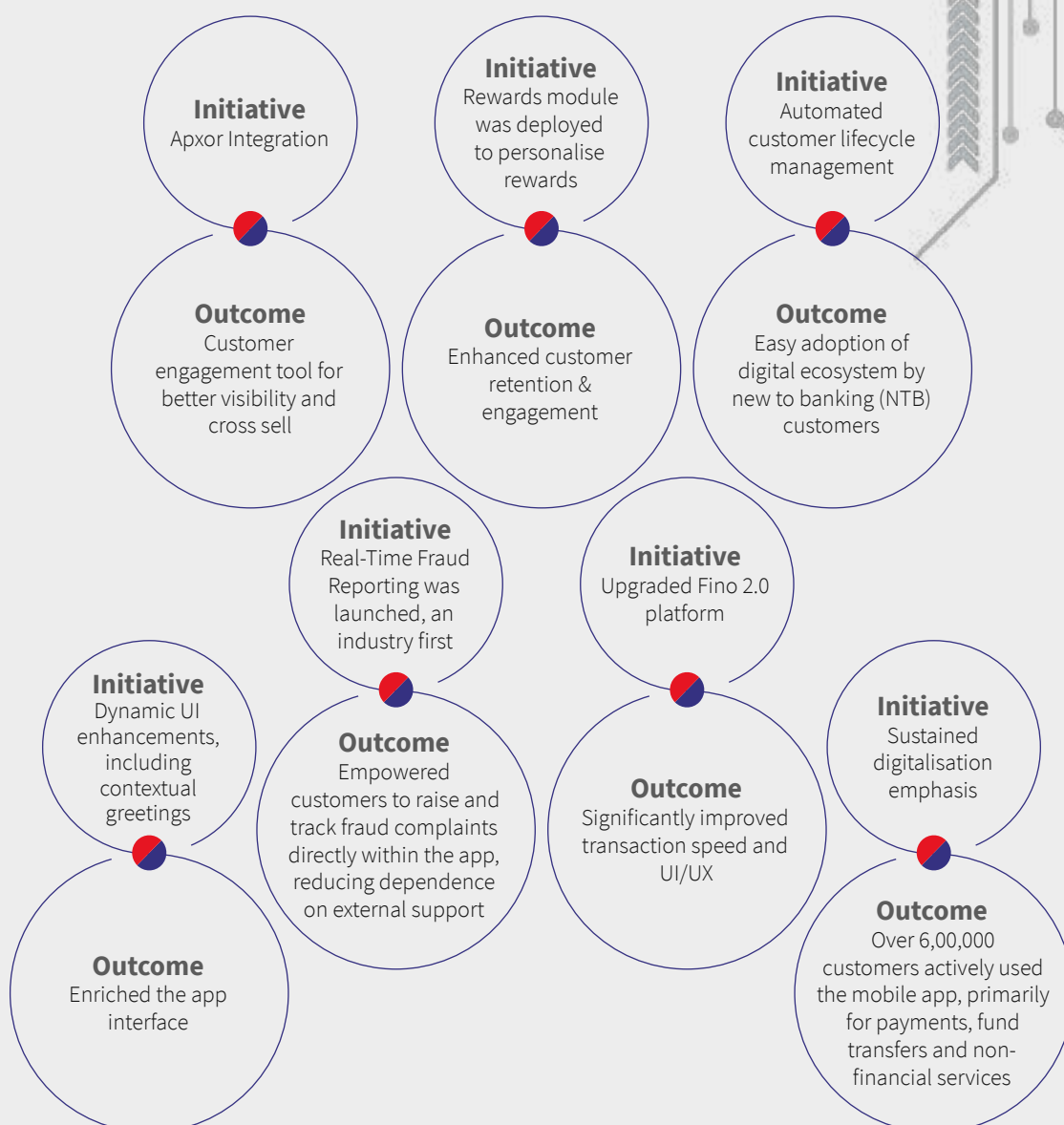


Overview

Since it went into business, Fino Payments Bank has embraced a technology-first approach, positioning itself as India's only fintech-born bank. Built around digital infrastructure as opposed to a traditional banking legacy, Fino has helped redefine inclusive finance through innovation, scalability and accessibility, particularly across rural and semi-urban Bharat.

In FY25, Fino made advancements in digital capability, improving customer experience, enhancing operational efficiency and strengthening the digital ecosystem. The year was marked by the rollout of cutting-edge features, new partnerships, backend modernisation and sustained initiatives towards digital literacy.

Enhancing customer experience



Expanding digital convenience and reach

To make banking simpler and more inclusive, Fino launched multiple enhancements across mobile and web channels:

- **UPI Lite, UPI Credit Card and UPI Circle** functionalities enabled fast, low-value transactions.
- **Net Banking 2.0** introduced advanced security protocols and a refreshed user interface.
- Through fintech collaborations, the Bank expanded its suite of investment and lending products.
- The launch of FinoPay on iOS provided Apple users with access to 40+ secure banking services through a UPI-enabled interface.
- The corporate website was revamped with SEO optimisation, intelligent navigation and personalised cross-sell capabilities to drive engagement and conversion.

Strengthening the digital ecosystem

Fino widened its digital offerings through strategic fintech partnerships and platform ownership:

- Partnered with 19 fintech and lending companies to scale its B2B and B2C capabilities under the UPI-as-a-Service model.
- Developed and deployed an in-house UPI switch, reducing third-party dependency, improving transaction speed, lowering costs and ensuring zero downtime.
- Enabled UPI-based collection and payout solutions for merchant partners, including one-click payments, credit card linking and UPI Lite integrations.

These collaborations laid the foundation for a scalable, modular and data-driven banking model built on deep API integrations and real-time processing.

Modernising the digital core

To support growing digital demand, the Bank continued to invest in backend infrastructure:

- Implemented AI/ML-powered automation tools for workflow management, data extraction and fraud detection.
- Adopted Kubernetes and OpenShift for scalable deployment and enhanced flexibility.
- Initiated the Hollowing the Core (HTC) project to decouple high-frequency transactions from the core banking system - resulting in higher agility, lower system load, improved uptime and faster processing.
- Enhanced security protocols, earning ISO 27001 and PCI-DSS certifications while deploying advanced fraud detection mechanisms to safeguard customer trust.

Driving digital financial inclusion

True to its commitment to last-mile delivery, Fino launched hyperlocal digital awareness campaigns aimed at promoting mobile and internet banking usage in rural India. The campaigns focused on simplifying digital journeys and building trust, with the broader goal of deepening financial inclusion through technology.

Performance snapshot, FY25

37

% of customers actively engaged on digital platforms

21

% of total revenue generated through digital payments

1.62

Fino's % contribution to India's UPI transaction volume in Q4 FY25

Platform highlights

AI initiations

The Bank initiated the implementation of AI/ML tools for customer experience management, fraud risk management and cyber security protection mechanism. Utilising AI/ML helps automate issue management, identify fraudulent transaction initiation and account management leading to enhanced customer experience. The cyber security AI adoption helps identify, correlate alerts to take real time action for data protection.

Hollowing the core (HTC)

The Bank created various independent systems to lighten the core banking system (CBS) load. Any new product implementation can be integrated with these systems without the need to integrate with the CBS.

Finacle migration

The core banking system upgrade to Finacle will help the Bank innovate faster, offer comprehensive banking solutions and enhance the customer experience. The project is expected to go live in the current financial year.

Reinforcing digital trust

The Bank implemented various perimeter and internal security mechanisms like next generation firewalls, threat feed mechanisms, forensic tools and alerts. Initiated AI/ML based tools for cyber threats, which will be interfaced with monitoring mechanisms at Security Operations Centre.

Fino 2.0: Roadmap for 2025-28

Looking ahead, Fino's digital roadmap emphasises innovation, scale and resilience. Key focus areas include:

Scaling the digital infrastructure

Enriching mobile and web platforms with advanced features.

Product innovation

Developing personalised, small-ticket financial products for digitally native users.

MarTech integration

Leveraging data and AI for better personalisation and cross-selling.

Ecosystem partnerships

On-boarding fintechs and expanding service verticals.

Security and scalability

Upgrading encryption, multi-factor authentication and continuous monitoring to build a safe and scalable digital bank.

Outlook

Fino's relentless pursuit of tech-led innovation and customer-centric inclusion continues to redefine banking for Bharat. From in-house platforms to strategic alliances and grassroots awareness, every digital advancement is a step toward building a financially empowered, digitally confident India. Through Fino 2.0 and beyond, the Bank is poised to accelerate inclusive banking at scale- securely, efficiently and sustainably.

BUSINESS EXCELLENCE

SALES AND DISTRIBUTION AT FINO



Overview

Distribution is critical for a rural-focused payments bank in India today because it enables the Bank to reach underserved communities and provide essential financial services.

By providing accessible banking services, payments banks can help individuals and small businesses in rural areas manage their finances more effectively. By tapping into high-growth payment categories, payments banks can increase

transaction volumes and revenue. By offering a single, hassle-free platform for multiple payments, payments banks can build strong relationships with customers and increase loyalty. By cross-selling financial products to consumers and billers, payments banks can unlock new revenue streams and drive growth. By partnering with local merchants and representatives to offer financial services payments banks can reach more customers. By providing user-friendly

digital platforms and assisted banking services, payments banks can increase the adoption of financial services among rural communities. Digital payment systems can reduce transaction costs and increase efficiency, making financial services accessible and affordable for rural customers.

At Fino, our sales and distribution strategy continues to be a key enabler of inclusive financial access across India. Built on the dual pillars of trust and reach, our tech-driven approach has helped us to scale effectively across rural and urban markets, deepen engagements and deliver seamless banking experiences to underserved communities.

Trust and reach: The key pillars of our strategy

Trust forms the foundation of our relationship with customers and merchants. In a sector where financial credibility is paramount, our transparent and consistent practices have built a reputation for reliability- driving customer stickiness and long-term engagement.

Complementing this is our sharp focus on reach. Fino has created one of the most extensive proprietary networks in the country, with around 19 Lakh banking access points that include neighbourhood merchants, branches and partner network. The Bank also benefits from a unique strategic partnership with Bharat Petroleum Corporation Limited (BPCL), where more than 13,000 BPCL outlets serve as Fino banking points- extending financial services across highways and rural connectors.

Deepening our last-mile presence with Fino Hamesha

Our presence and proximity strengthened following the expansion of Fino Hamesha outlets - merchant points designed to function like mini-branches. In FY25, we added 431 new outlets, taking the total count to approximately 2,500. These full-time service points enhanced accessibility, offered quality service environments and deepened financial inclusion.

Our network continues to reach some of the most inaccessible and remote

parts of India. We have active banking points at the highest international border locations across Uttarakhand, West Bengal and the Northeast, in the hilly terrains of Darjeeling and Manipur, the dense forests of Chhattisgarh and Odisha and even in Himgiri, a village in Himachal Pradesh located over 5,000 feet above sea level.

This coverage has transformed banking access for inhabitants of the Sunderbans islands, the villages of Bagdah, Jonai and Sabroom near the Bangladesh border and remote settlements in Gujarat, Rajasthan, Punjab and Arunachal Pradesh.

Empowering a diverse and inclusive agent network

Fino's merchant network is not only extensive but also inclusive. Approximately 10% of our merchants comprise women, with initiatives like BC Sakhis in Uttar Pradesh and Jeevika Didis in Bihar encouraging greater female participation in financial services - deepening gender inclusivity. To maintain high service standards and enhance agent productivity, the Bank blended training with digital and on-ground learning:

Gyan Kosh Portal: On-demand content covering product usage, compliance and service hygiene.

Virtual sessions: Monthly region-specific training modules and feature refreshers.

On-ground support: Field teams conduct face-to-face coaching sessions.

Quality audits: Regular evaluations to ensure consistent service delivery.

Driving efficiency through technology

Technology resides at the core of our operations. In FY25, Fino deployed real-time dashboards to help merchants track business performance, enabled automated inventory ordering for onboarding kits and debit cards, enhanced the merchant help desk with digital tools for faster complaint resolution and upgraded our transaction architecture to reduce latency and minimise errors-collectively driving greater efficiency and improved user experience across our network.

Products fuelling growth and engagement

The Bank's innovative product portfolio continues to drive network expansion and customer acquisition:

CASA accounts: Along with annual fee based savings accounts, the new offering Gullak, with a minimum balance requirement, accelerated new account openings.

Gold loan referrals: Through partnerships with NBFCs like Bajaj and IIFL, Fino enabled gold loan referrals via merchant points, gaining traction in semi-urban and rural markets.

Customer growth: The Bank added over 33 Lakh customers in FY25, driven by product innovations and expanded efforts of physical and digital platforms.

Navigating challenges with resilience

During the year under review, Fino addressed operational hurdles through agile and targeted approaches. Merchant training in remote areas was managed through blended learning models that combined digital content with field-based support. To prevent fraud, we strengthened our onboarding checks and intensified training for field personnel. In response to geographic disruptions, Fino temporarily paused onboarding in volatile regions and implemented flexible re-engagement strategies based on real-time assessments. To improve merchant retention in highly competitive markets, Fino introduced incentive-led engagement programs that reinforced loyalty and sustained performance.

Strategic geographic expansion

Fino's approach to expansion is two-fold, combining depth in established markets with strategic breadth in emerging regions. In strongholds like Uttar Pradesh and Bihar, Fino is intensifying its presence by moving from district-level coverage to block-level penetration. Simultaneously, in emerging States such as Tamil Nadu, Karnataka and the Northeast region, we are executing district-wise rollouts, supported by dedicated local distributors and focused task forces to ensure targeted and sustainable growth.

Enhancing customer retention and satisfaction

Retaining customers is central to Fino's sustainable growth strategy. We ensure consistent service delivery through a network of well-trained and motivated merchants, supported by multichannel assistance including call centres and on-ground customer desks. To stay closely aligned with customer needs and expectations, Fino gathered periodic

feedback through Net Promoter Score surveys and interactions, enabling it to refine offerings and enhance customer satisfaction.

Outlook

Fino is focused on five strategic levers to drive growth and deepen financial inclusion. These include simplifying merchant operations through enhanced technology and support systems, equipping front-line agents with superior

customer service tools and continue network expansion momentum by onboarding 150,000 new merchants annually- particularly in underpenetrated geographies. Fino aims to broaden market access through innovative CASA offerings and boost merchant engagement and revenue by scaling cross-selling opportunities in gold loans, insurance and other referral-based asset products.

Big numbers

2,500+

Fino Hamesha outlets operational across India.

19+

Lakh merchants form one of India's most extensive proprietary distribution networks.

13,000+

BPCL outlets serve as Fino banking points.

33+

Lakh new customers added in FY25.

150,000

New merchants targeted for onboarding annually to expand the network.

10

% of merchants who are women, enabled through community-focused initiatives like BC Sakhis and Jeevika Didis as well as enterprising rural women.

Case study 3

Banking in Himgiri, Himachal Pradesh

Challenge: Himgiri, a remote village located over 5,000 feet above sea level in Himachal Pradesh, had little to no access to organised banking infrastructure. The geography and sparse population made it unviable for traditional banks.

Fino's solution: Fino setup an active tech-enabled banking point in the village through its extended network. This not only provided basic banking services like cash deposits, withdrawals, money transfer and account openings but also enabled referrals for gold loans and other financial products.

Impact: Residents no longer travel long distances for their banking needs. The outlet acts as a full-time service point, improving financial inclusion and community trust. Similar models are being scaled across remote areas in the Northeast, Sunderbans, and the forested zones of Odisha and Chhattisgarh.

Did you know?

Fino Payments Bank has banking points operational at India's highest international borders, including locations in Darjeeling, Manipur, and Uttarakhand - bringing essential financial services to places where few institutions dare to go.

BUSINESS EXCELLENCE

DATA SCIENCE TRANSFORMATION: CATALYSING OUR GROWTH DRIVERS



Overview

Identifying and interpreting data patterns facilitates informed decision making.

The analytics function utilises quantitative skills and business acumen (enhanced by collaboration with business teams), enabling stakeholders to perceive beyond the apparent.

Fino is positioned at the forefront of transforming India's banking landscape by utilising data science to derive superior market insights and deliver innovative business transformation solutions. Through the strategic use of data and advanced analytics, the Bank is reshaping practices and catalysing growth drivers.

Our strengths

- Automated SAS Viya dashboards provide visibility on key business metrics. The dashboards help benchmark activation percentage and take corrective action on any deviations.
- The Hadoop platform for big data analytics operates on a dedicated technology infrastructure designed specifically for analytics practices.
- The internal team of data analysts and data scientists is focused on analysing customer and merchant transaction behaviour.
- The use of machine learning (ML) algorithms provides insights that assist in predicting customer segments that renew thereby helping the Bank increase its renewal persistence.
- ML algorithms help the early detection of anomalous transactions and minimise customer frauds.
- The deployment of quantitative skills enables the team to analyse complex datasets and extract valuable insights that inform business strategies and operational improvements.
- The analyses and recommendations are aligned with the Bank's goals and contribute directly to its success.
- Collaboration with cross-functional teams has enhanced innovation to address business problems effectively.
- The refining of predictive models has made them more accurate, making it possible to anticipate customer behaviour and market trends
- An experimental approach has helped hypotheses being tested and iterated upon; this supports innovation and helps the Bank stay ahead in a competitive market
- A culture of continuous learning has ensured that team members remain abreast of the latest technologies, a competitive edge in a rapidly changing financial landscape.

Best practices

- The data integration team oversees the data pipelines for analytics and establishes quality control mechanisms to safeguard records ingested from each data source.
- A thorough maker-checker procedure is applied before any analysis is published to ensure accuracy, validity and quality.
- Access to personally identifiable information is controlled, ensuring that only authorised personnel or teams have access to sensitive personal data, enhancing data privacy and security.
- Our predictive analytics skills are continuously enhanced; the creation of CXO dashboards on SAS ensure our leadership team has access to essential information for decision-making.
- Introduced the concept of seasonality (recognising that some fluctuations are due to seasonal factors or the broader

ecosystem) and rigorous testing with control samples (crucial for assessing campaign effectiveness).

Highlights, FY25

- In FY25, we strengthened our predictive analytics capabilities. Our proficiency in forecasting trends related to renewal rates, balance accumulations and transaction activity has matured.
- Our data science practice is becoming more robust and refined: from sharing only data and information earlier, we are now able to share deeper insights and foresights that benefit business.
- The precision of the CASA renewal figures stand out, with the actual numbers within 5% of the predicted values. This level of accuracy was consistent across various models.
- We enabled ML and Artificial Intelligence (AI) libraries on our Big Data Hadoop platform that allows our data scientists to work with higher number

of model parameters. This in turn has improved the robustness of the deployed ML models and also reduced the time to go-live.

- Our pioneering efforts towards deploying ML models to detect anomalous transaction patterns helped identify mule accounts with high accuracy across 70+ transaction parameters.
- We identified the first 15 days following onboarding of new customers as the '**golden period**' for interaction. Beyond this period, likelihood of a significant impact declined.

Outlook

Moving forward, the Bank seeks to strengthen its predictive analytics capabilities by widening and deepening skill sets.

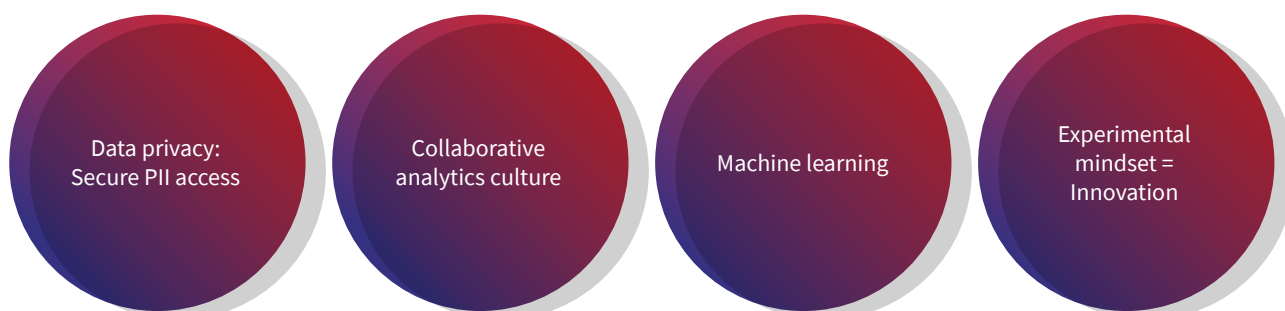
Our data science strengths

- Tracking important metrics through dashboards
- Proprietary team of data analysts and data scientists
- Specialisation in customer behavior analytics
- Sharing insights and foresights as against only data
- Hadoop platform hosted on dedicated technology infrastructure
- Enablement of ML and AI libraries on Big Data Hadoop platform
- Ability to work on higher number of model parameters

Our predictive analytics capability

- By leveraging data analysis and predictive modelling, we are able to forecast which customers are most likely to renew their Shubh Savings Accounts
- We are able to identify customers likely to buy partner products, such as insurance, loans and others
- Our ML model allows us to detect anomalous transaction patterns and identity mule accounts, thereby reducing fraud risk

Our commitment to data privacy, collaborative culture and innovation through analytics



Big numbers

4.61

₹ Lakh Crore, total throughput, FY25



3.58

₹ Lakh Crore, total throughput, FY24



29

%, YoY growth

2.25

₹ Lakh Crore, digital throughput, FY25



1.33

₹ Lakh Crore, digital throughput, FY24



70

%, YoY growth

338

Crore, number of transactions, FY25



211

Crore, number of transactions, FY24



60

%, YoY growth

288

Crore, number of digital transactions, FY25



160

Crore, number of digital transactions, FY24



80

%, YoY growth

230

Number of CMS clients, FY25



208

Number of CMS clients, FY24



11

%, YoY growth

42

Clients with throughput of more than ₹300 Crore, FY25



38

Clients with throughput of more than ₹300 Crore, FY24



11

%, YoY growth

BUSINESS EXCELLENCE

PEOPLE MANAGEMENT: ENABLING **PURPOSE,** **PERFORMANCE AND PROGRESS**

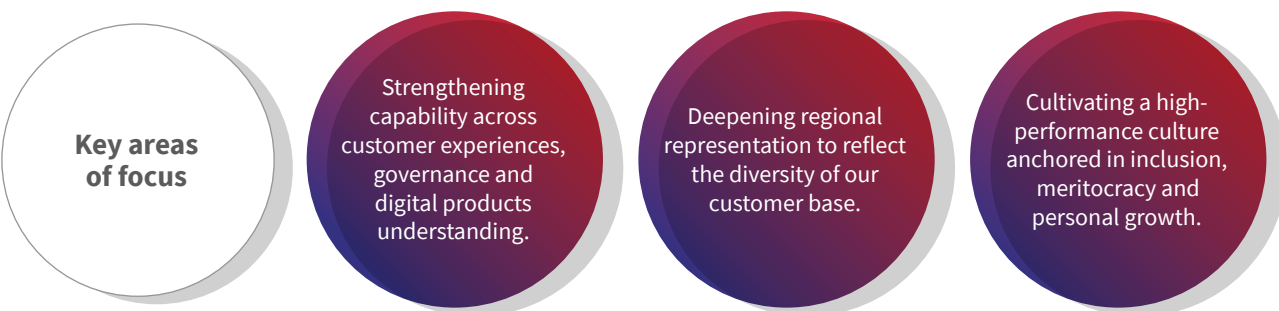


Overview

At Fino Payments Bank, people represent the foundation of our success and enablers of our purpose to deliver accessible, inclusive and innovative financial services across the last mile. In FY25, we deepened our people commitment to create a future-ready, digitally empowered and culturally aligned workforce, empowered to drive sustainable growth and deepen financial inclusion.

Strategic alignment

Our brand stands for trust, accessibility and innovation. To mirror these values across all employee touchpoints, our HR function embedded these principles into our culture, recruitment, training and engagement practices. Through digital-first tools and human-centric policies, we cultivated an ecosystem where each employee from front-line agents to senior leadership aligned their contributions with the organisational mission.



Future-ready talent

In response to dynamic market conditions and evolving employee expectations, Fino undertook a comprehensive revamp of its recruitment architecture. This ensures greater agility, inclusivity and future-readiness. Fino

introduced regional job fairs to enhance representation from under-served and rural geographies, enabling it to attract talent that better reflected the communities served. Fino strengthened referral programs, which not only improved the quality of hires but also reduced the time-to-hire. The hiring

criteria was refined to emphasise digital fluency and behavioural competencies, preparing new recruits for a hybrid service delivery model. These initiatives created a localised, responsive and efficient hiring engine, aligned with the financial inclusion mission.

Employee value proposition

The Bank's employee value proposition is built around three pillars:

Seamless onboarding and culture assimilation: Streamlined induction for early integration and purpose clarity.

Inclusive engagement and collaboration: Regular communication forums, peer connect programs and region-specific celebrations.

Recognition and reward: Performance-linked framework that recognised effort, innovation and long-term contribution.

Driving capability, diversity and business resilience

The Bank's HR team played a strategic role in enhancing business outcomes by prioritising the following:

Capability development: It designed curated learning journeys to strengthen employee capabilities across key domains such as compliance, cybersecurity, risk management and interpersonal effectiveness. These programs addressed regulatory requirements and evolving business needs. Focus areas included awareness and adherence to prevention of sexual harassment (POSH) and insider trading norms, reinforcing whistleblower mechanisms, vigilance practices and

deepening an understanding of anti-money laundering, know your customer and risk governance frameworks. These targeted interventions ensured the Bank workforce remained informed, compliant and equipped to uphold the highest integrity and accountability standards.

Performance orientation: Fino revised its performance evaluation systems to ensure greater fairness, transparency and alignment with strategic business objectives. A key element of this transformation comprised the introduction of structured goal cascade mechanisms, enabling individual objectives to be linked with organisational priorities. Fino emphasised manager-led, meaningful

performance conversations to foster clarity, continuous feedback and personal development. The new framework promoted transparency in performance outcomes and recognition, reinforcing meritocracy and accountability.

Diversity and inclusion: Fino focused on programs to increase gender representation, especially in field and leadership roles (BC Sakhis in Uttar Pradesh and Jeevika Didis in Bihar)

Retention and mobility: Fino reduced attrition and dependence on external hiring by investing in leadership development and offering growth pathways for talent.

The Bank's guiding belief is simple:

'When we take care of our people, they take care of our customers - and the business takes care of itself.'

Addressing FY25 HR challenges

The fiscal year under review comprised people-related challenges in retaining frontline staff, executing large hiring and improving digital literacy. In response, Fino adopted a targeted approach.

Hyperlocal hiring drives were conducted to meet region-specific staffing needs, ensuring quicker deployment and stronger community alignment. To build skills and enhance adaptability, Fino introduced blended learning programs that combined digital modules with on-ground, field-level training. The Bank implemented flexible HR policies focused on supporting mental wellness, particularly during high-stress periods and ensuring that its people felt supported, resilient and empowered.

Key achievements

Great Place to Work® Certification: Improved Trust Index Score® from 81% to 84%, validating employee confidence in leadership, workplace integrity and the Bank's strategic vision.

National apprentice programme: Under this initiative more than 900 apprentices were trained in FY25. Another 400 are undergoing training aimed at improving youth employability and enhancing the organisation's talent pool.

Merit-driven culture: Performance-linked rewards enhanced motivation and supported superior performance across verticals.

Outlook

Fino is building a future-ready, engaged and resilient workforce. The Bank aims to deepen digital HR interventions that enhance real-time engagement, retention and performance tracking. Recognising the importance of internal alignment with external promise, Fino will drive employee financial literacy to empower its people to make informed decisions (professionally and personally). Strengthening succession pipelines for critical roles will remain a priority. Fino plans to expand employee voice mechanisms through structured feedback loops, pulse surveys and focused group interactions. The Bank's guiding belief is simple: 'When we take care of our people, they take care of our customers - and the business takes care of itself.'

Why talent management is critical at Fino Bank

People are our face: In rural areas, banking is relationship-based, not system-based. Field officers, banking correspondents and customer relationship managers are the first - and often the only - touchpoint for villagers. Talent who can inspire trust, explain digital processes simply and offer doorstep service will empower Fino to make financial inclusion a reality.

Technology is not enough: Fino relies on digital platforms (mobile app, Aadhaar-based payment system and micro-ATM), but tech adoption is limited without human support. Fino's talented staff helps overcome digital illiteracy, fear of fraud, language and cultural barriers. It trains users, handholds and demystifies financial services.

Drives customer acquisition and retention: Fino operates on high-volume, low-margin transactions. This makes customer acquisition

and retention essential. Fino's well-managed talent ensures high-touch onboarding, prompt issue resolution and relationship nurturing, key to repeat usage and cross-selling (insurance, pension, remittances).

Minimises fraud and risk: Rural customers are vulnerable to misinformation and scams. Fino's trained and trustworthy staff ensure accurate KYC processing, educates customers on security, prevents mis-selling or data leakage and ensures that its robust talent culture builds integrity into operations.

Local talent = local trust: Fino's hiring and managing local talent ensures cultural compatibility, language fluency and social trust. These employees are more accepted, less likely to migrate and better suited to community outreach.

Supports growth and scalability: To scale Fino across multiple districts and states, the Bank invested in a replicable talent engine comprising hiring pipelines, training

infrastructure and career progression frameworks.

Innovation from the ground: Fino's frontline employees understand grassroots pain points better than head office strategists. The Bank's talent management system listens to field feedback, enabling product or process innovation (e.g., simplified onboarding, vernacular user interfaces).

Fulfills financial inclusion mission: At its heart, Fino is a nation-building institution. Its talent who are mission-driven, empathetic and ethical empower underserved communities beyond just transaction volume.

Helps manage change and complexity: Fino's rural financial landscape is constantly evolving: Policy changes (e.g., DBT, PM-Kisan), Tech upgrades (QR, UPI, Aadhaar stack) and competitive pressures (FinTechs, NBFCs). The Bank's agile talent helps absorb change, train others and adapt the institution to emerging realities.

What makes Fino's people strategy stand out?



Strategic HR pillars



HR interventions by challenge



Our talent dashboard



Employees

	FY21	FY22	FY23	FY24	FY25
Persons	2,683	3,028	2,868	2,682	2,769

Employees by gender

	FY21	FY22	FY23	FY24	FY25
Male	2,439	2,773	2,602	2,419	2,486
Female	244	255	266	263	283
Total	2,683	3,028	2,868	2,682	2,769

Employees by age group

	FY21	FY22	FY23	FY24	FY25
18-35	2,137	2,405	2,198	1,974	1,989
36-45	480	548	588	612	668
46-60	66	75	82	96	112
Total	2,683	3,028	2,868	2,682	2,769

Employees as per their academic qualifications

	FY21	FY22	FY23	FY24	FY25
Graduate	2,462	2,760	2,573	2,219	2,344
Masters/MBAs/PG	149	137	141	306	281
Chartered Accountants	10	10	9	12	12
Engineers	62	121	145	145	132
Total	2,683	3,028	2,868	2,682	2,769

Employee cost

	FY21	FY22	FY23	FY24	FY25
Employee cost as a percentage of revenues	14.5	13.2	12.7	12	11.2

Employees by tenure

	FY21	FY22	FY23	FY24	FY25
More than 5 years (as % of total)	0	0	18	22	23
Less than 5 years (as % of total)	100	100	82	78	77

ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG)

DRIVING LONG-TERM VALUE THROUGH RESPONSIBLE AND INCLUSIVE GROWTH



Overview

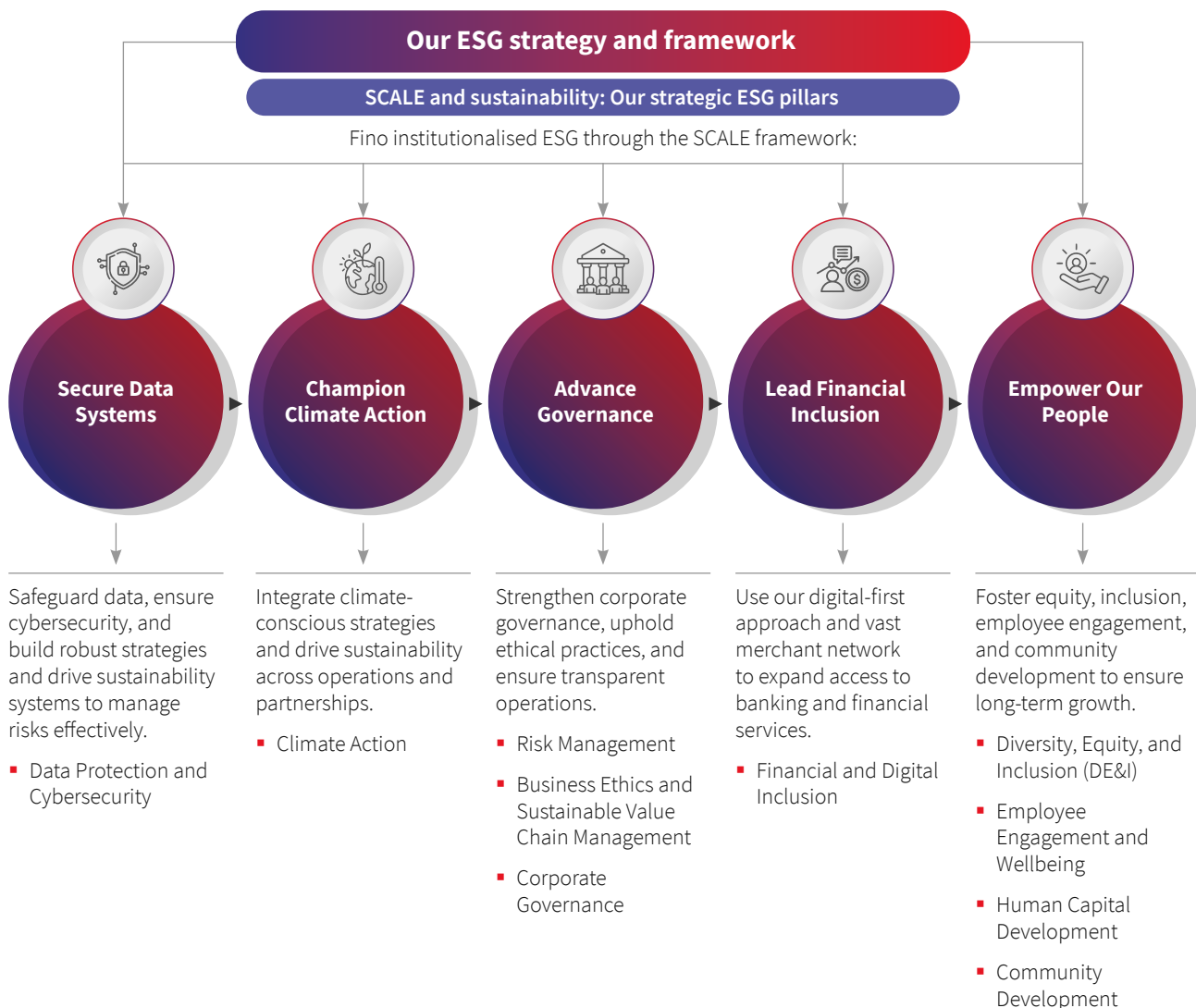
At Fino, our commitment to Environmental, Social and Governance (ESG) represents the foundation of our identity as a responsible and forward-looking financial institution.

In a rapidly evolving business environment where sustainability and stakeholder-centric models are redefining industry benchmarks, ESG serves as a framework and component of business strategy.

We believe that true value creation is derived from the alignment of business performance with environmental consciousness, social equity and ethical governance. Our asset-light, digital-first model empowers us to expand,

widen our coverage to the financially underserved and minimise ecological impact. Besides, our extensive merchant network catalyses grassroots empowerment; our governance ensures operational transparency and accountability.

In FY25, we reinforced our ESG commitment by proposing a comprehensive ESG strategy, guided by a structured framework informed by materiality assessments, industry best practices and stakeholder input. This integrated ESG approach will help us be proactive, measurable and adaptive in the pursuit of long-term value creation.



Each pillar provides a roadmap for aligning operational excellence with sustainable development.



Three-phase approach to ESG integration

Our ESG journey is structured around three key phases:



This approach ensures that our ESG commitments are not abstract principles but embedded actions monitored and measured for impact.



Environmental responsibility

Minimising environmental footprint through digital innovation

Environmental stewardship is integral to Fino's identity as a technology-led bank. Our digital infrastructure reduces the need for extensive physical presence, moderating energy use and carbon emissions. Our paperless

account opening system and digital receipts helped reduce paper use across operations.

LED lighting in our offices has helped moderate electricity consumption. Our asset-light merchant network has helped reduce the energy and material consumption generally associated with brick-and-mortar banking.

Philosophy and operational practice

Our environmental philosophy is centred around a lean, paperless ecosystem while ensuring human-centric service delivery. Through decentralised banking, supported by digital and local touchpoints, we reach more people with fewer resources, the basis of sustainable growth and environment integrity.



Social responsibility

Financial inclusion as a core mission

Fino's social commitment is engaged in bridging the banking divide.

By offering accessible, secure and essential banking services to underbanked and underserved populations, we contribute meaningfully to national financial inclusion.

Our network of digitally enabled merchants - over 70% operate in rural areas - exceeds the regulatory requirement of 25% rural penetration.

Through partnerships with NABARD and local organisations, we conduct financial literacy camps in multiple states. Delivered in regional languages, these sessions educate individuals on savings, digital banking, secure transactions and insurance.

Employment generation and community impact

Our model promotes local economic development, empowering individuals to become banking merchants. By the end of FY25, around 19 Lakh merchants were delivering last-mile banking services, largely in areas underserved by traditional banks. Every month on an average 12,000 merchants are on boarded. These entrepreneurs not only

generate personal income but also elevate the economic resilience of their neighbourhoods.

Diversity, inclusion and workforce empowerment

We are committed to building a diverse and inclusive workplace. Women represent approximately 10% of our 19 Lakh strong merchant network and around 30% of our CASA customer base of over 1.43 Crore of our 2,769 employees, 10.3% are women; many lead or contribute to core business functions like technology, finance, customer experience and operations.

We collaborate with state governments to expand grassroots opportunities for women, visibly through our partnership with the Uttar Pradesh and Bihar's State Rural Livelihood Missions for their BC Sakhi and Jeevika programmes. These initiatives train and support women in becoming local bankers. We conduct

awareness campaigns that encourage women to become our customers or distribution partners.

Inclusive workplace environment and employee well-being

Fino's policy of non-discrimination across gender, age, ethnicity and other identity markers is actively followed. Our Equal Employment and Non-Discrimination Policy - embedded in our Code of Conduct - ensures that all employees are treated fairly and equitably. Our grievance mechanisms comprise Employee Complaint Resolution Policy and Vigilance Policy, with a zero tolerance for victimisation or harassment. We provide comprehensive health and term life insurance to eligible employees and promote their holistic well-being through health awareness initiatives and ergonomic workplace practices.

Community engagement aligned with SDGs

Our community initiatives align with the UN Sustainable Development Goals, particularly those focused on education, health, nutrition and skill development. From promoting primary education and vocational training for women and children to distributing resources in disaster-affected areas, our CSR efforts are designed to catalyse long-term social transformation.

Vendor and partner ecosystem

We believe in the power of strong partnerships. Our vendor engagement strategy focuses on transparency, fairness and shared goals, enabling us to deliver consistent service quality and enhancing ecosystem value.



Governance and ethical conduct

Governance that builds trust

We are committed to high governance standards based on transparency, ethics and long-term thinking. Trust resides at the core of our stakeholder relationships- whether with customers, employees, investors, or regulators.

Our eight-member Board comprises three women directors (37.5%), with collective experience across the banking, financial services and governance domains. This diversity fosters multi-sectoral perspectives in strategic decision-making.

Governance structure for ESG oversight

To institutionalise ESG oversight, we proposed a three-tier ESG governance structure:

- Board-level CSR and ESG Committee for strategic supervision
- ESG Steering Committee comprising senior management
- Core Sustainability Committee of operational employees driving implementation

This structure ensures alignment between ESG goals, operational practices and corporate strategy, while also addressing regulatory and stakeholder expectations.

Accountability through data and technology

Fino has embraced a data-driven approach to governance and reporting. Machine learning-based predictive analytics proactively identify and mitigate transaction fraud across our partner and customer networks. Our progress updates are shared transparently through BRSR and the Annual Report.

Contiguous growth model

Our expansion model is designed for sustainability. Rather than pursuing rapid, fragmented growth, we scale operations by moving from one district to the adjacent next, maximising network efficiency, ensuring local managerial oversight and preserving service quality.

Materiality, risk and ESG performance

Materiality assessment

In FY25, we conducted a structured materiality assessment to prioritise critical ESG issues. This process comprised the following:

- Review of ESG trends and peer practices
- Stakeholder engagement through Likert-scale surveys
- Statistical analysis to build a Materiality Matrix
- Senior management validation of key ESG topics

This analysis helped prioritise ESG focus areas across Environmental, Social and Governance categories, aligning the strategy with market expectations and internal values.

Environment	Social	Governance
▪ Climate action	▪ Financial and digital inclusion ▪ Employee engagement and wellbeing ▪ Human capital development ▪ Diversity, equity and inclusion ▪ Community development	▪ Data protection and cyber security ▪ Risk management ▪ Corporate governance ▪ Business ethics and sustainable value chain management

Risk and opportunity assessment

We conducted an ESG risk assessment that evaluated risks based on the likelihood and potential impact. By benchmarking against peers and mapping risks to material topics, we identified residual risks and embarked on counter-initiatives. A risk heat map visualised ESG vulnerabilities and guide mitigation planning.

Impact		Very low	Low	Medium	High	Very high
Likelihood	Very high					▪ Data privacy and security ▪ Risk and crisis management/ Business resilience and strategic risk
	High				▪ Corporate governance and transparency ▪ Business ethics and integrity	
	Medium			▪ Financial and digital inclusion		
	Low		▪ Community and economic development/ Social responsibility	▪ Diversity, equity and inclusion	▪ Human Capital development and employee welfare ▪ Supply chain and asset resilience	
	Very low	▪ Climate action				

Target setting and key performance indicators

We are in the process of defining measurable ESG KPIs using the SMART framework - Specific, Measurable, Achievable, Relevant and Timely. These KPIs were informed by industry benchmarking and internal capability assessments, ensuring realistic targets that drive action and accountability. The Bank's ESG performance was periodically reviewed and integrated into operations.

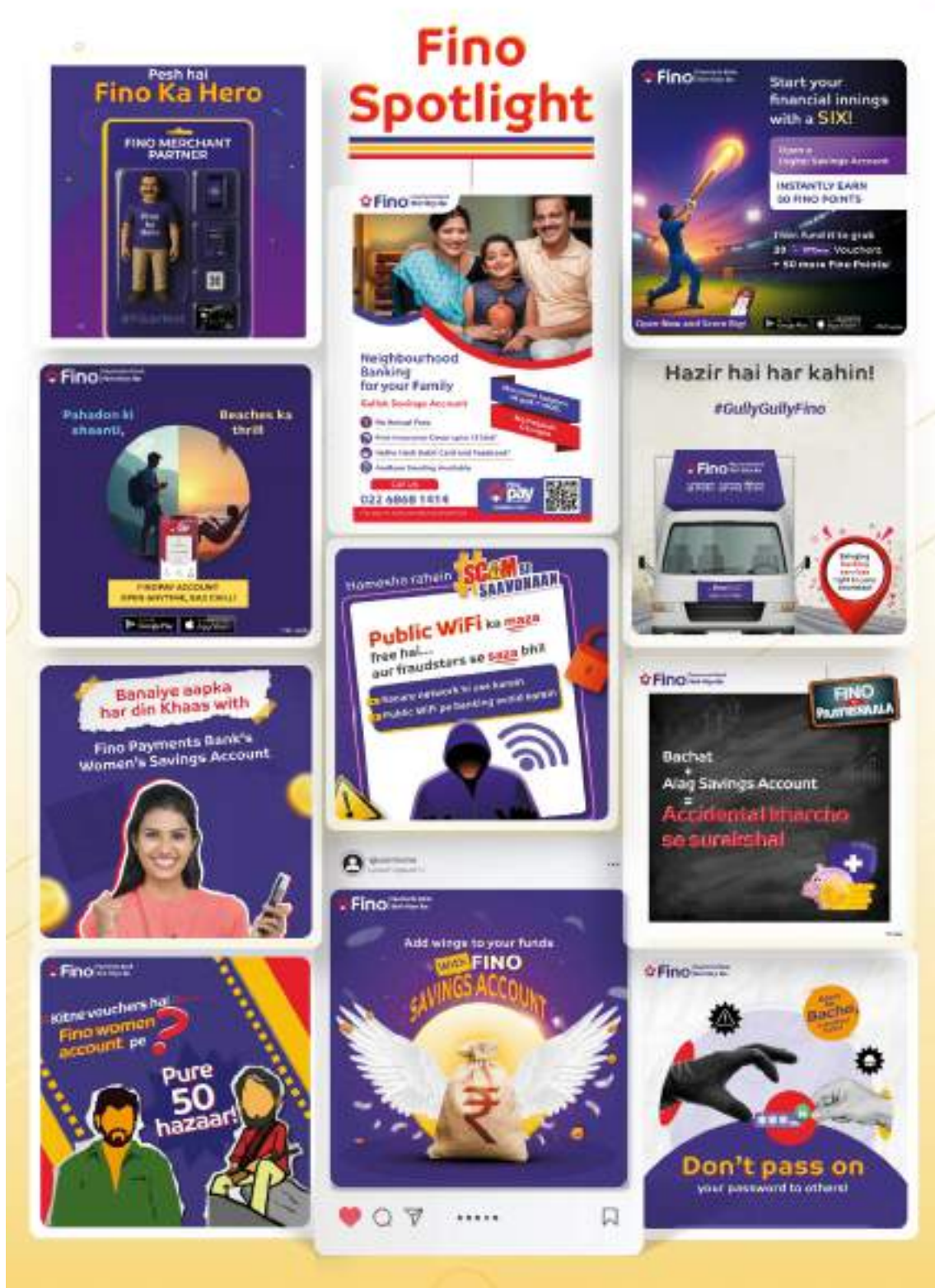
Recognition and industry engagement

Fino received a Special Mention award at the IBEX India Awards in April 2025. The Bank participated in industry forums, contributing to the ESG dialogue, sharing best practices and learning from peers.

Outlook

Fino's ESG strategy will continue to be directed to build a responsible, inclusive and resilient organisation. The focus will be on enhancing operational stability, deepening stakeholder trust, driving long-term performance and, in turn, shaping a sustainable financial future for India. By harmonising environmental stewardship, social responsibility and strong governance, we remain committed to enhance sustainable value for all stakeholders.

HOW WE ENHANCED VISIBILITY AND RECALL FOR FINO



CORPORATE SOCIAL RESPONSIBILITY (CSR)

COMMUNITY ENGAGEMENT AT FINO



Overview

Corporate Social Responsibility (CSR) refers to a company's commitment to operate in an ethical and sustainable manner, contributing to the economic, environmental and social well-being of the communities it serves.

For Fino Bank, CSR is not just a statutory obligation, but an extension of its mission to promote financial inclusion and uplift underserved communities. Through targeted initiatives in education, skill development and healthcare, Fino leverages its grassroots reach to create lasting social impact. CSR helps the Bank strengthen community trust, empower vulnerable populations and align its growth

with national development goals, ultimately reinforcing its role as a socially responsible and inclusive financial institution.

Fino's CSR strategy is driven by a Board-led Committee chaired by the Bank's Managing Director and Chief Executive Officer and executed by an internal team. Its CSR commitment extends beyond compliance. Guided by a structured governance framework, Fino continues to prioritise grassroots impact, sustainable practices and inclusive growth. The journey ahead will see deeper engagement in ESG-aligned initiatives, with a sharper focus on scalability, measurement and impact storytelling.

Key figures for FY25

1.3

₹ in Crore, total CSR spend

11

Total projects

100+

Total volunteers engaged

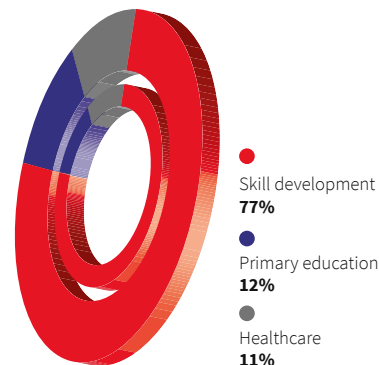
6

States covered

~13,000

Total lives impacted

Spend allocation



CSR initiatives

Skill development

Apprenticeship trainee program

Contribution: ₹82.65 Lakh

Impact: 909 youth trained; 15% absorbed into Fino; 85% placed externally; 440 still upskilling

Objective: Enhance job readiness through hands-on training

STEM Mini Science Centres (MSC)

Partner: STEM Foundation

Contribution: ₹13.38 Lakh

Locations: Navi Mumbai (Maharashtra) & Bengaluru (Karnataka)

Impact: 860+ students and 8 teachers trained

Primary education

Jan Vikas Society - Bal Ashram (Navi Mumbai)

Contribution: ₹2 Lakh

Impact: Improved lives of 100 children with food, shelter, education

Volunteer Support: Book and stationery distribution

Krupa Ghar Trust (Malad, Mumbai)

Contribution: ₹2 Lakh

Impact: Supported 25+ children and women with education and healthcare

Saraswati Sindhu Nyas (Jalandhar, Punjab)

Contribution: ₹2 Lakh

Impact: Enabled hostel support for 60+ underprivileged girls

Tinka Samajik Sanstha (Bhopal, MP)

Contribution: ₹3 Lakh

Impact: 3,000 children benefited from summer camp; 1,036 participated in sports tournaments

Vakal Kelavani Mandal (Vadodara, Gujarat)

Contribution: ₹5 Lakh

Impact: Solar panels installed to support sustainable learning for 2,460 students

Healthcare

V Care Foundation (Mumbai)

Contribution: ₹5 Lakh

Impact: Reached 2,500 patients and families through recreational and wellness support

Utsaah Foundation (Mumbai)

Contribution: ₹5 Lakh

Impact: Provided treatment and care to ~3,000 cancer patients and families

The United Educational & Social Welfare Trust (Tamil Nadu)

Contribution: ₹5 Lakh

Impact: Supported 350+ orphans and elderly residents with shelter, food and medical aid

OUR BOARD MEMBERS



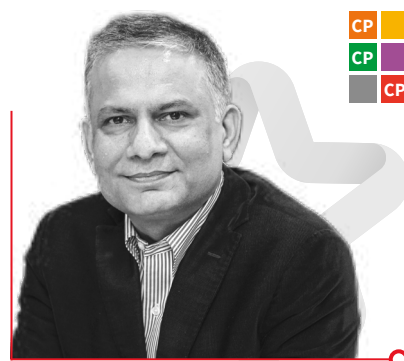
Mr. Rajat Kumar Jain

Part-time Chairperson
and Independent Director



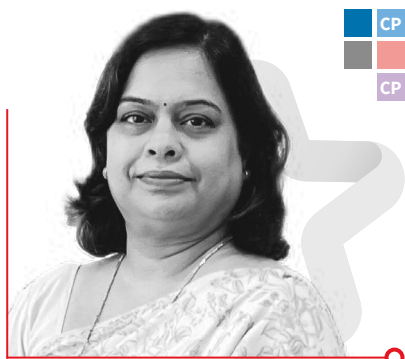
Mrs. Deena Asit Mehta

Independent Director



Mr. Rakesh Bhartia

Independent Director



Mrs. Anita Sudhir Pai

Independent Director



Mrs. Neeta Ananda Mukerji

Independent Director



Mr. Pankaj Kumar

Nominee Director



Mr. Prateek Roongta

Nominee Director



Mr. Rishi Gupta

Managing Director
and Chief Executive Officer

Membership of Committees

- Audit Committee
- Nomination and Remuneration Committee
- Risk and Asset Liability Management Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility & ESG Committee
- IT Strategy Committee
- Customer Service Committee
- Committee of Directors (Operations)
- Strategic Investment Committee
- Business & Corporate Restructuring Committee
- Special Committee of Board on Fraud Monitoring

Note: CP - Chairperson

OUR LEADERSHIP TEAM



Rishi Gupta

Managing Director
and Chief Executive Officer

Rishi Gupta is the Managing Director and CEO of Fino Payments Bank. His vision was instrumental in driving Fino from a fledgling fintech to reaching the pinnacle in the payments bank space. He led the Bank to profitability within three years of its launch in 2017 and played a pivotal role in Fino becoming the first payments bank to be listed on the Indian stock exchanges in November 2021.

He is actively involved in the industry and currently represents the Bank at the Payments Council of India, a

premier payment and fintech industry association in India. Under his stewardship, the Bank is playing a key role in transforming the rural banking landscape by taking digital-led banking services closer to the masses. As a founding member of Fino Paytech, the parent company of Fino Payments Bank, Rishi brings valuable experience to his role.



Ketan Merchant

Chief Financial Officer

Ketan Merchant joined Fino Bank in 2018. His career prior to Fino spans across stints in HSBC, Standard Chartered and Barclays in India and overseas. Since the formative years of the Bank, he has been instrumental in building a sustainable model in a dynamic and changing banking landscape. Ketan with 25 years of banking experience, besides spearheading Finance, Balance Sheet management and governance function in the Bank, is a pivotal pillar in formulation of strategy of the Bank.

His main area of focus is accelerating growth-oriented strategies for the Bank and he has played a key role in listing the Bank in the year 2021. Under his stewardship the Bank has adopted three-pronged strategy of DDD (Data, Distribution and Digital) for Fino 2.0 vision.



Shailesh Pandey

Chief Business Officer

Shailesh Pandey has over two-decades of experience in the BFSI space. He has been a part of Fino Payments Bank since its inception in 2017 and took over as Chief Operating Officer (COO) in April 2024.

Since his appointment as COO, Shailesh has been instrumental in managing businesses (B2B, BC banking, API, CMS), products (DMT, Micro ATM, AePS, Assets), customer experience and marketing. He also spearheaded Central Operations until October 2024.

Shailesh took over as Chief Business Officer in April 2025.



Vinod Kumar

Chief Information Officer
and SEVP - Operations

Vinod Kumar joined Fino Payments Bank in 2018 as the Chief Information Officer (CIO). He plays a vital role in establishing a robust IT infrastructure system and is currently leading the digital transformation initiatives to create a future ready Bank. Vinod is instrumental in setting up strong cyber security measures, Robotic Process Automation and driving continuous efforts towards capacity building to manage increasing transactions volumes of the Bank.

Vinod has taken additional charge of the Central Operations function with effect from October 2024, with a vision to establish long-term operational strategies that align with the Bank's objectives and also focus on automation and new-age technology to improve efficiency, scalability, and agility.

Prior to Fino he worked at Teletech Services India Limited, ICICI Bank Limited, Rakbank, and K-infosystems – FZE.



Tejas Maniar

Chief Digital and Liabilities Officer

Tejas Maniar joined Fino Payments Bank in April 2022 as Chief Digital Officer (CDO) to build and scale up its Fino 2.0 strategy, with digital transformation at its helm. He started out when digital was at a nascent stage and has built credible experience of over 2 decades with organisations like HDFC Bank and IDFC FIRST Bank setting up digital domains including products, applications, business and sales.

Tejas has been instrumental in driving Fino's end-to-end digital transformation agenda, scaling technology platforms for

future growth and ensuring integration of digital banking across all channels and services.

He also manages the Liabilities Product portfolio, spearheading the Bank's overall liability strategy including design, development and implementation of new products, while ensuring profitability and competitive advantage.



Darpan Anand

National Head (Channel Sales)

Darpan Anand has over two decades of experience in BFSI and FMCG sectors. He has been associated with Fino for more than 17 years and has handled multiple roles including channel management, customer acquisition, international business, account management & business development.

He played a critical role in business structuring, process alignments and setting up Fino's distribution network. Darpan's contribution to the growth of

the organisation over the years has been immense. In 2024 he was recognized among the top 100 managers in the country in a survey done by the Great Manager Institute®.

An electronics engineer and a management graduate, Darpan was previously associated with Hindustan Lever Limited (HUL), Max New York Life Ltd and Metlife.



PART 5

STATUTORY REPORTS

Directors' Report

Dear members

Your Directors take pleasure in presenting the 9th (Ninth) Annual Report of Fino Payments Bank Limited ("**Bank**") covering business and operations together with the Audited Financial Statements for the Financial Year ended March 31, 2025.

FINANCIAL HIGHLIGHTS

The financial highlights for the year under review are presented below:

(₹ in Crore)

Particulars	2024-25	2023-24
Balance Sheet:		
Savings Bank Deposits	1,908.01	1,397.78
Current Account Deposits	31.42	14.76
Total Assets/ Liabilities	4,205.93	3,419.11
Total Income	1,847.10	1,478.38
Less: Expenses	1,615.99	1,287.49
Profit /(Loss) before Interest, Depreciation and Tax	231.11	190.89
Less: Depreciation	62.15	53.45
Less: Finance Charges	60.61	51.14
Profit /(Loss) before Tax and prior period items	108.35	86.30
Profit /(Loss) before Tax	108.35	86.30
Taxes	15.82	0.08
Net Profit /(Loss) after Tax	92.53	86.22
Other Comprehensive Income	-	-
Balance of Profit /(Loss) carried forward to next year	92.53	86.22
Appropriations		
Transfer to Statutory Reserve	23.13	21.56
Transfer to Investment Reserve	12.87	9.86

BUSINESS OPERATIONS AND STATE OF AFFAIRS OF THE BANK

The brief details on business operations during the financial year ended March 31, 2025 and state of affairs of the Bank as on March 31, 2025 are given below:

1. Throughput grew by a whopping 29% year-on-year basis in FY2024-25.
2. The Bank processed 337.9 Crore + transactions in FY2024-25, a 60% growth compared to the previous year.
3. Digital throughput grew exponentially by 70% to touch nearly 49% of overall throughput in FY2024-25 at ₹2,25,482 Crore.
4. The Bank opened approx. 0.33 Crore current and savings accounts of customers in FY2024-25, of which 96.07% + were subscription based accounts.

5. The Bank delivered a robust ROE of 15.4% in FY2024-25.
6. Merchant network went up by 9%, the Bank's physical outreach reached to 0.19 Crore banking points in FY2024-25.

The total revenue of the Bank was ₹1847.1 Crore for the year ended March 31, 2025 as compared to ₹1,478.4 Crore in previous financial year. The Bank's profit after tax stood at ₹92.5 Crore for the year ended March 31, 2025 as compared to ₹86.2 Crore in previous financial year.

Your Bank is a public limited company and has a license from the Reserve Bank of India ("**RBI**") to carry on business of Payments Bank in India. The Bank became a Scheduled Bank with effect from January 01, 2021 vide Notification dated January 01, 2021 published in the Government of India Gazette and continues to comply with all the applicable regulations and guidelines prescribed by RBI from time to time.

The detailed operational performance of the Bank during the year has been discussed in the Management Discussion and Analysis Report which forms an integral part of this Annual Report.

CHANGE IN NATURE OF BUSINESS

During the year under review, there has been no change in the nature of business of the Bank.

The Bank believes that it has the relevant expertise, technology and team to cater to additional dimensions of the Banking sector and contribute further towards the Government led initiatives of financial inclusion. You are aware that the Bank had, in the previous financial year, filed an application for transition into a Small Finance Bank (“SFB”) with the RBI. The approval of RBI is awaited.

TRANSFER TO RESERVES

The Bank has appropriated ₹23.13 Crore to statutory reserves and ₹12.87 Crore to Investment Fluctuation Reserve for the financial year ended March 31, 2025.

DIVIDEND

In accordance with Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“SEBI Listing Regulations”), the Bank has formulated a Dividend Distribution Policy, which ensures a fair balance between rewarding its shareholders and retaining enough capital for the Bank’s future growth and expansion plan. The Dividend Distribution Policy is available on the Bank’s website at <https://web4.finobank.com/investors/corporate-governance#code-policies>.

Your Bank is in its growing stage and with a view to conserve capital to support its future growth, your Directors do not recommend any dividend for the financial year ended March 31, 2025.

CAPITAL STRUCTURE

During the year under review, there has been no change in the authorised share capital of the Bank. The authorised share capital of the Bank stood at ₹90,00,00,000/- (Rupees Ninety Crore only) divided into 9,00,00,000 (Nine Crore) Equity Shares of face value of ₹10/- (Rupees Ten Only) each.

The issued, subscribed and paid up share capital of the Bank as on March 31, 2025 was ₹83,21,84,020/- (Rupees Eighty Three Crore Twenty One Lakh Eighty Four Thousand and Twenty Only) comprising of 8,32,18,402 (Eight Crore Thirty Two Lakh Eighteen Thousand Four Hundred and Two) Equity Shares of face value of ₹10/- (Rupees Ten Only) each.

This includes 4,100 (Four Thousand and One Hundred) fully paid-up Equity Shares of ₹10/- (Rupees Ten only) each allotted by the Bank during the year under review to eligible employees pursuant to the exercise of stock options under Fino Payments Bank Limited-Employee Stock Option Policy-2023.

Your Bank has not issued any Equity Shares with differential voting rights.

CAPITAL ADEQUACY RATIO

Your Bank is well capitalised and has a strong capital adequacy ratio. As on March 31, 2025, the Capital to Risk Assets Ratio (“CRAR”) of your Bank was 80.45% which is well above the minimum regulatory requirement of 15% CRAR prescribed by the RBI.

Out of the above, Tier I capital adequacy ratio stood at 73.87% and Tier II capital adequacy ratio stood at 6.58%.

MATERIAL CHANGES AND COMMITMENTS

Apart from the details given in this Report, there were no material changes or commitments affecting the financial position of the Bank which have occurred between the end of the financial year i.e. March 31, 2025 and up to the date of this Report.

TRANSFER TO INVESTORS EDUCATION AND PROTECTION FUND

During the year under review, the Bank was not required to transfer any fund or Equity shares to the Investor Education and Protection Fund as per the provisions of Section 125 of the Companies Act, 2013 (“Act”) read with applicable rules framed thereunder, as amended from time to time.

EMPLOYEES STOCK OPTION SCHEMES

The Bank has formulated and implemented Fino Payments Bank Limited - Employees Stock Option Policy, 2020 (“ESOP 2020”) and Fino Payments Bank Limited - Employees Stock Option Policy, 2023 (“ESOP 2023”) with a view to attract, retain, incentivize and motivate employees of the Bank by way of rewarding their performance and promoting their increased participation in the overall corporate growth and profitability. The ESOP 2020 has been amended from time to time in view of regulatory changes/ business requirements. None of these amendments were prejudicial to the interest of the employees.

During the year under review, the Board of Directors of Fino Payments Bank Limited at its meeting held on December 18, 2024, approved the adoption of Fino Payments Bank Limited - Employee Stock Option Policy, 2024 (“ESOP 2024”).

The shareholders through Postal Ballot on February 15, 2025 approved the ESOP 2024. The key objectives of the ESOP 2024 are to reward the employees for their past association and performance as well as to motivate them to contribute to the growth and profitability of the Bank.

The Nomination and Remuneration Committee (“NRC”) which also acts as a Compensation Committee of the Board is entrusted with the responsibility of implementation and administration of the ESOP policies of the Bank.

The details and disclosures as required under Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“SBEB & SE Regulations”) and circulars issued thereunder, have been uploaded on the Bank’s website at www.finobank.com under the ‘Investors’ section. The Equity Shares issued and allotted under

ESOP 2020, ESOP 2023 and ESOP 2024 shall rank pari-passu with the existing equity shares of the Bank.

Further, disclosure as per the 'Guidance Note on Accounting for Employee Share-based Payments' issued by the Institute of Chartered Accountants of India, are disclosed in the Notes to the Financial Statements of the Bank for the financial year ended March 31, 2025, which forms an integral part of this Annual Report.

ESOP 2020, ESOP 2023 and ESOP 2024 are in compliance with the SBEB & SE Regulations. A certificate from the Secretarial Auditor of the Bank that the ESOP Schemes of the Bank have been implemented in accordance with the SBEB & SE Regulations and in accordance with the resolutions passed by the shareholders of the Bank, shall be placed before the members at the 9th Annual General Meeting ("AGM") of the Bank.

UTILIZATION OF NET PROCEEDS FROM THE INITIAL PUBLIC OFFER ("IPO")

The net proceeds from the IPO of the Bank in November 2021 were utilised towards the objects stated in the Red Herring Prospectus dated October 22, 2021 i.e. towards augmenting its Tier – I capital base to meet its future capital requirements. Further, the proceeds from the Fresh Issue were also used towards meeting the expenses in relation to the IPO. The Bank on a quarterly basis affirms that there is no deviation in utilisation of the issue proceeds from the objects stated in offer documents and submits the same to Stock Exchanges in compliance with the SEBI Listing Regulations.

The Bank would require additional capital for expanding its operations and modernization of its banking technology platform and keeping sufficient capital to meet the regulatory and compliance requirements to operate as a Payments Bank. Further, in the event of the Bank obtaining a SFB licence, additional funds would be required in the current financial year to support additional activities as an SFB. This future need for capital is expected to be met through internal accruals.

HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

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

Name of the Company	Whether incorporated/ acquired/ converted	Year of incorporation	Status
Fino PayTech Limited	Incorporated	2006	Public Limited Company

ANNUAL RETURN

In accordance with the provision of Section 92 (3) of the Act, the Annual Return in the prescribed form MGT-7 is uploaded on Bank's website at <https://web4.finobank.com/investors/financials#annual-report>.

CREDIT RATING

The details of credit rating as on March 31, 2025 along with its outlook are given hereunder:

Rating	Outlook	Rating Agency	Comments
Long Term: [ICRA] BBB+	Stable	ICRA Limited	Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations.
Short Term: [ICRA] A2+	Stable	ICRA Limited	Instruments with this rating are considered to have strong degree of safety regarding timely payment of financial obligations.

ICRA Ratings Limited has re-affirmed credit rating of [ICRA] BBB+ (Stable) and [ICRA] A2+, for long-term and short-term overdraft facilities of the Bank, respectively vide its press-release dated May 22, 2025.

DEPOSITS

Being a banking company, the disclosures relating to deposits as required in accordance with Sections 73 and 74 of the Act read with Companies (Accounts) Rules, 2014 and other applicable provisions of the Act are not applicable to the Bank.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

As on March 31, 2025, the composition of the Board was in compliance with the provisions of the Act, the SEBI Listing Regulations and the Guidelines for Licensing of "Payments Banks" dated November 27, 2014 and Circular on Corporate Governance in Banks - Appointment of Directors and Constitution of Committees of the Board dated April 26, 2021 issued by the RBI and the Articles of Association of the Bank.

The Board of the Bank is duly constituted with an optimum combination of Executive and Non-Executive Directors including Independent Directors and Women Directors. The changes in the composition of the Board that took place during the period under review were carried out in compliance with the provisions of the Act, SEBI Listing Regulations and applicable RBI Regulations/ Guidelines.

In terms of the requirement of the SEBI Listing Regulations and Banking Regulation Act, 1949, the Board has identified core skills, expertise and competencies of the Directors in the context of the Bank's businesses for effective functioning. The list of key skills, expertise and core competencies of the Board of Directors is detailed in the Corporate Governance Report.

In the opinion of the Board, all the directors possess the requisite qualifications, experience and expertise and hold high standards of integrity.

In terms of SEBI Listing Regulations, the Bank has received Certificate from M/s. DM & Associates Company Secretaries LLP, Practicing Company Secretaries, the Secretarial Auditors of the Bank, that none of the Directors on the Board of the Bank have been debarred or disqualified from being appointed or continuing as a Director of any Company by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such other statutory authority. The said certificate is annexed to the Corporate Governance Report forming part of this Annual Report.

Appointment/re-appointment of Directors made during the FY2024-25 and till the date of this report.

Based on the recommendation of the NRC, the Board and the shareholders approved the following appointments/ re-appointment during FY2024-25 and till the date of this report:

1. Shareholders approved the appointment of Mrs. Anita Sudhir Pai (DIN: 07651059) as an Independent Director of the Bank for a period of five consecutive years with effect from January 11, 2024 up to January 10, 2029 (both days inclusive) vide special resolution passed through postal ballot on April 07, 2024.
2. Shareholders approved the appointment of Mrs. Neeta Mukerji (DIN: 00056010) as an Independent Director of the Bank for a period of five consecutive years with effect from March 05, 2024 up to March 04, 2029 (both days inclusive) vide special resolution passed through postal ballot on May 25, 2024.
3. Mrs. Deena Asit Mehta (DIN: 00168992) was re-appointed as an Independent Director of the Bank, for the second term of three consecutive years with effect from March 19, 2025 up to March 18, 2028 (both days inclusive) vide special resolution passed through postal ballot on May 18, 2025.

Re-appointment of Independent Director and Part-time Chairperson

The NRC and Board at its meetings held on July 29, 2025 and July 30, 2025 respectively recommended the re-appointment of Mr. Rajat Kumar Jain (DIN: 00046053) as an Independent Director for a second term of three years to hold office from November 02, 2025 to November 01, 2028 (both days inclusive), not liable to retire by rotation, subject to members' approval. The re-appointment of Mr. Rajat Kumar Jain as an Independent Director is being put up for your approval at the ensuing AGM.

The profile and particulars of experience, attributes, skills of Mr. Rajat Kumar Jain together with his other directorships and committee memberships in terms of Regulation 36 of SEBI Listing Regulations and Secretarial Standard on General Meetings ("**SS-2**") issued by the Institute of Company Secretaries of India forms part of the Notice of the 9th AGM.

The NRC and Board have also recommended Mr. Jain's appointment as Part-time Chairperson of the Bank, subject the approval of RBI.

Re-appointment of Director retiring by rotation

In accordance with the provisions of Section 152 of the Act and the Articles of Association of the Bank, Mr. Rishi Gupta (DIN:01433190), Managing Director & CEO of the Bank retires by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment. The re-appointment of Mr. Rishi Gupta is being put up for your approval at the ensuing AGM.

The profile and particulars of experience, attributes, skills of Mr. Rishi Gupta together with his other directorships and committee memberships in terms of Regulation 36 of SEBI Listing Regulations and SS-2 issued by the Institute of Company Secretaries of India forms part of the Notice of the 9th AGM.

Declaration of Independence

All Independent Directors ("**IDs**") of the Bank have submitted a declaration that each of them meets the criteria of independence as provided in Section 149(6) of the Act read with Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations. There has been no change in the circumstances affecting their status as IDs of the Bank. In the opinion of the Board, the IDs possess the requisite integrity, experience, expertise and proficiency required under all applicable laws and the policies of the Bank.

All IDs of the Bank have complied and affirmed to abide by Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, with respect to enrolling their name in the online databank of independent directors maintained by Indian Institute of Corporate Affairs ("**IICA**") and qualifying the online proficiency self-assessment test, as applicable.

Key Managerial Personnel and changes therein

As of March 31, 2025 following were the 'Key Managerial Personnel' pursuant to the provisions of Section 203 of the Act:

Mr. Rishi Gupta

Managing Director & CEO

Mr. Ketan Merchant

Chief Financial Officer

Mr. Basavraj Loni

Company Secretary & Compliance Officer

Mr. Basavraj Loni resigned from the services of the Bank with effect from May 31, 2025.

POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The appointment of Directors and Key Managerial Personnel is in accordance with the provisions of the Companies Act, 2013, SEBI Listing Regulations, Banking Regulation Act, 1949 and RBI guidelines on appointment/re-appointment of Directors.

In accordance with the provisions of Section 178(3) of the Act read with rules made thereunder, SEBI Listing Regulations and applicable RBI guidelines dated November 04, 2019 on Compensation of Whole-Time Directors/ Chief Executive Officers/ Material Risk Takers and Control Function staff, the Board of Directors has formulated and adopted a comprehensive Compensation Policy which inter-alia covers criteria for remuneration of its Directors, Key Managerial Personnel, Material Risk Takers and Senior Management Personnel of the Bank.

The proposals for appointment/re-appointment of Directors are submitted to the NRC along with requisite documents/disclosures received in the prescribed format from proposed candidates as Director. The NRC carries out the fit and proper assessment after ascertaining the veracity of documents submitted, experience and qualifications required for the post and if deems fit, recommends the profile of the proposed candidate for appointment to the Board for its approval.

The terms of reference of the NRC are available on the website of the Bank at <https://web4.finobank.com/investors/corporate-governance#code-policies>.

The NRC and the Board ensures that the remuneration to be paid to the proposed appointee is in accordance with the Compensation Policy of the Bank and applicable RBI guidelines issued in this regard. During FY2024-25, the Board reviewed the Compensation Policy, which regulates the appointment and remuneration of Directors, Key Managerial Personnel, Material Risk Takers and Senior Management Personnel of the Bank.

Remuneration of Directors, Key Managerial Personnel, Material Risk Takers and Senior Management Personnel are reviewed by the NRC and approved by the Board in accordance with the applicable laws. The Compensation Policy of the Bank is available on the Bank's website at <https://web4.finobank.com/investors/corporate-governance#code-policies>.

MEETINGS OF THE BOARD AND COMMITTEES

In compliance with the statutory requirements, the Board has eight mandatory Committees viz. Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility and Environmental, Social, and Governance Committee, Risk & Asset Liability Management Committee, Stakeholders Relationship Committee, IT Strategy Committee, Customer Service Committee and Special Committee of Board on Fraud Monitoring. The Bank also has three operating/ special purpose Committees for better administration viz. Committee of Directors (Operations), Strategic Investment Committee and Business & Corporate Restructuring Committee.

The Board met 07 (seven) times during the year and the details of meeting dates, attendance etc. are given in the Corporate Governance Report.

All the recommendations made by all Board Committees were accepted by the Board. A detailed update on the composition, governance and terms of reference of Board Committees, attendance of Directors at Board and Committee meetings held during FY2024-25 is provided in the Corporate Governance Report forming part of this Annual Report.

BOARD PERFORMANCE EVALUATION

In accordance with the provisions of the Act and SEBI Listing Regulations, the annual Performance Evaluation of the Board, its Committees, Part-time Chairperson, Managing Director & CEO and individual Directors has been carried out for the year under review. The performance evaluation was carried out internally through circulation of questionnaires covering various aspects of the performance of the Board and its Committees, including composition, roles and responsibilities, Board processes, quality and flow of information etc. The responses received to the questionnaires were discussed at the Independent Directors meeting held on May 27, 2025, NRC and Board meetings held on May 29, 2025 and performance of Board as a whole including its Committees and individual Directors was found to be satisfactory. The areas for improvement were also discussed for implementation.

The policy on the Board's Evaluation framework is made available on the Bank's website at <https://web4.finobank.com/investors/corporate-governance#code-policies>.

SUCCESSION PLANNING

Pursuant to the recommendation of NRC, the Board has framed a Policy on Succession Planning at the Board and Senior Management levels. The Policy is periodically reviewed by the NRC and the Board. The Board composition and the desired skill sets/ areas of expertise at the Board level are continuously reviewed and vacancies, if any, are reviewed in advance through a systematic due diligence process.

Succession planning at Senior Management levels, including business and assurance functions, is continuously reviewed to ensure continuity and depth of leadership at one level below the Managing Director & CEO. Successors are identified prior to the position being vacant to ensure a smooth and seamless transition. In the event of any unexpected occurrence in respect of any member in the senior management team, the next person as per the organisation chart and hierarchy shall take interim charge of the position subject to the approval of the NRC, pending a regular appointment in terms of the succession plan. The Policy on Succession Planning is made available on the Bank's website at <https://web4.finobank.com/investors/corporate-governance#code-policies>.

FAMILIARISATION PROGRAMME

In accordance with Regulation 25(7) of the Listing Regulations and RBI guidelines, various training programmes were organized for the Board Members, which inter-alia covered topics related to corporate governance, generative artificial intelligence & risk management and overview of the fintech functions.

The details of familiarization programme for Independent Directors is available on the Bank's website at <https://web4.finobank.com/investors/corporate-governance#code-policies>.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(3)(c) of the Act, it is hereby confirmed 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. the Directors have 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 Bank as on March 31, 2025 and of the profit of the Bank for that period;
- c. the Directors have 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 Bank and for preventing and detecting fraud and other irregularities;
- d. the Directors have prepared the annual accounts on a going concern basis;
- e. the Directors have laid down internal financial controls to be followed by the Bank and that such internal financial controls are adequate and were operating effectively; and
- f. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

INTERNAL CONTROLS AND THEIR ADEQUACY

The Bank 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 the Audit Committee along with management response for suitable action. The Bank has an 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 at regular intervals and directs necessary steps to further improve the Internal Control System.

AUDITORS

Statutory Central Auditors and their Report

M/s. A P Sanzgiri & Co, Chartered Accountants (ICAI Firm Registration Number: 116293W) the Statutory Central Auditors of the Bank have conducted Statutory Audit of the Financial Statements of the Bank for the year ended March 31, 2025. The Notes referred in the Auditors' Report are self-explanatory. The Auditors' Report forms an integral part of this Annual Report. There are no qualifications or reservations or adverse remark or disclaimers given by the Statutory Central Auditors.

The total fees paid to the Statutory Central Auditors of the Bank for the financial year ended March 31, 2025 is disclosed in Note No. 55 to Financial Statements for the financial year ended March 31, 2025 forming part of this Annual Report.

The tenure of M/s. A P Sanzgiri & Co, Statutory Central Auditors expires at the ensuing AGM of the Bank.

As recommended by the Audit Committee, the Board has proposed the appointment of M/s. Bilimoria Mehta & Co., Chartered Accountants (FRN 101490W) as the Statutory Central Auditors of the Bank for a tenure of three years to hold office from the conclusion of 9th(ninth) Annual General Meeting ("AGM") until the conclusion of the 12th (twelfth) AGM of the Bank. Their appointment has been approved by RBI on June 13, 2025 and is being put up for your approval at the ensuing AGM.

M/s. Bilimoria Mehta & Co., have confirmed that they satisfy the independence criteria and other eligibility norms required under the applicable laws and the Code of Ethics issued by the Institute of Chartered Accountants of India.

Secretarial Auditors and their Report

In compliance with the provisions of Section 204 of the Act and the rules framed thereunder, M/s. DM & Associates Company Secretaries LLP, the Secretarial Auditors of the Bank, conducted the Secretarial Audit for the financial year ended March 31, 2025. There were no qualifications made by the Secretarial Auditors in their Report. The Secretarial Audit Report for FY2024-25 is annexed as **Annexure-1** to this Report.

Pursuant to Regulation 24A of the Listing Regulations read with Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Bank based on recommendation of the Audit Committee proposed the appointment of M/s. Alwyn Jay & Co., Company Secretaries (Firm Registration No.: P2010MH021500) as the Secretarial Auditors of the Bank for a term of 5 (five) consecutive years, commencing from FY2025-26 till FY2029-30, subject to approval of members. Accordingly, a resolution seeking your approval for the appointment of M/s. Alwyn Jay & Co. as Secretarial Auditors is being put up in the Notice of the 9th AGM. M/s. Alwyn Jay & Co., have confirmed their eligibility under Section 204 of the Act and the rules framed thereunder and Regulation 24A of the SEBI Listing Regulations for appointment as Secretarial Auditors of the Bank. As required under the SEBI Listing Regulations, the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of The Institute of Company Secretaries of India.

Cost Auditor

The provisions for maintenance of cost records as specified by the Central Government under Section 148(1) of the Act are not applicable to the Bank.

Internal Auditor

As per the provisions of Section 138 of the Act read with Rule 13 of the Companies (Accounts) Rules, 2014, the Internal Auditors report was presented to the Audit Committee on a quarterly basis. The scope, functioning, periodicity and methodology for conducting the Internal Audit have been formulated under the applicable RBI guidelines and in consultation with the Audit Committee.

REPORTING OF FRAUDS

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of Companies Act, 2013 and Rules framed thereunder.

Further, during the year under review, the Statutory Auditors of the Bank have not reported any instance of fraud committed in the Bank by its officers or its employees.

LOANS, GUARANTEES AND INVESTMENTS

The particulars of investments made by the Bank are disclosed in Note no. 2 of notes forming part of financial statements.

During the year under review, no loans or guarantees were given or security provided on any loans or guarantees and hence, no disclosure is required to be made thereon.

RELATED PARTY TRANSACTIONS

All the Related Party Transactions ("RPTs") that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. Prior omnibus/specific approvals for transactions were also obtained from the Audit Committee for the RPTs which are repetitive in nature as well as for the normal banking transactions which cannot be foreseen. A statement giving details of all RPTs entered pursuant to the omnibus approval granted is placed before the Audit Committee for their review on a quarterly basis.

The Bank has not entered into any material financial or commercial transactions with any related parties as per AS-18 and the SEBI Listing Regulations that may have potential conflict with the interest of the Bank at large.

In terms of Regulation 23(9) of the SEBI Listing Regulations, the Bank submits the disclosure of RPTs in the prescribed format on a half yearly basis to the Stock Exchanges and updates its website accordingly.

There were no material transactions with related parties, which were not in the ordinary course of the business nor were there any transactions which were not on arm's length basis. Hence, pursuant to Section 134(3)(h) of the Act, read with Rule 8(2) of the Companies (Accounts) Rules, 2014, there are no RPTs to be reported under Section 188(1) of the Act. Hence, e-Form AOC-2 is not applicable to the Bank.

Pursuant to the provisions of the Act and the Rules made thereunder and SEBI Listing Regulations, the Bank has in place a Board approved policy on related party transactions. The said policy is also uploaded on the Bank's website at <https://web4.finobank.com/investors/corporate-governance#code-policies>.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

Your Bank remains steadfast in its commitment to sustainable growth, energy efficiency, and technological innovation. By integrating cutting-edge digital solutions with eco-conscious practices, the Bank continues to enhance operational

efficiency, reduce environmental impact, and deliver superior customer experiences.

A. Energy Conservation Initiatives

In line with global sustainability goals, the Bank has implemented several measures to optimize energy consumption across its operations:

i. Payments Bank

- Green Infrastructure: Migrated to energy-efficient servers with capability of cloud-based solutioning, reducing on-premise data centre dependency and lowering carbon footprint.
- Paperless Banking: Expanded digital on-boarding (e-KYC, Video KYC) and electronic documentation. Paperless banking is the core, on which entire banking solutioning is being built up.
- Smart Branch Operations: Now electricity and water consumption monitoring system is in place though it is at nascent stage at all our offices to keep this under check.
- Core Business Model: Allows the small entrepreneurs and shop owners to enable their outlets to offer basic neighbourhood banking. These banking correspondents spread across 97% of India's pincodes serve the masses in their neighbourhood, allowing them to save on travel, time and fuel.

B. Technology Absorption & Innovation

The Bank has aggressively embraced digital transformation, ensuring seamless adoption of emerging technologies.

1. The Bank's R&D focus remains on scalability, security, and customer-centric innovation:
 - API Banking & Fintech Partnerships
 - Generative AI, Data Science & Analytics
 - Deployed predictive analytics for hyper-personalized customer offers, risk models to identify mule accounts and fraudulent transactions.
- Enabled Machine Learning (ML) and Artificial Intelligence (AI) libraries on our Big Data Hadoop platform that allows our data scientists to work with higher number of model parameters. This in turn has improved the robustness of the deployed ML models and also reduced the time to go-live.
- Our pioneering efforts towards deploying ML models to detect anomalous transaction patterns helped identify mule accounts with high accuracy across 70+ transaction parameters. This in turn helped minimize fraud risk.
- Automation & Efficiency:-Scaled Robotic Process Automation (RPA) for back-office operations (account verification, payment verification etc).

- Workflow engine for automation reconciliation process.
 - STP process with security enablement for automation and data security.
2. Digital & Self-Service Channels:
 - Cash Bazar 2.0: The on-demand cash platform is being upgraded with real time liquidity tracking of rural markets to locate merchants with ease for B2C and B2B.
 - Mobile Banking Suite: Biometric login and an enhanced platform with additional features for inclusive banking.
 3. Cyber security & Future readiness:
 - Next-Gen SOC (Security Operations Center): 24/7 threat monitoring with AI-driven anomaly detection.
 - Disaster Recovery (DR): Achieved 99.99% uptime with multi-cloud redundancy and biannual DR drills.
 - Implementation of various perimeter security, End point security and Forensic mechanism for monitoring and review mechanisms.

C. Future Roadmap

1. AI-First Strategy: Expanding generative AI for:
 - Customer Service
 - Accurate Predictive Analysis
 - FRM and AML
 - Security Ops
 - CRM Platform for Channel, Product and Call Centre
 - Reconciliation
 - Data Management
2. ESG Strategy:

Our purpose is to drive financial inclusion while fostering trust, sustainability, and community empowerment. Guided by our vision and mission, we strive to balance profitability with long-term environmental and social impact. Through innovative, customer-centric, and digitally enabled banking solutions, we promote equity, enhance financial accessibility, and contribute to a more sustainable and inclusive future for all.

As we progress on executing our ESG strategy with ethical governance, measurable targets and stakeholder engagement, the objective will be to boost operational stability, enhance business performance and build trust among stakeholders. Commitment to financial inclusion, responsible growth and value creation remain at the core of our ESG strategy.

D. Foreign Exchange Earnings and Outgo

During the year under review, there were no foreign exchange earnings, however, there was foreign exchange outgo of ₹0.74 Crore.

By harmonizing technology absorption, energy conservation, corporate governance and strategic innovation, the Bank is poised to lead the next wave of sustainable, digital-first banking.

RISK MANAGEMENT

The Bank being a Payments Bank is required to largely follow/ implement directives issued by RBI for scheduled commercial banks in addition to those forming part of the operating guidelines for Payments Banks. Accordingly, the Bank has adopted risk management processes to identify, assess, monitor, manage and mitigate risks in its day-to-day activities/functions through the effective use of processes, information and technology.

The risk management process is monitored under the various Risk Management Policies and the delegation matrix as approved by the Board. The Board is supported by Board Committees, the management team, and Board delegated executive level Committees as part of the risk governance framework. The Board has an oversight of the management's efforts to balance growth and prudent risk management, while creating value for stakeholders.

Pursuant to RBI Regulations, the Bank has constituted a Risk & Asset Liability Management ("RALM") Committee of the Board and as mandated by the regulatory provisions, the Bank has appointed a Chief Risk Officer, who administers the risks associated key verticals through dedicated divisions i.e. Market Risk, Operational Risk, Fraud Risk and other Risks under the aegis of the Board approved risk management policies and in accordance with the approval and responsibility delegation matrix.

The details of the RALM Committee are disclosed in the Corporate Governance Report forming part of this Annual Report and the terms of reference are available on the Bank's website at <https://web4.finobank.com/investors/corporate-governance#code-policies>.

The risk management framework within the Bank is a layered structure and broadly consists of the following aspects for effective risk management across the Bank:

(a) Operational Risk Management

The Bank is exposed to significant operational risk viz. risks arising due to use of technology, introduction of new products/services, processes, channels like mobile, internet banking, cash handling, etc. The Bank's operational risk management policies provide guidance on operational risk management issues and serves as a one-point reference and creates awareness amongst all employees within the Bank. The policies set out the broad parameters for identification

of various operational risks that the Bank is exposed to on an ongoing basis and to put in place systems and procedures to mitigate such risks.

For the effective management of operational risks, the Bank has constituted an Operational Risk Management Committee ("**ORMC**"), an Executive Committee that supports the RALM Committee. The main functions of the ORMC are to monitor and ensure appropriateness of operational risk management and recommend suitable control measures for mitigating the same besides monitoring them.

For the effective management of fraud risk, the Bank has constituted a Fraud Risk Management Committee ("**FRMC**"), an Executive Committee that supports the Special Committee of the Board for Fraud Monitoring and Audit Committee. The main functions of the FRMC are to monitor and ensure appropriateness of fraud risk management and recommend suitable control measures for mitigating the same besides monitoring them.

The Bank also outsources certain functions / activities to third parties subject to compliance with RBI guidelines. These functions/activities and associated issues are being overseen by the Outsourcing Committee, an Executive Committee that supports the RALM Committee.

(b) Market Risk, Liquidity and Asset Liability Management

The Bank is significantly exposed to market risk, i.e. possibility of loss caused by changes in the market variables in addition to liquidity and mismatches in asset liability. Your Bank has put in place a Board approved Market Risk Management, Asset Liability Management (ALCO) & Investment policies aligned with RBI regulations and operating guidelines governing Payments Banks and two Executive level Committees, viz. Investment and Market Risk Committee and ALCO that support the RALM Committee in dealing with the day-to-day risk matters, associated issues/concerns, if any, in a comprehensive manner.

(c) IT Risk Management

The Bank has put in place adequate perimeter level security protection devices, internal data protection solutions and a 24x7 monitored Security Operations Centre ("**SOC**"). Various security solutions such as threat monitoring and subscription to other global solutions are put in place to monitor and act on any critical alerts. However, cyber threats are evolving and various types of attacks are executed such as 'Zero Day' and many new variants of malware attacks. Any of the new variant attacks may impact the network or data protection. To mitigate such risks on the technology stack, adequate security crisis management processes are in place as per regulatory requirements and internal processes. Further, the Bank has a pool of technical resources which faces the risk of attrition. To mitigate this risk, the Bank has a set of hiring and training process with multiple technology streams.

The Bank has put industry standard perimeter technologies, end point protection mechanism and forensic tools to strengthen the security posture and monitoring mechanism.

For the effective management of IT Risk, the Bank has constituted Information System and Security Committee ("**ISSC**") as an Executive Committee that supports the IT Strategy Committee dealing with the day-to-day affairs, associated issues/concerns, if any, in a comprehensive manner.

(d) Reputation Risk Management

Your Bank has identified Reputation Risk as one of the material risks which is periodically monitored in terms of its sources and risk level.

(e) Compliance Risk Management

Compliance risk is the risk of failure (or perceived failure) by the Bank to comply with applicable laws, regulations, guidelines and standards, leading to damage to the reputation of the Bank, legal or regulatory sanctions, or financial loss. The Bank has a Compliance Policy to ensure the highest standards of compliance. A dedicated team of subject matter experts work to ensure active compliance risk management and monitoring. The team also advises on regulatory matters. The focus is on identifying and reducing risk by rigorously testing products and putting in place robust internal policies. Internal policies are reviewed and updated periodically as per agreed frequency or based on market actions or regulatory guidelines/actions.

For the effective management of Compliance Risk, the Bank has constituted Committee of Executives ("**COE**") an Executive Committee that supports the Audit Committee dealing with the day-to-day compliance risks, associated issues/concerns, if any, in a comprehensive manner.

CORPORATE SOCIAL RESPONSIBILITY

The Bank has in place a Corporate Social Responsibility ("**CSR**") policy and constituted CSR and ESG Committee in accordance with the provisions of Section 135 of the Act read with rules framed thereunder and Schedule VII to the Act. The CSR policy outlines the Bank's philosophy to play a positive role in the community at large and consider the environmental and social impact of business decisions in which it operates. The CSR Policy is available on Bank's website at <https://web4.finobank.com/investors/corporate-governance#code-policies>.

The key areas identified by the Bank include eradicating hunger, promoting health care, primary education and skill development.

In terms of the provisions of the Act, for FY2024-25, the Bank has spent ₹1.30 Crore (including the set off of the excess amount spent by the Bank in the previous financial year) based on its commitment to CSR programmes.

The Annual Report on CSR activities as prescribed under the Act and rules framed thereunder is annexed as **Annexure – 2** to this Report.

The details of the CSR Committee are disclosed in the Corporate Governance Report forming part of this Annual Report and its terms of reference are available on the Bank's website at <https://web4.finobank.com/investors/corporate-governance#code-policies>.

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

The Bank has formulated and adopted a Policy on Prevention of Sexual Harassment of Women at workplace. The Bank has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. No complaints were pending with the Internal Complaints Committee for more than ninety days. The information as required pursuant to Rule 8 of Companies (Accounts) Rules, 2014 relating to complaints received, redressed and pending during FY2024-25 forms part of the Corporate Governance Report.

Further, your Bank is in compliance with the provisions of the Maternity Benefit Act, 1961.

VIGIL MECHANISM / WHISTLE BLOWER

The Bank has implemented a Whistle Blower Policy in compliance with the provisions of the Act and SEBI Listing Regulations. Pursuant to this policy, the Whistle Blowers can raise concerns relating to reportable matters (as defined in the policy) such as breach of Fino Payments Bank's Code of Conduct, employee misconduct, fraud, illegal unethical imprudent behaviour, leakage of Unpublished Price Sensitive Information, corruption, safety and misappropriation or misuse of Bank's funds/ assets etc. The Whistle Blower Policy is available on the Bank's website at <https://web4.finobank.com/investors/corporate-governance#code-policies>.

Further, the mechanism adopted by the Bank encourages the Whistle Blower to report genuine concerns or grievances and provides for adequate safeguards against victimization of Whistle Blower to those who avail such mechanism and also provides for direct access to the Chairperson of the Audit Committee.

The Audit Committee reviews the functioning of the Vigil Mechanism from time to time. The report of Whistle Blower complaints is placed before the Audit Committee on a quarterly basis. None of the Whistle Blowers has been denied access to the Audit Committee.

The Bank was in receipt of 1 Whistle blower complaint during the year under review and the same was investigated thoroughly. The case was closed after taking appropriate action. There was no complaint pending as on March 31, 2025.

CORPORATE GOVERNANCE

The Bank's activities are carried out in accordance with the good Corporate Governance practices and the Bank is constantly striving to make them better with time. The Bank believes that governance framework and good practices helps in creating right culture and in turn enhances long-term sustainable value for all its stakeholders. The Bank adheres to the Corporate Governance requirements set out by the Securities and Exchange Board of India ("SEBI")/ Ministry of Corporate Affairs ("MCA")/RBI. The Corporate Governance Report for financial year 2024-25 along with a certificate issued by M/s. DM & Associates Company

Secretaries LLP, confirming the compliance to applicable requirements related to Corporate Governance as stipulated under the SEBI Listing Regulations is annexed to the Corporate Governance Report which forms part of this Annual Report.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

In terms of Regulation 34(2)(f) of the SEBI Listing Regulations, as amended the Business Responsibility and Sustainability Report describing the initiatives taken by the Bank from an Environmental, Social and Governance perspective is presented in a separate section which forms a part of this Annual Report.

DISCLOSURE OF AGREEMENTS BINDING THE BANK

In terms of Regulation 30A(2) of the SEBI Listing Regulations, agreements specified in clause 5A of paragraph A of Part A of Schedule III of SEBI Listing Regulations, along with its salient features, are available at the website of the Bank at www.finobank.com.

COMPLIANCE WITH SECRETARIAL STANDARDS

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

STATUS OF IND AS IMPLEMENTATION

As per RBI circular RBI/2015-16/315 DBR.BP.BC. No.76/21.07.001/2015-16 dated February 11, 2016, Implementation of Indian Accounting Standards ("Ind AS"), Banks are advised that scheduled commercial banks (excluding RRBs) shall follow the Indian Accounting Standards as notified under the Companies (Indian Accounting Standards) Rules, 2015, subject to any guidelines or directions issued by the RBI in this regard. Banks in India currently prepare their financial statements as per the guidelines issued by RBI, the Accounting Standards notified under Section 133 of the Act and generally accepted accounting principles in India ("Indian GAAP"). In January 2016, the MCA issued the roadmap for implementation of new Ind AS, which was based on convergence with the International Financial Reporting Standards (IFRS) for scheduled commercial banks, insurance companies and non-banking financial companies (NBFCs). In March 2019, RBI deferred the implementation of Ind AS for banks till further notice as the recommended legislative amendments were under consideration of the Government of India. The Bank had undertaken preliminary diagnostic analysis of the differences between Indian GAAP and Ind AS and shall proceed for ensuring the compliance as per applicable requirements and directions in this regard.

PARTICULARS OF EMPLOYEES

The information in terms of Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure -3** to the Board's Report.

Further, the statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, forms part of this Annual Report; however, in terms of section 136(1) of the Act, the Annual Report is being sent without this Annexure. This Annexure is available for inspection and any member interested in obtaining a copy of the statement may write to the Secretarial Department of the Bank at cs@finobank.com.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of the SEBI Listing Regulations is presented in a separate section and forms part of this Annual Report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS

During the year under review, no material orders have been passed by the Regulators/Courts/Tribunals which would impact the going concern status of the Bank and its future operations.

The Bank has not made any application under the Insolvency and Bankruptcy Code, 2016 and no proceeding is pending under the said Code.

Further, no one time settlement was done with any Bank/ Financial Institution with respect to loans taken by the Bank, hence disclosure on the difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking such loans is not applicable.

ACKNOWLEDGEMENT AND APPRECIATION

The Board of Directors of your Bank would like to place on record their gratitude for the guidance and co-operation received from the Reserve Bank of India and other regulatory bodies and thank all the stakeholders of the Bank including its investors, customers, merchants, bankers, shareholders, vendors, registrars and all other valued partners for their continued support.

The Board would like to express its appreciation for the sincere and dedicated efforts put in by all the employees of the Bank, exhibiting strong professionalism, teamwork and initiative and look forward to their continued contribution in building this Bank into a great institution.

For and on behalf of the Board of Directors

Date : July 30, 2025
Place : Navi Mumbai

Rajat Kumar Jain
Part-time Chairperson & Independent Director
DIN: 00046053

Rishi Gupta
Managing Director & CEO
DIN: 01433190

Annexure - 1
Form No. MR-3
Secretarial Audit Report

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

For the Financial Year Ended March 31, 2025

To,
The Members,
FINO PAYMENTS BANK LIMITED
MindSpace Juinagar, 8th Floor, Plot No. Gen 2/1/F,
Tower 1, TTC Industrial Area,
MIDC Shirwane, Juinagar, Navi Mumbai
Thane 400706

Dear members

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Fino Payments Bank Limited** (hereinafter called "**the Bank**"). 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 Bank's books, papers, minute books, forms and returns filed and other records maintained by the Bank and also the information provided by the Bank, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Bank has, during the audit period covering the financial year ended March 31, 2025, complied with the statutory provisions listed hereunder and also that the Bank has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Bank for the financial year ended on March 31, 2025 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
4. The provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

- c. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; and
 - d. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
6. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 **were not applicable** to the Bank under the financial year under report: -
- a. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
 - b. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;
 - c. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; and
 - e. 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.

We have relied on the compliance certificates placed before the Board of Directors by the Bank and its Officers for systems and mechanism formed by the Bank and for compliances under other applicable Acts, Laws and Regulations to the Bank. For tax laws and compliance with relevant accounting standards we have relied on the Audit report issued by the Statutory Auditors.

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

1. The Banking Regulations Act, 1949 and the rules made thereunder and The Reserve Bank of India Act, 1934, Master

Circulars, Notifications and Guidelines and other directions pertaining to scheduled commercial payments bank issued by the Reserve Bank of India (RBI) from time to time;

2. The Payment and Settlement Act, 2007 read with all the Master Directions issued by the RBI in this regard;
3. Prevention of Money-Laundering Act, 2002; and
4. Deposit Insurance and Credit Guarantee Corporation Act, 1961.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Bank with BSE Limited and National Stock Exchange of India Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

All decisions were carried out unanimously. 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 Bank commensurate with the size and operations of the Bank to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

1. In terms of the special resolution passed through Postal Ballot on February 15, 2025 the Members of the Bank approved the 'Fino Payments Bank Limited - Employees Stock Option Policy, 2024';
2. In terms of the special resolution passed by the Members at the 8th Annual General Meeting, the Members of the Bank approved an amendment to the 'Fino Payments Bank Limited - Employees Stock Option Policy, 2020'. The amendment allows eligible employees to exercise vested options within a period of five years from the date of vesting, as against the earlier period of three years from the date of vesting.

For DM & Associates Company Secretaries LLP

Company Secretaries

ICSI Unique Code L2017MH003500

Dinesh Kumar Deora

Senior Partner

Membership No.: FCS 5683

C P No.: 4119

UDIN: F005683G000436201

Place: Mumbai

Date: May 26, 2025

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

Annexure - I

To
The Members,
FINO PAYMENTS BANK LIMITED
MindSpace Juinagar, 8th Floor, Plot No. Gen 2/1/F,
Tower 1, TTC Industrial Area,
MIDC Shirwane, Juinagar, Navi Mumbai
Thane 400706

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

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

For DM & Associates Company Secretaries LLP

Company Secretaries
ICSI Unique Code L2017MH003500

Dinesh Kumar Deora

Senior Partner
Membership No.: FCS 5683
C P No.: 4119
UDIN: F005683G000436201

Place: Mumbai
Date: May 26, 2025

Annexure-2

Annual Report on Corporate Social Responsibility 2024-25

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

1. Brief outline on CSR Policy of the Bank

The Bank is vigilant about its Corporate Social Responsibility ("CSR") obligations. In compliance with the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Bank has a CSR & ESG Committee and Board approved CSR Policy to provide guidelines for carrying out CSR activities. The objective of the Bank's CSR initiatives is given below:

- Primary education, healthcare including preventive healthcare and sanitation, eradicating hunger, poverty and malnutrition, ensuring environmental sustainability, ecological balance, protection of environment;
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.

2. Composition of CSR & ESG Committee

S. No.	Name of Director	Designation /Nature of Directorship	Number of meetings of CSR & ESG Committee held during the year	Number of meetings of CSR & ESG Committee attended during the year
1.	Mr. Rishi Gupta	Chairperson, Managing Director & CEO	2	2
2.	Mr. Rakesh Bhartia	Member, Independent Director	2	2
3.	Mrs. Deena Asit Mehta ¹	Member, Independent Director	-	-
4.	Mr. Rajat Kumar Jain ²	Member, Independent Director	-	-
5.	Mrs. Neeta Mukerji ³	Member, Independent Director	2	2
6.	Mr. Pankaj Kumar	Member, Nominee Director	2	2

Note: Pursuant to the reconstitution of the CSR & ESG Committee:

1. Mrs. Deena Asit Mehta ceased to be member w.e.f. April 10, 2024.

2. Mr. Rajat Kumar Jain inducted as member w.e.f. November 28, 2024.

3. Mrs. Neeta Mukerji inducted as member w.e.f. April 10, 2024 and ceased to be member w.e.f. November 28, 2024.

3. Web-link where Composition of CSR & ESG committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Bank

The required disclosures are available on the Bank's website at www.finobank.com under 'Investors' section.

4. Provide the executive summary along with the web link(s) of impact assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable: Not Applicable

5. (a) Average net profit of the Bank as per Section 135(5): ₹64.98 Crore

(b) Two percent of average net profit of the Bank as per Section 135(5): ₹1.30 Crore

(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: NIL

(d) Amount required to be set off for the financial year, if any: ₹740

(e) Total CSR obligation for the financial year (b+c-d): ₹1.30 Crore

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹1.30 Crore

(b) Amount spent in Administrative Overheads: Nil

(c) Amount spent on Impact Assessment, if applicable: Not Applicable

(d) Total amount spent for the financial year (a+b+c): ₹1.30 Crore

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ Crore)	Amount unspent				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the fund	Amount	Date of transfer
1.30	-	-	-	-	-

(f) Excess amount for set-off, if any:

(i)	Two per cent of average net profit of the Bank as per section 135(5)	1,30,00,000
(ii)	Total amount spent for the financial year	1,30,03,269
(iii)	Excess amount spent for the financial year [(ii)-(i)]	3,269
(iv)	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	3,269

7. Excess amount for set-off, if any: Details of Unspent CSR amount for the preceding three financial years: Nil

Sr. No.	Preceding financial year(s)	Amount transfer to Unspent CSR Account under Section 135(6) (in ₹)	Amount spent in the reporting financial year (in ₹)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial year(s) (in ₹)
				Name of the fund	Amount (in ₹)	Date of transfer	
1	NA	NA	NA	NA	NA	NA	NA

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year: None.

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

For and on behalf of CSR & ESG Committee

Rajat Kumar Jain
Part-time Chairperson
& Independent Director
DIN: 00046053

Rishi Gupta
Managing Director & CEO
(Chairperson - CSR & ESG Committee)
DIN: 01433190

Date : July 30, 2025

Place : Navi Mumbai

Annexure – 3

Disclosures on Remuneration

[Pursuant to Section 197(12) of the Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]:

I. Ratio of the remuneration of each Director to the median remuneration of the employees of the Bank for the FY2024-25

S. No.	Name of Director/KMP	Designation	Ratio
1	Mr. Rajat Kumar Jain	Independent Director	10.75:1
2	Mr. Rakesh Bhartia	Independent Director	9.94:1
3	Mrs. Deena Asit Mehta ¹	Independent Director	9.94:1
4	Mrs. Anita Sudhir Pai	Independent Director	9.27:1
5	Mrs. Neeta Mukerji	Independent Director	9.42:1
6	Mr. Pankaj Kumar	Nominee Director	NA
7	Mr. Prateek Roongta	Nominee Director	NA
8	Mr. Rishi Gupta	Managing Director & CEO	61.21:1

1. Re-appointed effective March 19, 2025.

Note: For the Directors and the Managing Director & CEO, the actual remuneration paid during FY2024-25 has been considered while calculating the ratio of remuneration to the median employees' remuneration.

The Bank did not pay any remuneration to its Nominee Directors.

II. Percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the FY2024-25

S. No.	Name of Director/KMP	Designation	Ratio
1	Mr. Rishi Gupta*	Managing Director & CEO	10%
2	Mr. Ketan Merchant	Chief Financial Officer	11%
3	Mr. Basavraj Loni	Company Secretary	18%

* RBI has approved the fixed pay for FY2024-25 and the mentioned figure includes increment in fixed pay and the proposed variable pay as recommended by the NRC and Board.

Payment of Remuneration to Independent Directors:

The Independent Directors receive remuneration by way of sitting fees for attending each meeting of the Board and its Committees. Based upon the recommendation of NRC, the Board approved sitting fees of ₹1,00,000 per Board meeting and ₹75,000 per Committee meeting to Independent Directors.

Further, pursuant to advise given by RBI vide its letter dated August 25, 2023 and to the circular issued by the RBI on "Review of Fixed Remuneration Granted to Non-Executive Directors" dated February 9, 2024, the Board of Directors had approved the payment of compensation to each Non-Executive Independent Director of the Bank (except Part-time Chairperson) by way of fixed remuneration up to ₹10,00,000 (Rupees Ten Lakh only) per annum w.e.f. financial year 2023-24 till financial year 2024-25 and up to ₹15,00,000 (Rupees Fifteen Lakh only) per annum to Part-time Chairperson w.e.f. November 24, 2023. Further, the shareholders vide postal ballot notice dated February 26, 2024 approved the said remuneration to the Independent Directors of the Bank including the Part-time Chairperson. The Independent Directors of the Bank, including the Part-time Chairperson were paid compensation, on a proportionate basis, in the form of fixed remuneration for the financial year 2024-25.

III. Percentage increase in the median remuneration of employees in FY2024-25

The median remuneration of the employees of the Bank increased by 8.4% in the financial year.

IV. Number of permanent employees on the rolls of the Bank as on March 31, 2025

There were 2,769 permanent employees on the rolls of the Bank as on March 31, 2025.

V. Average percentile increase already made in the salaries of employees other than the Managerial Personnel in the last financial year i.e. 2024-25 and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

Average percentage increase for employees including Managerial Personnel for the financial year is **7.11%**.

Average percentage increase for employees other than the Managerial Personnel for the financial year is **7.06%**.

The average increase in the remuneration of employees compared to increase in remuneration of Managerial Personnel is in line with the market bench mark study.

VI. Affirmation that the remuneration is as per the Remuneration Policy of the Bank

The Bank affirms that the remuneration is as per the Compensation Policy of the Bank.

For and on behalf of the Board of Directors

Date : July 30, 2025
Place : Navi Mumbai

Rajat Kumar Jain
Part-time Chairperson & Independent Director
DIN: 00046053

Rishi Gupta
Managing Director & CEO
DIN: 01433190

Management Discussion and Analysis

Economic review

Global economic review

Overview

Global economic growth declined marginally from 3.3% in 2023 to an estimated 3.2% in 2024. This was marked by a slowdown in global manufacturing, particularly in Europe and parts of Asia coupled with supply chain disruption and weak consumer sentiment. In contrast, the services sector performed more creditably.

The growth in advanced economies remained steady at 1.7% from 2023 to 2024 as the emerging cum developing economies witnessed a growth decline at 4.2% in 2024 (4.4% in 2023).

On the positive side, global inflation was expected to decline from 6.1% in 2023 to 4.5% in 2024 (projected at 3.5% and 3.2% in 2025 and 2026 respectively). This decline was attributed to the declining impact of erstwhile economic shocks, and labour supply improvements. The monetary policies announced by governments the world over helped keep inflation in check as well.

The end of the calendar year was marked by the return of Donald Trump as the new US President. The new US government threatened to impose tariffs on countries exporting to the US unless those countries lowered tariffs for the US to export to their countries. This enhanced global trade and markets uncertainty and emerged as the largest singular uncertainty in 2025.

Regional growth (%)	2024	2023
World output	3.2	3.3
Advanced economies	1.7	1.7
Emerging and developing economies	4.2	4.4

(Source: IMF, KPMG, Press Information Bureau, BBC, India Today)

Performance of the major economies, 2024

United States: Reported GDP growth of 2.8% in 2024 compared to 2.9% in 2023.

China: GDP growth was 5.0% in 2024 compared to 5.2% in 2023.

United Kingdom: GDP growth was 0.8% in 2024 compared to 0.4% in 2023.

Japan: GDP growth was 0.1% in 2024 compared with 1.9% in 2023.

Germany: GDP contracted by 0.2% in 2024 compared to a 0.3% decline in 2023.

(Source: CNBC, China Briefing, [ons.gov.uk](https://www.ons.gov.uk), Trading Economics, Reuters)

Outlook: The global economy has entered a period of uncertainty following the imposition of tariffs of products imported into the USA and some countries announcing reciprocal tariffs on US exports to their countries. This is likely to stagger global economic growth, the full outcome of which cannot be currently estimated. This risk is supplemented by risks related to conflicts,

geopolitical tensions, trade restrictions and climate risks. In view of this, World Bank projected global economic growth at 2.7% for 2025 and 2026, factoring the various economic uncertainties.

(Source: IMF, United Nations)

Indian economic review

Overview

The Indian economy grew at 6.5% in FY2024-25, compared to a revised 9.2% in FY2023-24. This represented a four-year low due to a moderate slowdown within the Indian economy (marked by slower manufacturing growth and a decline in net investments). Despite the slowdown, India retained its position as the world's fifth-largest economy.

India's nominal GDP (at current prices) was ₹330.68 trillion in FY2024-25 (₹301.23 trillion in FY2023-24). The nominal GDP per capita increased from ₹2,15,936 in FY2023-24 to ₹2,35,108 in FY2024-25, reflecting the impact of an economic expansion.

The Indian rupee weakened 2.12% against the US dollar in FY2024-25, closing at ₹85.47 on the last trading day of FY25. In March 2025, the rupee recorded the highest monthly appreciation since November 2018, rising 2.39% (arising out a weakening US dollar).

Inflationary pressures eased, with CPI inflation averaging 4.63% in FY2024-25, driven by moderating food inflation and stable global commodity prices. Retail inflation at 4.6% in FY2024-25, was the lowest since the pandemic, catalysing savings creation.

India's foreign exchange reserves stood at a high of \$676 billion as of April 4, 2025. This was the fourth consecutive year when rating upgrades outpaced downgrades on account of strong domestic growth, rural consumption, increased infrastructure investments and low corporate leverage (annualized rating upgrade rate 14.5% exceeded the decade-long average of 11%; downgrade rate was 5.3%, lower than the 10-year average of 6.5%).

Gross foreign direct investment (FDI) into India rose 13.6% to \$81 billion during the last financial year, the fastest pace of expansion since 2019-20. The increase in the year was despite a contraction during the fourth quarter of 2024-25 when inflows on a gross basis declined 6% to \$17.9 billion due to the uncertainty caused by Donald Trump's election and his assertions around getting investments back into the US.

Growth of the Indian economy

	FY22	FY23	FY24	FY25
Real GDP growth (%)	8.7	7.2	9.2	6.5

(Source: MoSPI, Financial Express)

Growth of the Indian economy quarter by quarter, FY2024-25

	Q1 FY25	Q2 FY25	Q3 FY25	Q4 FY25
Real GDP growth (%)	6.5	5.6	6.2	7.4

(Source: The Hindu, National Statistics Office)

The banking sector continued its improvement, with gross non-performing assets (NPA) for scheduled commercial banks (SCBs) declining to 2.6% as of September 2024, down from 2.7% in March 2024. The capital-to-risk-weighted assets ratio for SCBs stood at 16.7% as of September 2024, reflecting a strong capital position.

India's exports of goods and services reached \$824.9 billion in FY2024-25, up from \$778 billion in the previous fiscal year. The Red Sea crisis impacted shipping costs, affecting price-sensitive exports. Merchandise exports grew 6% YoY, reaching \$374.1 billion.

India's net GST collections increased 8.6%, totalling ₹19.56 lakh crore in FY2024-25. Gross GST collections in FY2024-25 stood at ₹22.08 lakh crore, a 9.4% increase YoY.

On the supply side, real gross value added (GVA) was estimated to expand 6.4% in FY2024-25. The industrial sector grew by 6.5%, supported by growth in construction activities, electricity, gas, water supply and other utility services.

India's services sector grew at 8.9% in FY25 (9.0% in FY24), driven by public administration, defence and other services (expanded at 8.8% as in the previous year). In the infrastructure and utilities sector, electricity, gas, water supply and other utility services grew a projected 6.0% in FY25, compared to 8.6% in FY24. Meanwhile, the construction sector expanded at 9.4% in FY25, slowing from 10.4% in the previous year.

Manufacturing activity was subdued in FY25, with growth at 4.5%, which was lower than 12.3% in FY24. Moreover, due to lower public spending in the early part of the year, government final consumption expenditure (GFCE) is anticipated to have slowed to 3.8% in FY25, compared to 8.1% in FY24.

The agriculture sector grew at 4.6% in 2024-25 (1.4% in 2023-24). Trade, hotel, transport, communication and services related to broadcasting segment were estimated to grow at 6.4% in 2024-25 (6.3% in 2023-24).

From a demand perspective, the private final consumption expenditure (PFCE) exhibited robust growth, achieving 7.2% in FY2024-25, surpassing the previous financial year's rate of 5.6%.

The Nifty 50 and SENSEX recorded their weakest annual performances in FY25 in two years, rising 5.3% and 7.5% during the year under review respectively. Gold rose 37.7% to a peak of \$3,070 per ounce, the highest increase since FY2007-08, indicating global uncertainties.

Total assets managed by the mutual fund (MF) industry jumped 23% or ₹12.3 lakh crore in fiscal 2025 to settle at ₹65.7 lakh crore. At close of FY25, the total number of folios had jumped to nearly 23.5 crore, an all-time peak. During last fiscal, average monthly systematic investment plan (SIP) contribution jumped 45% to ₹24,113 crore.

Foreign portfolio investments (FPIs) in India experienced high volatility throughout 2024, with total inflows into capital markets reaching approximately \$20 billion by year-end. However, there was significant selling pressure in the last quarter, influenced by new tariffs announced by the new US government on most countries (including India).

Outlook

India is expected to remain the fastest-growing major economy. Initial Reserve Bank of India estimates have forecast India's GDP growth downwards from 6.7% to 6.5% based on risks arising from US tariff levies on India and other countries. The following are some key growth catalysts for India in FY26.

Tariff-based competitiveness: India identified at least 10 sectors such as apparel and clothing accessories, chemicals, plastics and rubber where the US' high tariffs give New Delhi a competitive advantage in the American market over other suppliers. While India faced a 10% tariff after the US suspended the 26% additional duties for 90 days, the levy remained at 145% on China, the biggest exporter to the US. China's share of apparel imports into the US was 25%, compared with India's 3.8%, a large opportunity to address differential (*Source: Niti Aayog*).

Union Budget FY2025-26: The Union Budget 2025-26 laid a strong foundation for India's economic trajectory, emphasizing agriculture, MSMEs, investment, and exports as the four primary growth engines. With a fiscal deficit target of 4.4% of GDP, the government reinforced fiscal prudence while allocating ₹11.21 lakh crore for capital expenditure (3.1% of GDP) to drive infrastructure development. The February 2025 Budget marked a shift in approach, with the government proposing substantial personal tax cuts. Effective April 1, 2025, individuals earning up to ₹12 lakh annually will be fully exempt from income tax. Economists estimate that the resulting ₹1 lakh crore in tax savings could boost consumption by ₹3-3.5 lakh crore, potentially increasing the nominal private final consumption Expenditure (PFCE) by 1.5-2% of its current ₹200 lakh crore.

Free trade agreement: In a post-Balance Sheet development, India and the United Kingdom announced a free trade agreement to boost strategic and economic ties. This could lead to a significant increase in the export competitiveness of Indian shipments in the UK across the textiles, toys, leather, marine products, footwear, and gems & jewellery sectors. About 99% of Indian exports to UK will enjoy zero-duty access tariff cuts; India will cut tariffs on 90% of tariff lines and 85% could become fully duty-free within 10 years.

Pay Commission impact: The 8th Pay Commission's awards could lead to a significant salary revision for nearly ten million central government employees. Historically, Pay Commissions have granted substantial pay hikes along with generous arrears. For instance, the 7th Pay Commission more than tripled its monthly salaries, raising the range from ₹7,000 to ₹90,000 to ₹18,000 to ₹12.5 lakh, triggering a widespread ripple effect.

Monsoons: The India Meteorological Department predicted an 'above normal' monsoon in 2025. This augurs well for the country's farm sector and a moderated food inflation outlook.

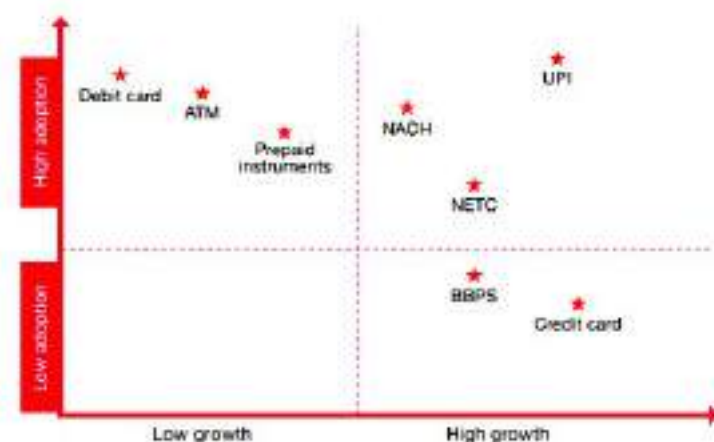
Easing inflation: India's consumer price index-based retail inflation in March 2025 eased to 3.34 per cent, the lowest since August 2019, raising hopes of further repo rate cuts by the Reserve Bank of India.

Deeper rate cuts: In its February 2025 meeting, the Monetary Policy Committee (MPC) reduced policy rates by 25 basis points,

reducing it to 6% in its first meeting of FY2025-26. Besides, India's CPI inflation is forecasted at 4% for the fiscal year 2025-26.

Lifting credit restrictions: In November 2023, the RBI increased risk weights on bank loans to retail borrowers and NBFCs, significantly tightening credit availability. This led to a sharp slowdown in retail credit growth from 20-30% to 9-13% between September 2023 and 2024. However, under its new leadership, the RBI has prioritized restoring credit flow. Recent policy shifts have removed restrictions on consumer credit, postponed higher liquidity requirements for banks, and are expected to rejuvenate retail lending.

(Source: CNBC, PIB, Business Standard, Times of India, Economic Times)



Mobile wallets are gaining popularity, projected to grow at a CAGR of 18.3% from 2024 to 2028. The market is expected to reach ₹531.8 lakh crore (\$6.4 trillion) by 2028. The Unified Payments Interface (UPI) has become the dominant force in India's digital payments landscape, accounting for 83% of the total payment volume by the end of CY 2024.

Digital wallets utilize various technologies to facilitate transactions, including Quick Response (QR) codes, Near Field Communication (NFC), and Magnetic Secure Transmission (MST). QR codes enable transactions by storing information, such as payment amounts and recipients that can be accessed through a phone's camera or digital wallet scanning feature. NFC allows devices to share payment details through electromagnetic signals within close proximity. MST, on the other hand, generates a magnetic signal to conduct transactions securely on traditional card stripe machines and modern no-swipe credit card terminals. Once the stored card information is shared with the point-of-sale terminal, it is transmitted through payment gateways, processors and acquiring banks, ultimately reaching credit card networks to complete the payment.

India's instant payment system, Unified Payments Interface (UPI), recorded just over 3,700 transactions per second in CY 2024, according to a recent report by Paysecure, outstripping peers like the global payments platform Skrill and China's Alipay, and making UPI by far the most used alternative payments method in the world.

Industry overview

India has emerged as a global leader in digital payments, supported by a strong ecosystem that encourages widespread adoption. The country has one of the highest adoption rates, driven by advancements in digital technology and payment infrastructure that make transactions easier and more cost-effective.

India accounts for about 46% of the global real-time payment volume, with 89.5 million transactions. In comparison, Brazil handles 29.2 million real-time transactions. Remarkably, India's digital payment volume is higher than the combined total of the next four countries—Brazil, China, Thailand, and South Korea.

At the cross-country level, the adoption of digital payments is supported by factors such as banking penetration, technological advancements, the degree of formalization of the economy and younger demographics. India has been at the forefront of this payment revolution, with the UPI transforming the retail payment landscape. UPI has not only revolutionized domestic transactions but is also expanding globally, contributing to India's leadership in real-time payments.

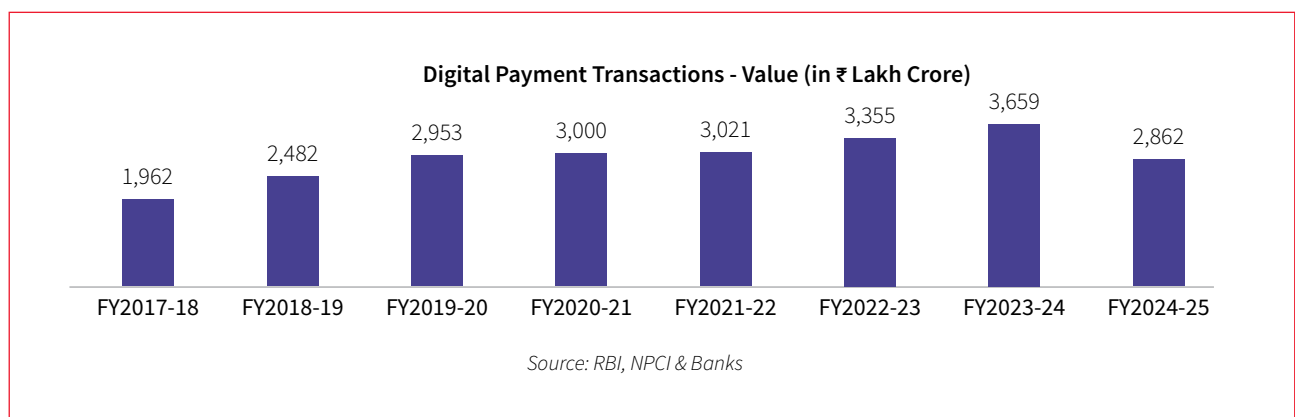
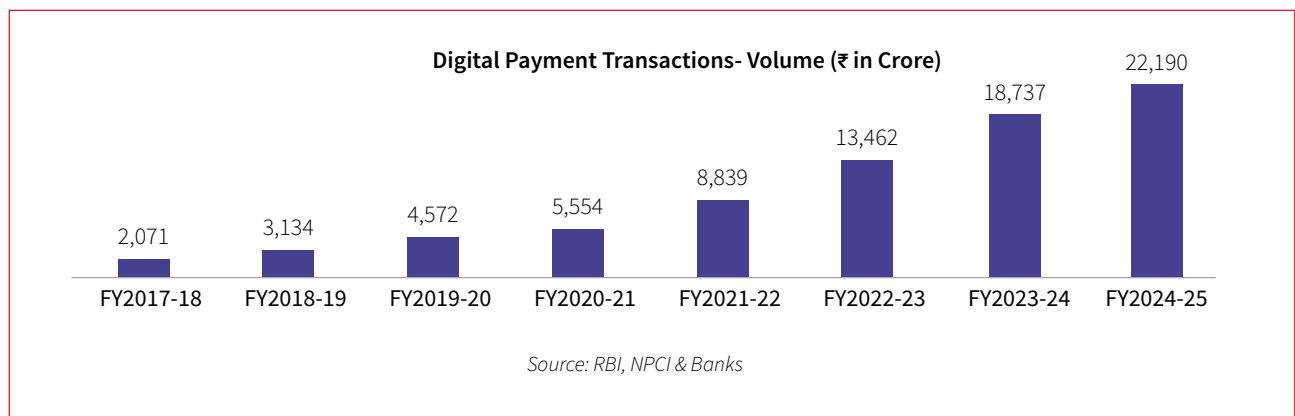
India's payment architecture is influenced by a combination of factors, including technological advancements, agents, institutions and policy interventions. This transformation has fostered financial inclusion and inclusive growth, but it also presents new challenges for policymakers. As India continues to lead in digital payments, its model is being studied and replicated by other countries, further solidifying its position as a global leader in financial innovation.

The Indian Fintech market size is estimated at US\$ 145.09 billion in 2025, and is expected to reach US\$ 550.21 billion by 2030, at a CAGR of 30.55% during the period of 2025 to 2030. The Indian fintech industry has shown massive growth over the past few years. The nation is gradually becoming a hub for many Fintech startups. The government initiatives towards promoting the digitization of financial systems and a cashless economy have helped shift consumer focus towards digital alternatives for financial transactions and services.

Funding from diverse domestic and international stakeholders also contributed to the growth in digital payments. The rise of digital commerce, innovation in payment technology using AI, blockchain, the Internet of Things (IoT), real-time prices, and the introduction of mobile point of sale (POS) devices have also contributed to growth. 80% of the Banking activities at top banks in the country run on digital channels; the country also has remittance programs that include FXNetworks, InstaReM, and Remitly. Many of these companies launch innovation labs, partnering with fintech firms to develop Proof of Concept (POC) and roll out products. Reserve Bank of India (RBI) helps finance startups with loans for technology, while the government

approved new banking licenses and increased the FDI limit in the insurtech sector.

In FY25, UPI transactions saw a 30% increase in value, reaching ₹260.56 trillion, up from ₹199.96 trillion in FY24. Transaction volume surged by 42%, rising to 185.85 billion transactions from 131.14 billion in the previous fiscal year. This growth highlights the rapid expansion of UPI adoption across India, particularly in regions beyond Tier 2 cities, as digital payments become a key pillar of the financial ecosystem. With over 80% share of total digital payment volumes, UPI has firmly established itself as India's leading payment platform.



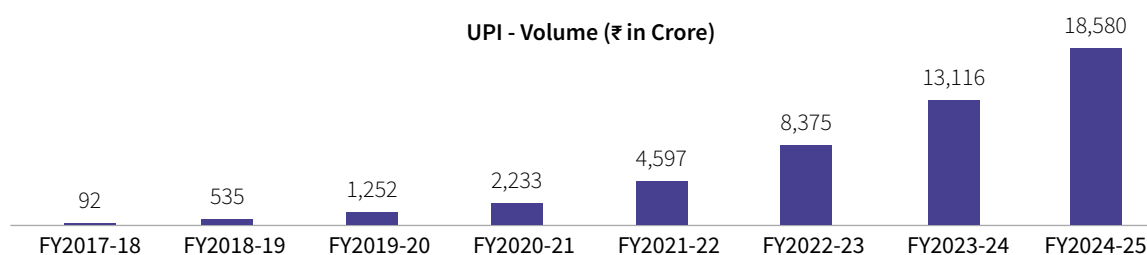
(Source: PIB)

The adoption of Mobile Point of Sale (mPOS) devices among small merchants also grew steadily in 2024, contributing to the overall expansion of digital payments. Meanwhile, the micro-ATM segment saw increased demand, with the average cash withdrawal per transaction rising to ₹2,750. The gross transaction value was driven not only by traditional banking and ATM services but also by innovative products like UPI, mPOS, insurance and e-commerce solutions. Despite this growth, opportunities

remain to address market gaps through better product pricing and distribution strategies to further enhance adoption across underserved regions.

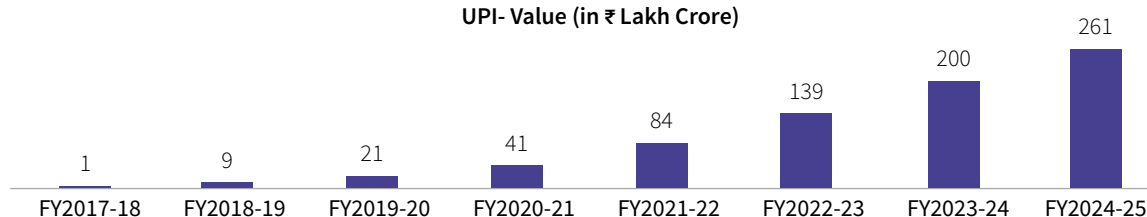
UPI has transformed India's digital payment landscape, making up 83% of total payment volume by 2024, a sharp rise from 34% in 2019. UPI transactions hit 17,221 crore, driving the overall payment volume to 20,787 crore. RBI highlights UPI's impressive CAGR of 74% over five years in boosting digital payments in India.

UPI - Volume (₹ in Crore)



Source: NPCI

UPI- Value (in ₹ Lakh Crore)



Source: NPCI

Government initiatives

The Indian fintech revolution with sustainable government initiatives played a pivotal role in fostering growth and innovation in the sector that positioned the country as a global leader in digital payments and inclusion. Here are some key initiatives that have contributed to this revolution:

Pradhan Mantri Jan Dhan Yojana: This initiative aims to increase financial inclusion by providing bank accounts to millions of people, enabling them to access various financial services directly. Over 551 million beneficiaries have been enrolled till April 2025, making it the world's largest financial inclusion program. As of April 2025, more than ₹2.6 trillion has been deposited into these accounts.

India Stack: A set of APIs designed to build public digital infrastructure, facilitating collaboration between governments, businesses, start-ups and developers. India Stack supports both public and private digital initiatives, creating a cohesive ecosystem for fintech growth. By the end of February 2025, Aadhaar authentication transactions had crossed a cumulative total of 14,555 crore, with 225 crore transactions recorded in February alone marking a notable rise from previous months. The Aadhaar e-KYC service also continued to play a vital role in enabling digital identity verification, recording over 43 crore transactions in February 2025 and bringing the cumulative e-KYC total to more than 2,311 crore.

JAM Trinity (Jan Dhan-Aadhaar-Mobile): Combines financial inclusion (Jan Dhan), digital identity (Aadhaar), and mobile connectivity to enhance financial services accessibility. This has facilitated bank account openings for over 570 million previously unbanked adults. As of FY2025, more than 1.39 billion Aadhaar cards have been issued.

UPI: A scalable platform for digital payments across India. UPI transaction volumes have surged significantly, contributing to a cashless economy. In FY25, the total value of UPI transactions grew by 30%, reaching ₹260.56 trillion, up from ₹199.96 trillion in FY24. Meanwhile, the transaction volume saw a robust 42% increase, climbing to 185.85 billion from 131.14 billion in the previous year.

Digital India programme: To improve digital infrastructure and promote digital payments. Enhanced payment infrastructure with services like IMPS, BHIM, and UPI. The program has allocated over 3.3 trillion ₹ in FY24 for digital infrastructure development.

Regulatory support: To create a favourable regulatory environment for fintech innovation. Encourages start-ups and foreign investments, fostering a competitive fintech landscape. In 2025, India's fintech sector attracted over US\$ 9.37 billion of investments in equity funding across 576 deals.

(Source: PMJDY, PIB, PwC report)

Payments bank industry structure and developments

The payments bank sector in India has undergone significant growth since its inception, primarily focusing on streamlining payment processes, remittances, and expanding access to banking services. Meanwhile, India's payments market has become increasingly segmented, with distinctions made between modes of payment, such as point-of-sale transactions (encompassing card payments, digital wallets, cash, and other methods) and online sales (including card payments, digital wallets, and others). Furthermore, the market is also categorized by end-user industries, including retail, entertainment, healthcare, hospitality, and various other sectors.

The expansion of digital payments extends beyond applications integrated with the UPI ecosystem. Payment cards, particularly credit cards, have demonstrated a robust increase in both user adoption and transaction volumes in India.

According to the Reserve Bank of India (RBI) data ATM usage has dipped significantly. In January 2025, there were 48.83 crore ATM cash withdrawal transactions, a decrease from 57 crore in January 2023 and 52.72 crore in January 2024. Despite this decline, cash remains a significant part of the Indian economy.

Further, Reserve Bank of India's (RBI) Half Yearly Payment Systems Report for December 2024 states that the number of credit card transactions in the country more than doubled from 208.67 crore in 2019 to 447.23 crore in 2024. The value of the transactions rose to ₹20.37 lakh crore from ₹7.13 lakh crore in the same period (2019-2024) due to online spending accounting for nearly half of all credit card transactions in the last financial year.

Payments banks in India have been instrumental in enhancing financial inclusion and digital payments since their inception. These banks are authorized to accept non-NRI demand deposits and issue ATM and debit cards, as well as Prepaid Payment Instruments (PPIs). They provide remittance services, internet banking, and act as business correspondents for other banks, facilitating utility bill payments and offering simple, non-risk-sharing financial services. The focus on payments and remittances is central to their operations, with a maximum account balance for customers capped at ₹2 lakh at the end of each day, increased from the original ₹1 lakh limit.

One of the key regulatory frameworks governing payments banks is their investment structure. They can invest up to 75% of their demand deposit balances in government securities or treasury bills with maturities of up to one year. This investment is recognized as eligible for maintaining the SLR. The remaining 25% must be held in current and time/fixed deposit accounts with other scheduled commercial banks to meet operational and liquidity needs. However, payments banks are not permitted to offer loans directly, which limits their revenue streams. To generate returns sufficient to pay interest on savings accounts, they rely on these investments.

The payments banks have successfully established a wide network of banking points across India. Fino Payments Bank alone has set up nearly 19 lakh merchant banking points, leveraging its own business correspondent channel, existing branch infrastructure and partner network. This extensive network is crucial for expanding financial services, especially in rural areas where traditional banking infrastructure may be limited.

The role of payments banks in promoting digital payments and financial inclusion cannot be overstated. They have been instrumental in facilitating transactions through assisted digital services and platforms like UPI, which has seen significant growth in the recent years. As of 2024-25, UPI continues to be a major driver of digital transactions in India, with billions of transactions processed monthly. This shift towards digital payments aligns with the government's vision of a cashless economy and has been supported by initiatives such as the Digital India Programme.

Payments banks' ability to provide essential banking services, combined with their extensive network and strategic partnerships, positions them as key players in the country's financial landscape. As the fintech sector continues to evolve, payments banks are likely to remain at the forefront of innovation, driving further growth in digital transactions and financial services accessibility. There have been representations from industry bodies to allow payments banks to offer micro credit. Some payments banks have the opportunity to convert into small finance banks. If that happens then there is potential to unlock the value of their strong rural network and also strengthen their business models.

(Source: Mordor intelligence, Economic Times, Rbi.org, Moneycontrol, Times of India)

Company overview

The Bank is a leading Indian payments bank dedicated to delivering a comprehensive range of banking and financial services, with a focus on meeting the needs of underserved groups such as low-income families, small businesses, and rural communities. It offers essential services including savings and current accounts, money transfers, bill payments, and mobile recharges, which are fundamental for managing daily finances. Beyond these core services, the Bank has partnered with institutions to provide customized offerings like micro-insurance and micro-investments. These are specifically designed to address the unique needs of its target customer base. While payments banks cannot offer loans directly, they can refer customers to partner institutions for loan services, ensuring access to credit when needed. By providing these tailored financial solutions, the Bank aims to enhance financial inclusion and empower underserved communities by making financial services more accessible and affordable. In short, Fino is a multi-location, multi-product and multi-platform new age Bank.

Opportunities and threats

Opportunities

Rapid growth in digital payments: It presents a significant opportunity for payments banks to expand their services. UPI has become the backbone of India's digital payments landscape, with a projected growth that could see it process over 100 crore transactions per day by FY27. Payments banks can leverage this trend by further expanding their UPI-based transaction services. The digital payments market in India is expected to reach \$1.89 trillion by 2025, with a CAGR of 16.31% from 2025 to 2029, presenting a vast opportunity for payments banks to increase their market share.

Fintech market growth: The growth of the Indian fintech industry offers another avenue for payments banks to innovate and diversify their offerings. They can introduce new financial products in subsectors like BankingTech, PayTech, and InsurTech, attracting new customers and expanding their market presence. The fintech sector in India has seen significant investments, with the potential to continue growing as more start-ups emerge with innovative solutions. This environment encourages payments banks to collaborate with fintech companies to develop cutting-edge financial services. The market size was

estimated at approximately US\$ 106.2 billion in 2024, with projections indicating a potential reach of US\$ 145 billion by 2025. This expansion is driven by increased digital adoption, a growing middle class, and supportive government initiatives like Digital India.

Bank-fintech partnerships: Bank-fintech partnerships offer a unique opportunity to enhance financial services by combining banks' trust and infrastructure with fintechs' innovation and agility. These collaborations enable banks to offer advanced products like AI-driven lending and digital wallets, while improving customer experience through seamless, personalized services. Additionally, such partnerships help expand into under-banked markets and maintain competitiveness in the digital landscape, creating a more secure and customer-centric financial ecosystem.

Government support and digitalisation: Government initiatives play a crucial role in supporting the expansion of digital services by payments banks. Programs like the Digital India and Digidhan Mission aim to promote digital financial services and a cashless economy. These initiatives can help payments banks reach a broader customer base, especially in underpenetrated markets. The government's push for digital payments is evident in measures to simplify KYC processes and enhance digital payment accessibility for MSMEs, as outlined in the Union Budget 2025-26.

Technological adoption among small merchants: The increasing adoption of technology among small merchants also presents a significant opportunity for payments banks. The use of mobile point of sale (mPOS) devices is growing, indicating a larger market for digital solutions tailored to small businesses and micro-entrepreneurs. Payments banks can capitalize on this trend by offering customized digital payment solutions that cater to the needs of these businesses. As merchant acceptance of digital payments increases, payments banks will have a larger customer base to serve, further expanding their reach and influence in the financial services sector.

(Source: PwC report, NIC, PIB)

Threats

Competition in the fintech landscape: The Indian fintech sector is characterized by intense competition, with both traditional banks and fintech start-ups vying for market share. Traditional banks are now offering fintech-like services, such as early pay check access and no-fee overdrafts, making them strong competitors in the digital payments space. Meanwhile, fintech companies like Paytm, PhonePe and Razorpay are leading the charge in digital payments, offering innovative solutions that enhance accessibility and convenience. This competitive landscape requires payments banks to continuously innovate and differentiate their offerings to retain customers and maintain market share.

Regulatory changes: The regulatory environment for digital payments and financial services is evolving rapidly. New regulations could impose additional compliance costs or restrict certain lucrative operations, impacting profitability. For instance, the RBI's increased oversight and compliance requirements for

fintech companies add complexity to their operations. Payments banks must stay agile and adapt quickly to these regulatory changes to remain competitive.

Cyber security risks: As digital transactions increase, so does the risk of cyber threats leading to frauds and thefts. Ensuring robust security measures and gaining customer trust in the safety of their transactions is critical but also costly. With the rise of digital payments, cyber security threats are becoming more sophisticated, necessitating significant investments in security infrastructure to protect customer data and maintain trust.

Economic downturns: The fintech sector is vulnerable to economic downturns, as reflected in the decline in equity funding during such periods. This financial instability can affect investments in new technologies and marketing efforts, impacting growth and innovation.

Market saturation: With the rapid expansion of digital payment solutions and services, there is a risk of market saturation. Payments banks must continuously innovate and differentiate their offerings to stay ahead in the market. This involves leveraging emerging technologies like AI and blockchain to enhance customer experience and provide personalized financial solutions. Expanding into new markets, such as cross-border payments and cloud-based infrastructure, can help mitigate the risk of saturation.

(Source: PwC report, Mordor Intelligence)

Business model

Fino Payments Bank, established on April 4, 2017, leverages a robust financial and distribution network backed by prominent investors including ICICI Group, Bharat Petroleum (BPCL), Blackstone, and IFC. With a strong technological foundation, the Bank aims to economically integrate the underserved population through accessible banking services. By adopting a technology-led asset light driven commission-based transaction model, Fino Payments Bank reduced costs, enhanced customer convenience, and improved services, particularly in rural areas, moving away from traditional brick-and-mortar structures.

The Bank's technology-first approach allowed it to create a unique physical and technological infrastructure, marking one of the earliest implementations of a 'phygital' model in India. This model combines physical and digital elements to provide seamless banking experiences. By focusing on technology, the Bank was able to reach remote areas more efficiently than traditional banks, which were still expanding their physical presence.

The Bank's asset-light business model relies heavily on merchants acting as its representatives. These merchants fulfil the Banking and financial needs of their communities, reducing the need for extensive physical infrastructure. At the close of FY25, this network comprised nearly 19 lakh merchants, indicating rapid growth and expansion.

While bank account penetration in India is comprehensive, the Bank recognizes that the more significant opportunity lies in encouraging daily banking activities among its customer segments. This is encapsulated in its slogan, **HarDinFino!** The

data shows that simply opening a bank account does not lead to regular banking behaviour among the masses. Therefore, financial institutions need to customize their products and services to cater to these segments.

The Bank has taken the initiative to make financial services accessible and affordable by customizing its products and services. Along with its extensive merchant network, the Bank leverages improved internet connectivity and increased smartphone usage throughout the country to reach last-mile customers efficiently. With a broader range of products, the Bank can effectively cater to the diverse needs of its customers.

Under its Fino 2.0 initiative, the Bank launched the FinoPay mobile app-based digital savings account. This offers customers a smooth, paperless signup process complete with a personalized debit card and an instant upgrade option via Video KYC. The subscription model eliminates minimum balance maintenance charges, making it more appealing to customers. By the close of FY25, around 5.8 lakh customers had opened their savings accounts through this platform in just over two years of its introduction.

The Bank recently introduced a new variant of its savings account product called Gullak with a minimum balance requirement. The product is aimed at a customer segment with higher disposable income than its traditional base. This strategic move helps the Bank tap into a more affluent market while maintaining its commitment to financial inclusion. To strengthen its digital presence and improve customer engagement, the Bank introduced several initiatives in FY25. These included launching a new website to increase traffic, extending the FinoPay app to the iOS platform in addition to Android, and implementing a rewards program to increase mobile app usage. A range of UPI services were introduced including UPI Lite, UPI Credit Card and

UPI Circle to cater to the growing smartphone and UPI using customer segment.

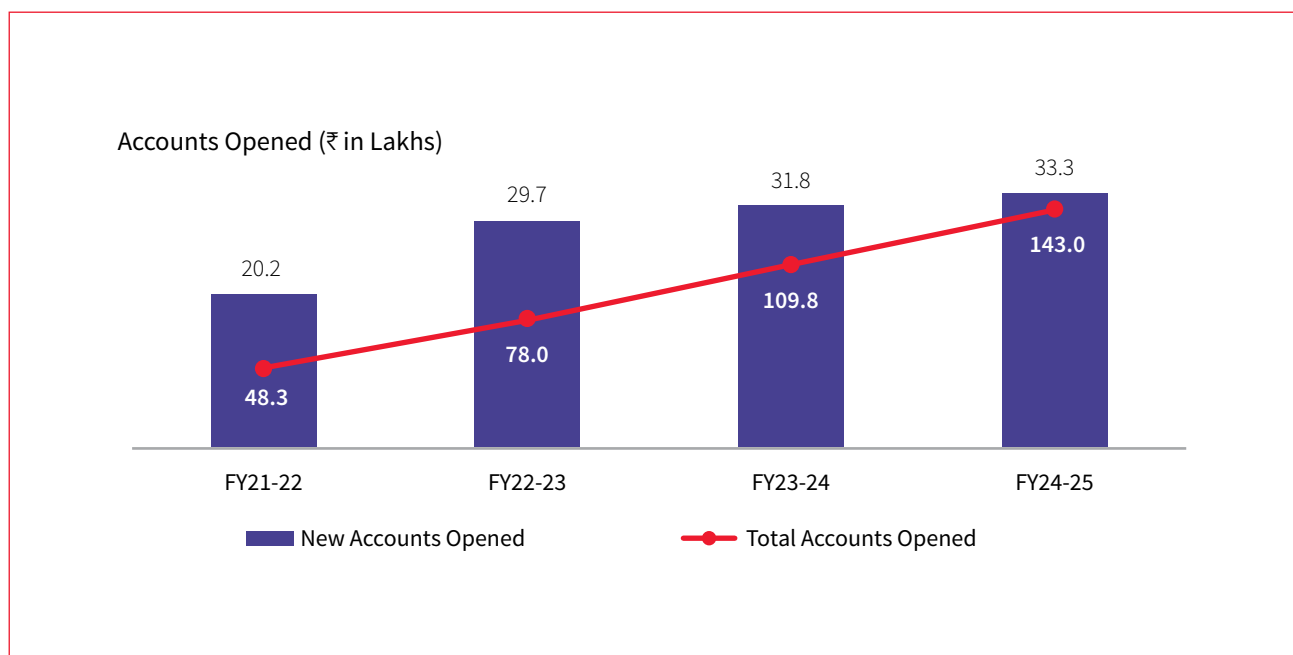
Further, the FinoPay mobile app enables more than 100 services that enhance customer experience and transaction speed through intuitive user interface (UI), user experience (UX) and optimized backend services. The Bank also integrated more than 15 fintech partners into its digital payment ecosystem, foraying into Banking as a Service (BAAS) offerings. These partners use the Bank's UPI platform to offer payment services to their merchants, resulting in incremental transactions and contributing to the Bank's revenue.

The Bank's business model, which emphasizes Distribution-Technology-Partnerships (DTP), plays a crucial role in mitigating risks. Over recent years, the Bank has successfully built a strong brand identity, facilitating easy recognition and preference within the ecosystem. By enhancing the merchant's role as a local banker and promoting the Bank's motto of **#FikarNot**, the Bank actively fosters a preference for its brand, ensuring customer loyalty and trust.

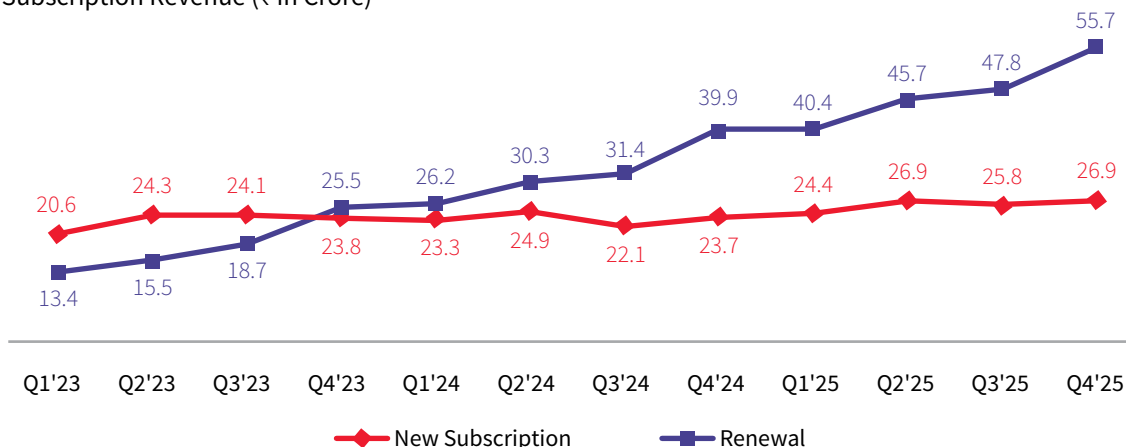
Product wise performance

CASA: Fino Payments Bank's commitment to customer ownership is deeply rooted in this critical business area. The Hatho Hath Debit Card and Bharosa product offerings, accessible at local Fino merchant points are key to achieving this objective. Our involvement in government schemes like MNREGA also boosts our attractiveness to customers, positioning us as a preferred choice.

In FY25, Fino Payments Bank opened approximately 33.3 lakh new accounts, bringing the total accounts to around 143.0 lakh. Revenue from account renewals was ₹189.6 crore and from new CASA subscriptions at ₹104.1 crore.



Subscription Revenue (₹ in Crore)



Our consistent focus on sourcing Current and Savings Accounts (CASA) and prioritizing the acquisition of high-quality customers, many of whom utilize UPI for transactions, has significantly boosted our subscription revenues. This includes the renewal of bank accounts, which fosters ongoing relationships with the Bank. The strategic deployment of advanced artificial intelligence (AI) and machine learning (ML) ensemble models have been instrumental in enhancing renewal rates. Most notably, our investment in acquiring high-quality customers has yielded substantial returns, underscoring the effectiveness of our customer acquisition strategy.

Fino Payments Bank launched its Digital Savings Account in December 2022, successfully opening over 5.8 accounts by the end of FY25. The success of the digital savings account reflects the evolving profile of Fino Bank's customers, who are increasingly embracing digital banking solutions.

As of the latest updates, Fino Bank continues to expand its digital offerings, targeting young millennials and enhancing its direct-to-customer (D2C) channel through the FinoPay app. This strategic focus on digital growth aligns with India's rapidly digitalizing economy and is expected to further boost the Bank's customer base and revenue streams.

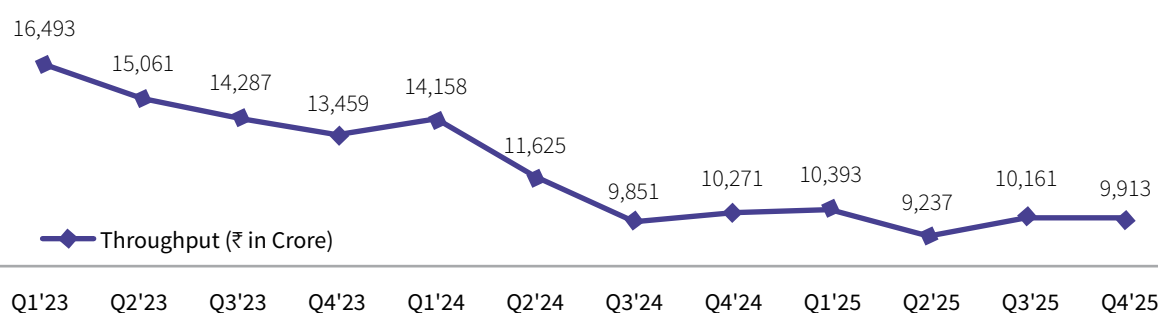
Micro ATMs and AePS: Fino Payments Bank plays a pivotal role in providing access to cash withdrawals, a fundamental banking requirement, through its Micro ATMs and Aadhaar Enabled Payment System (AePS). Currently, the Bank offers this

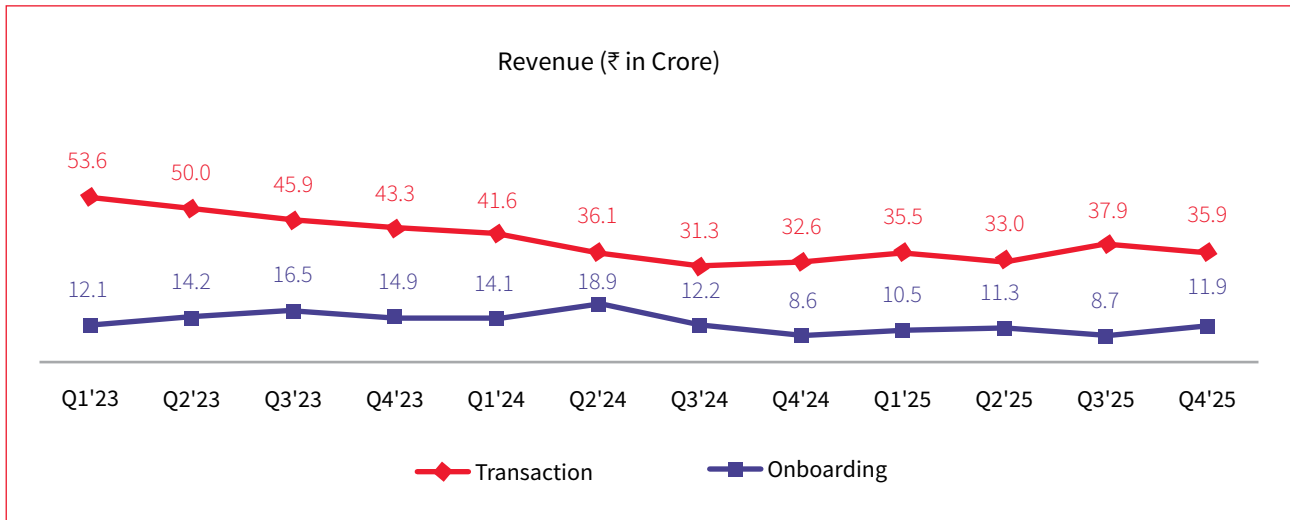
service in 97% of the country's pin codes, often marking the first interaction customers have with Fino's services. This extensive reach underscores the Bank's commitment to financial inclusion, particularly in rural and semi-urban areas.

Merchants are required to pay an on-boarding fee that strengthens their long-term relationship with the Bank. This fee-based model not only enhances merchant engagement but also positively impacts the Bank's Profit and Loss Statement. As of FY25, Fino has deployed around 19 lakh banking points, including Micro ATMs and AePS-enabled devices, to ensure seamless access to cash and other banking services.

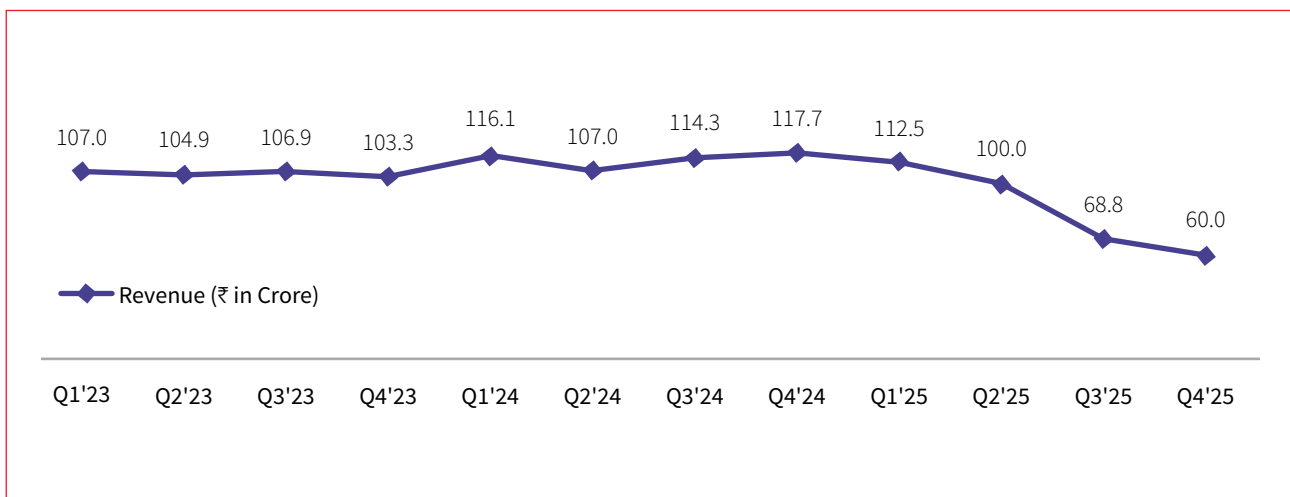
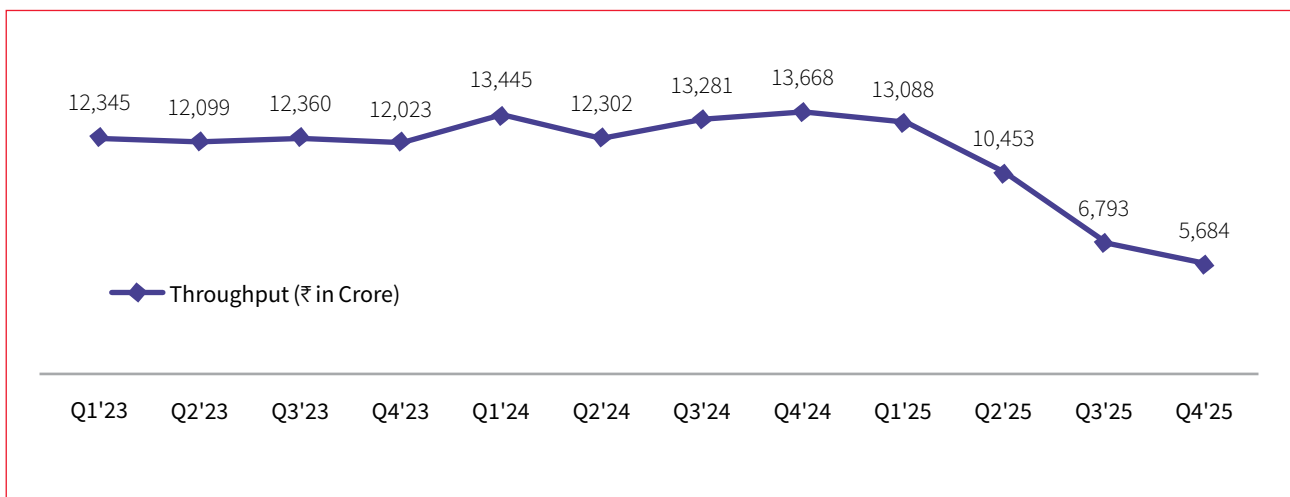
Despite the growing adoption of digital payment platforms like UPI, which has led to a gradual decline in transaction volumes through Micro ATMs, Fino Payments Bank has maintained consistent take rates. In FY25, the Bank facilitated 287.8 crore UPI transactions, reflecting the increasing shift toward digital payments while continuing to support cash-based transactions for underserved segments.

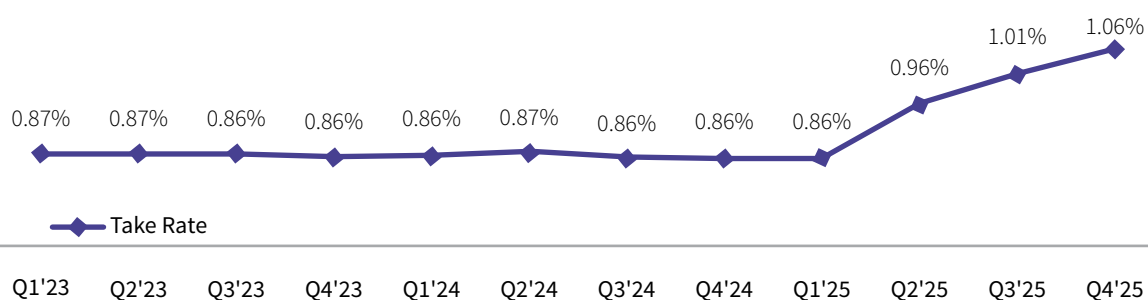
The deployment of advanced technology and a robust merchant network has helped Fino sustain its competitive edge, even amid rising competition. The bank's focus on balancing its physical and digital channels ensures it remains a key player in India's evolving payments ecosystem. Looking ahead, Fino aims to further leverage its network and explore new opportunities in UPI-based B2B transactions and customer engagement strategies.



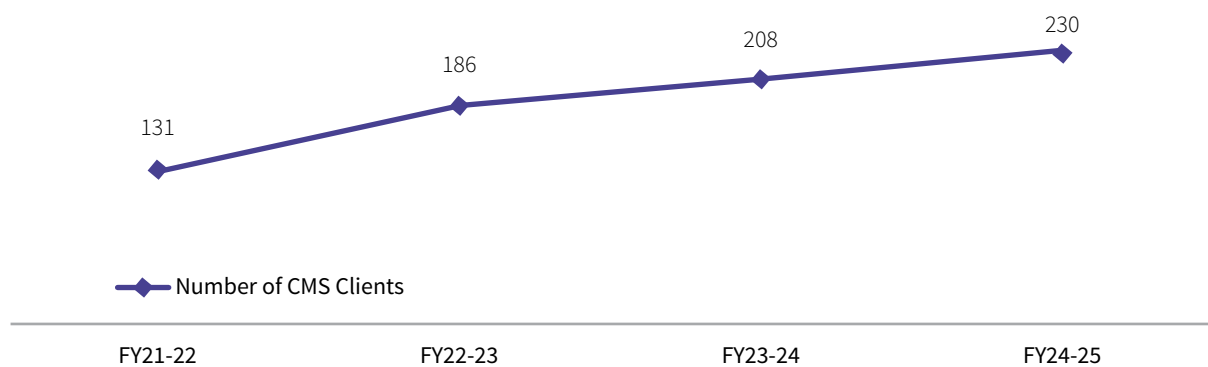


Domestic Money Transfer (DMT): Fino Payments Bank introduced its DMT product in 2017, laying the foundation for its initial distribution network, particularly focusing on key remittance corridors such as South India and Gujarat to Bihar. This service has been instrumental in catering to the needs of migrant workers and daily wage earners, enabling seamless fund transfers across the country.

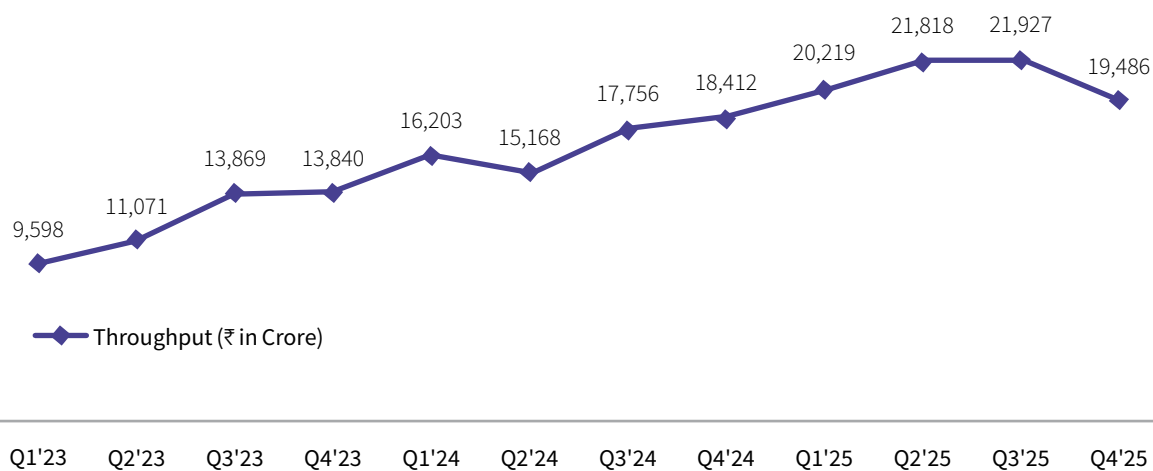




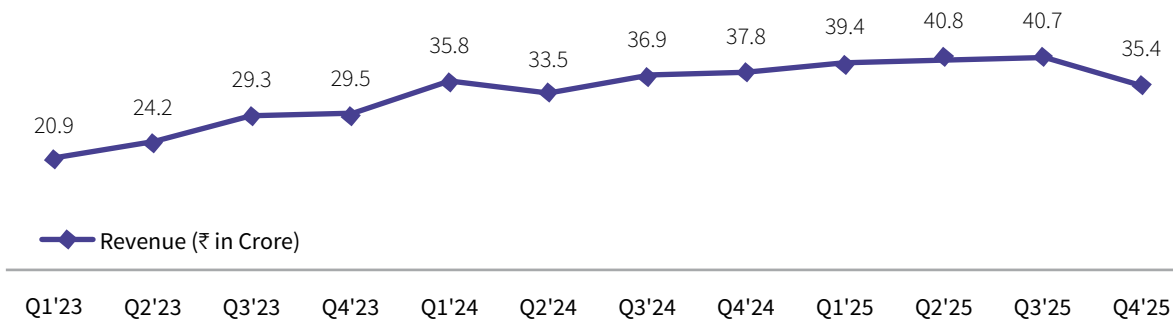
Cash Management Services (CMS): Fino Payments Bank's CMS segment has evolved into a crucial component of its business model, leveraging strategic partnerships to ensure widespread cash availability across the Bank's ecosystem. This service facilitates consumer withdrawals and supports the Bank's extensive network of banking points.



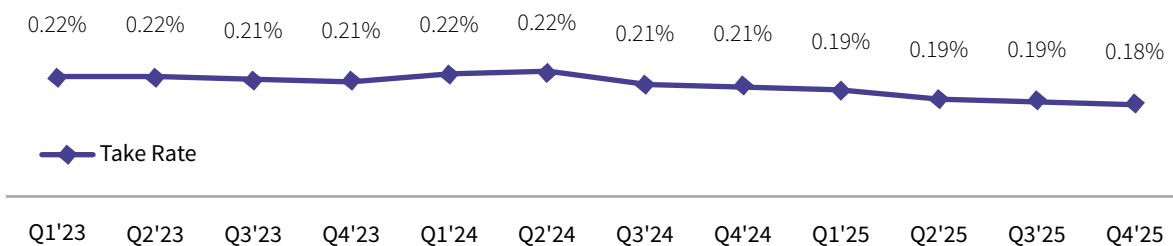
The Bank collaborated with 230 leading companies in India across sectors like NBFC, e-commerce, and logistics, helping them manage their cash efficiently. This strategy exemplifies an effective ecosystem play that benefits partners, merchant network, and consumers, creating win-win outcomes.



An increasing throughput plays a big role in driving profitability for the Bank.

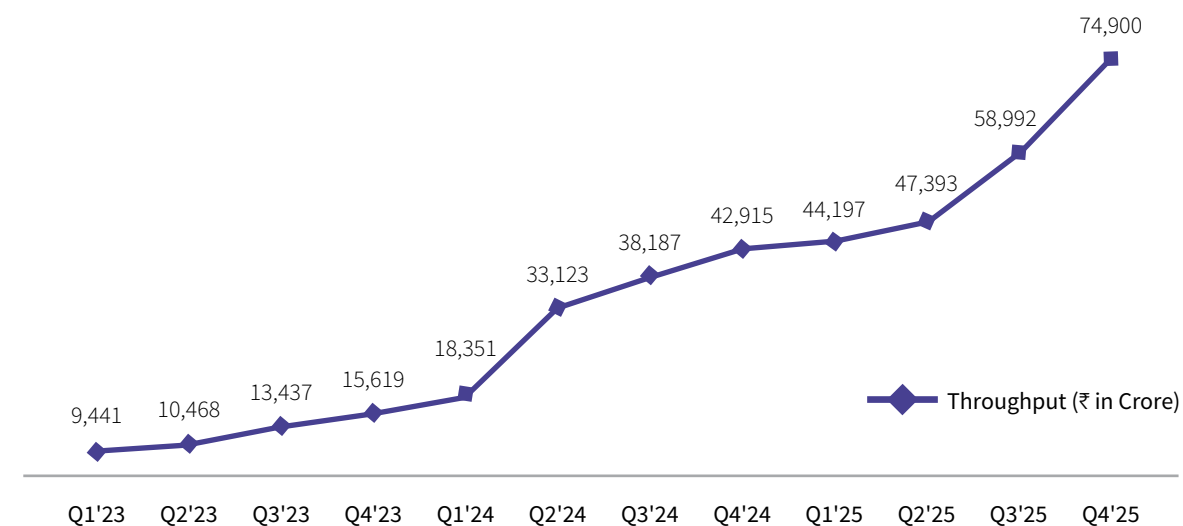


The take rates have become increasingly competitive.



Margins remained at 35%, allowing CMS to generate substantial net revenue. This was crucial as it maintained the momentum of the ecosystem. Additionally, the Bank provided services on behalf of other banks, which accounted for 8% of our total revenue.

Digital Payment Service (DPS): In FY25, Fino Payments Bank aggressively expanded its digital business, with a focus on enhancing UPI-based transactions. The Bank has reported a significant surge in its digital business, which now accounts for 21% of its revenue in FY25, up from 6% in the same period last year. This growth is driven by the Bank's strategic investments in technology and its robust digital ecosystem.



Outlook

The Bank's revenue increased by 24.9% year-on-year, reaching ₹1,847.1 Crore in FY25, supported by a 28.6% increase in the total transaction throughput value to ₹4,61,026.5 Crore during the year under review. Digital transactions significantly contributed to this growth, surging by 70.1% year-on-year and accounting for nearly 48.9% of the total throughput in FY25. Excluding digital transactions, the overall throughput grew by 4.3% year-on-year.

In FY25, the Bank processed 337.9 crore transactions, a 60.1% increase from FY24. More than 33 lakh Fino Bank current and savings accounts were opened during the year, nearly 5% more than the previous year. Merchant-enabled banking points reached almost 19 lakh as of March 31, 2025, reflecting an 8.7% year-on-year increase.

The fastest-growing segments in FY25 were CASA, Digital Payment Services and CMS, which together represented 59% of the total revenue. Within CASA, combined revenue from subscription and renewals grew by 32.4% year-on-year, while the renewal business alone expanded by an impressive 48.4%. The CMS segment saw a 23.6% year-on-year increase in throughput.

Looking ahead to FY26, the company anticipates continued growth in the CASA, Digital Payment Services and CMS segments. The other mature businesses like DMT, Micro-ATM, and AEPS are expected to maintain their growth momentum. Across the blended portfolio, we project growth rates of approximately 20-25%. Net revenue margins are expected to remain stable within the current range.

Key financial ratios

Particulars	2024-25	2023-24
EBITDA/Turnover (%)	12.7%	12.9%
(before exceptional items)		
Return on equity ROE (%)	13.3%	14.4%
Book value/share (H)	89.7	77.3
Earnings per share (H)	11.1	10.4
Operating profit margin (%)	5.9%	5.9%
Net profit margin (%)	5.0%	5.8%
Debt-equity ratio	1.12	1.11

Risk and Mitigation

Fino Payments Bank operates on a robust technological framework that simplifies banking for merchants and seamlessly integrates various banking devices into its mobile application. This innovative system has revolutionized banking by enabling even customers in the remotest areas to quickly open accounts, withdraw cash, and perform other transactions.

The bank risk management framework is structured to address key risks typically faced by financial institutions, including liquidity risk, interest rate risk, operational risk, cash management risk, information security, cyber risk, and reputational risk. These risks are meticulously evaluated and overseen by executive-level committees before being presented to the Audit Committee, the Risk and Asset Liability Management (**RALM**) Committee, and the IT Strategy Committee, which supervises IT security and cyber risks. Key risk indicators are used to monitor exceptions, deviations, losses, and other critical metrics, ensuring a proactive approach to safeguarding the Bank's operations and reputation.

Risks	Description	Mitigation
Technology risk	Technology's dynamic nature poses a significant challenge, as today's benefits can quickly become outdated. With multiple integrations and multiple moving parts required for a successful transaction, technological risks can severely impact the Bank's daily operations, making them a constant threat.	The Bank has implemented a FRM system to monitor transactions and detect irregularities. This proactive approach enables the Bank to swiftly take corrective measures, such as modifying applications or imposing transaction limits, to mitigate potential risks and ensure seamless operations.
Cyber Security risk	The Bank's digital division is exposed to various cyber threats, including viruses and malware, making the organization vulnerable to potential attacks and data breaches.	To safeguard against vulnerabilities, the Bank has implemented a multi-layered security framework. This includes protocols for secure data transmission, measures to protect data confidentiality, and prevent leakage. These robust security controls ensure the integrity and confidentiality of sensitive information. The Bank has also established stringent internal processes and policies, featuring built-in checks and balances to prevent fraudulent activities, misappropriation, theft, and embezzlement. In the event of exceptions, prompt action is taken to recover losses, ensuring minimal disruption to operations. In addition to these measures, the Bank prioritizes regulatory compliance, ensuring timely reporting and updates to relevant committees, including the operational risk management committee and RALM committee. The Bank's investment in advanced analytics and model building has significantly enhanced its ability to detect fraudulent transactions and aberrations. This enables the Bank to initiate corrective actions promptly, minimizing potential risks and protecting its assets.

Risks	Description	Mitigation
Regulatory risk	As a payments bank, we are subject to a complex framework of regulations, laws, and standards. Strict adherence to these requirements is crucial, as non-compliance could lead to severe consequences, including reputational damage and loss of customer trust, ultimately resulting in a decline in customer base.	The Bank has established a dedicated compliance team that continuously monitors relevant regulatory requirements, ensuring timely identification and mitigation of potential risks. This team periodically presents its findings to the board, providing assurance on the Bank's compliance status. As a payments bank, we are subject to stringent regulatory requirements and prudential norms, including CRR, SLR, DDB, TNW, and CAR, among others. We closely follow and monitor these requirements on an ongoing basis, providing regular compliance updates to the board and executive-level committees. The Bank also manages its financial outsourced vendors in accordance with regulatory guidelines, as outlined in our outsourcing policy. The outsourcing committee periodically reviews these arrangements in a structured manner, providing updates to the RALM Committee. All new engagements or renewals of existing arrangements require approval from the outsourcing committee, ensuring rigorous oversight and control. This comprehensive approach to compliance and outsourcing management enables the Bank to maintain the highest standards of regulatory adherence, mitigating potential risks and ensuring the trust of our customers and stakeholders.
Competition risk	The Bank operates in a highly competitive landscape, where customers and merchants are presented with a multitude of choices, making it essential for the Bank to differentiate itself and deliver exceptional services to maintain a competitive edge.	To sustain its market leadership, the Bank is committed to continuous innovation, regularly enhancing its platform and delivering personalized services that meet the evolving needs and expectations of its customers and merchants.
Operational risk	As a payments bank, we are accountable for managing cash within our controlled environment, encompassing branches and CSPs. Conversely, the responsibility of managing cash outside the Bank's purview, including merchant BCs, distributors, CMS, and other external channels, lies with the respective merchants and distributors.	The Bank has established robust internal controls, embedding checks and balances within its policies and processes to prevent and detect fraudulent activities, misappropriation, theft, embezzlement, and other financial crimes. In the event of exceptions, prompt action is taken to recover losses, and the Bank ensures timely regulatory reporting, as well as updates to the Operational Risk Management Committee and the RALM Committee, guaranteeing transparency and accountability.

Internal control systems

The Bank adheres to all applicable local regulatory standards to ensure the effective and efficient management of its business. It places great importance on establishing a strong internal control system as a cornerstone of effective corporate governance. The Bank has implemented internal controls that are appropriate for the size and nature of its operations. These controls are continuously monitored and updated as necessary to safeguard against loss or unauthorized use of assets. The Bank has also established an audit committee, which considers all internal factors and recommends corrective action when needed.

Human resource

The Bank recognizes its employees as its most valuable asset, fundamental to its success and future growth. To attract and retain top talent, the Bank's HR philosophy focuses on creating a fulfilling, inclusive, and supportive work environment that emphasizes professional development. This approach prioritizes diversity, equity, and inclusion, fostering a culture where employees can thrive.

To achieve this goal, the Bank offers competitive remuneration packages and implements best-in-class hiring, training, motivation, and performance assessment procedures. As a result, the Bank has maintained an attrition rate significantly below the industry average. As of March 31, 2025, the total number of employees in the Company was 2,769, demonstrating the Bank's commitment to investing and retaining talent.

Cautionary statement

Statement in the Management Discussion and Analysis describing the Bank objectives, projections, expectations and estimates regarding future performance may be 'forward-looking statements' and are based on the currently available information. The management believes these to be true to the best of its knowledge at the time of preparation of this report. However, these statements are subject to certain future events and uncertainties, which could cause actual results to differ materially from those, which may be indicated in such statements.

Report on Corporate Governance

PHILOSOPHY ON CORPORATE GOVERNANCE

FINO PAYMENTS BANK LIMITED ("The Bank") believes that good governance is the foundation to build trust and confidence of its stakeholders. The Bank adopts best practices on Corporate Governance in line with the directions of Reserve Bank of India ("**RBI**"), Securities Exchange Board of India ("**SEBI**"), Ministry of Corporate Affairs ("**MCA**") and other regulatory authorities and is committed to adhering to its core business values of Courage, Empathy, Frugality and Reliability. The Bank also places high emphasis on accountability, responsibility, credibility, integrity, transparency and empowerment to generate long term value for its stakeholders and to retain investors' trust.

The Board of the Bank is the custodian of governance and is responsible for the business including formulating the overall strategy and ensuring implementation thereof. The Managing Director and Chief Executive Officer ("**MD & CEO**") is responsible for the overall affairs of the Bank under the superintendence, guidance and control of the Board. The Board has constituted various Committees to deal with specific matters as per applicable laws and the terms of reference of each Committee are defined.

The Bank's Corporate Governance philosophy has been strengthened through various Policies and Codes, which are regularly reviewed and updated so as to be aligned with the applicable laws, rules & regulations. The Board has adopted a Code of Conduct for Directors and Senior Management Personnel. Further, the Independent Directors also submit their annual declarations regarding fulfilling the criteria of independence.

BOARD OF DIRECTORS

Composition

The composition of the Board of Directors of the Bank ("**Board**") is governed by the provisions of the Companies Act, 2013 ("**Act**"), The Banking Regulation Act, 1949 and rules and regulations issued by Reserve Bank of India ("**RBI Regulations**"), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**") and other applicable laws and the Articles of Association of the Bank.

During the year under review, the Board of the Bank had an optimum combination of Executive and Non-Executive Directors including Independent Directors and Women Directors with excellent knowledge and experience in various fields relating to the business activities of the Bank. The Board has a strong gender diversity with 3 of 5 Independent Directors being women.

As on the date of this Report, the Board consists of eight (8) Directors as follows:

Sr. No.	Category	Name of Director
1.	Independent Directors	- Mr. Rajat Kumar Jain - Mrs. Deena Asit Mehta* - Mr. Rakesh Bhartia - Mrs. Anita Sudhir Pai - Mrs. Neeta Mukerji
2.	Non-Executive Nominee Directors	- Mr. Pankaj Kumar (Nominee of Fino PayTech Limited) - Mr. Prateek Roongta (Nominee of Fino PayTech Limited)
3.	Executive Director	Mr. Rishi Gupta (MD & CEO)

**The Board at its meeting held on March 16, 2025 approved the appointment of Mrs. Deena Mehta as an Additional Director in the capacity of Independent Director and her re-appointment as an Independent Director of the Bank for the second term with effect from March 19, 2025 up to March 18, 2028 (both days inclusive). The Shareholders approved her re-appointment by passing a Special Resolution through Postal Ballot on May 18, 2025.*

Attendance at Board Meetings and Last Annual General Meeting

The Board meets at least once a quarter to review the financial and business performance along with other agenda items and additional meetings are conducted from time to time to consider specific matters, whenever required. The date of Board meetings for the next calendar year are decided well in advance and are informed to the Directors so as to enable them to manage their schedule effectively.

Video-conferencing facility is also provided at the Board / Committee meetings in case any director is unable to attend the meeting physically but wishes to participate through electronic mode.

In consultation with the Board Members and the management team, the Company Secretary prepares the agenda along with the detailed notes thereon. Directors can recommend inclusion of any additional matter in the agenda for discussion in the meetings with the permission of the Chairperson and the consent of a majority of directors present at the meeting including at least one independent director.

Senior Officials are also invited to attend the Board/ Committee meetings, make presentations and provide additional inputs to the agenda items under discussion, whenever required. During the year under review, presentations were made on business

strategy, performance updates, financial statements, IT, Risk, Compliance, Internal Audit, HR, Customer Service, Governance etc. Information required to be placed before the Board of Directors as mentioned in Schedule II Part A of the SEBI Listing Regulations was also placed before the Board for its consideration, as and when required.

During the year under review, 7 (Seven) Board Meetings were held on April 30, 2024, May 30, 2024, July 31, 2024, October 23, 2024, December 18, 2024, January 29, 2025 and March 16, 2025.

Details of attendance at the Board Meetings held during the year under review and attendance at the last AGM are as follows:

Name of the Director	Board Meetings							AGM
	April 30, 2024	May 30, 2024	July 31, 2024	October 23, 2024	December 18, 2024	January 29, 2025	March 16, 2025	September 25, 2024
Mr. Rajat Kumar Jain								
Mrs. Deena Asit Mehta								
Mr. Rakesh Bhartia								
Mrs. Anita Sudhir Pai								
Mrs. Neeta Mukerji								
Mr. Pankaj Kumar								
Mr. Prateek Roongta								
Mr. Rishi Gupta								

 Present in the meeting

 Leave of Absence

The gap between any two consecutive meetings was less than 120 days. The necessary quorum was present for all the meetings.

Other Directorships, Memberships and Chairpersonships held by directors in other companies as on March 31, 2025

Name of Directors	Directorship on the Board of other Companies	Membership/ (Chairpersonship) of Committees of other companies®
Mr. Rajat Kumar Jain	6	4(0)
Mrs. Deena Asit Mehta	4	2(2)
Mr. Rakesh Bhartia	7	2(1)
Mrs. Anita Sudhir Pai	2	1(0)
Mrs. Neeta Mukerji	3	4(0)
Mr. Pankaj Kumar	1	0
Mr. Prateek Roongta	7	6(1)
Mr. Rishi Gupta	0	0

®The figures in brackets indicate chairpersonships.

Note: For the purpose of considering the limit of the directorships, all public limited companies (whether listed or not), private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 have been included. Further, chairpersonships / memberships of only Audit Committee and Stakeholders Relationship Committee of public limited companies have been considered.

Pursuant to the SEBI Listing Regulations, none of the Directors on the Board is a member of more than ten (10) Committees and Chairperson of more than five (5) Committees across all public limited companies in which he/she is a director. All the Directors have made necessary disclosures regarding the Committee positions occupied by them in other companies.

None of the Directors is related to each other.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Bank has a Board approved Policy to familiarize Independent Directors about the business and functioning of the Bank and their roles, rights, responsibilities in the Bank, nature of the industry in which the Bank operates and business model of the Bank through various programmes.

Pursuant to Regulation 25(7) of SEBI Listing Regulations and RBI guidelines in this regard, various training sessions were organized for the Board Members, which inter-alia covered the topics related to the Corporate Governance, Generative Artificial Intelligence & Risk Management and overview of the fintech functions.

The details of familiarization programmes for Independent Directors is available on the Bank's website at <https://web4.finobank.com/investors/corporate-governance#code-policies>.

CHART OR MATRIX SETTING OUT THE SKILLS /EXPERTISE/ COMPETENCE OF THE BOARD OF DIRECTORS

Pursuant to section 10A and other applicable provisions of the Banking Regulation Act, 1949 and other laws applicable to the Bank, the Bank has a well diversified Board consisting of eminent professionals having wide industry experience, diversified skills and expertise.

The Board of Directors have identified the core skills/expertise/competencies/special knowledge or practical experience required in the context of the Bank's business and sector(s) for it to function effectively. The Board of the Bank is inter-alia guided by the above provisions and the business requirements during appointment of any new Director on the Board.

The details of the skill set, special knowledge and/or expertise of the Directors are given below:

Name	Designation	Core skills/Expertise/Competencies
Mr. Rajat Kumar Jain	Part-time Chairperson & Independent Director	General Business Management, exposure to Consumer, Telecom, Media & Information Technology industries.
Mrs. Deena Asit Mehta	Independent Director	Accountancy, Economics, Finance, Law & Risk Management.
Mr. Rakesh Bhartia	Independent Director	Investment & General Management, Finance, Accountancy, Corporate Banking, Extensive exposure to Risk Mitigation & Management, Strategic & Corporate Restructuring.
Mrs. Anita Sudhir Pai	Independent Director	Customer Service, Operations, Information Technology & Infrastructure, Digital.
Mrs. Neeta Mukerji	Independent Director	Finance, Risk Management, Credit Management.
Mr. Pankaj Kumar	Nominee Director	Business Finance, International Trade, Finance, Accountancy, Treasury Management, Risk Management, Taxation, International Project Financing, International Joint Venture Operations.
Mr. Prateek Roongta	Nominee Director	Private Equity, Strategy, Operations, Digital Transformation, Accountancy, Economics, Finance and Law.
Mr. Rishi Gupta	Managing Director & CEO	Business Management, Payment Settlement, Banking, Accountancy, Economics and Finance.

BOARD PROFILE

Mr. Rajat Kumar Jain ("Mr. Jain")

Mr. Jain is Part-time Chairperson and Independent Director of the Bank. An alumni of IIT Delhi and IIM Ahmedabad, Mr. Jain is one of the Founder Directors of Padup Ventures, a knowledge and mentoring platform, focusing on providing deep mentoring and incubation services to early stage tech companies as well as other Incubators in India. The primary mission is to impact hundreds of early stage start-ups through proprietary Padup programs, leading to improved rates of success and helping them grow successfully to the next level and to institutional funding.

Having worked across Consumer, Telecom, Media & Technology sectors, Mr. Jain's expertise is in distribution, sales and commercial; understanding consumers and enterprises across various spaces, building and working with teams and growing businesses that revolve around services & brands. Mr. Jain was Board member of Neva Garments Limited, a small scale unit. Furthermore, Mr. Jain has significant experience in business

management and human resource domain as Managing Director of Xerox India Limited and The Walt Disney Company of India.

After a 30-year career in corporate leadership roles, Mr. Jain now lends his professional expertise and strategic insights as Non-Executive Director on several Corporate and Advisory Boards.

As on March 31, 2025, Mr. Jain was on the Board of the following companies:

Other Listed Public Limited Companies	Unlisted Public Limited Companies
Mahindra Holidays & Resorts India Limited (Independent Director)	Aditya Birla Finance Limited (Independent Director)
Vodafone Idea Limited (Independent Director)	EMA Partners India Limited (Independent Director)

Mr. Jain does not hold any shares in the Bank as on March 31, 2025.

Mrs. Deena Asit Mehta ("Mrs. Mehta")

Mrs. Mehta is an Independent Director of the Bank, and has spent 4 decades in capital markets. Mrs. Mehta is a qualified Chartered Accountant, has a post graduate diploma in Securities Law and has done her Master of Management Studies, specializing in finance. She has been associated with several reforms in Capital Markets including setting up of BOLT system at BSE, setting up Central Depository Service, streamlining of operations of BSE's clearinghouse viz. BOI Shareholding Limited. Mrs. Mehta has been on the BSE Board for 9 years having served as Vice President and President, and has also served on several SEBI Committees since its inception and contributed to various reforms undertaken by SEBI. Mrs. Mehta is a founder member of South Asian Federation of Exchanges (SAFE) which represents the stock exchanges of SAARC countries.

Mrs. Mehta has delivered over 1,000 lectures at Investors' meets in about 450 districts of India and at Educational Institutions including IIM, Ahmedabad and National Institute of Securities market. Over 100 articles on various topics relating to Capital Market have been published by her in leading economic dailies as well as regional language papers. She is also a recipient of several awards including Outstanding Young Person from Jaycees International, Zee Business for her contribution to capital markets and IMC for contribution to Banking and Finance. Recently, Mrs. Mehta was given the Lifetime Achievement Award by the Institute of Chartered Accountants of India.

As on March 31, 2025, Mrs. Mehta was on the Board of the following companies:

Other Listed Public Limited Companies	Unlisted Public Limited Companies
Asit C Mehta Financial Services Limited (Non-Executive Non-Independent Director)	Asit C Mehta Investment Intermediates Limited (Director)
Gandhar Oil Refinery (India) Limited (Independent Director)	

Mrs. Mehta does not hold any shares in the Bank as on March 31, 2025.

Mr. Rakesh Bhartia (“Mr. Bhartia”)

Mr. Bhartia is an Independent Director of the Bank. A Chartered Accountant, Company Secretary and Cost Accountant by qualification. He started his career in 1992 with ICICI Securities & Finance Company Ltd (a JV between ICICI and JP Morgan). Mr. Bhartia has worked in various Banks including Standard Chartered, Grindlays Bank, Bank of America and Rabobank and has wide exposure to investment banking, corporate finance and commercial banking related activities. Later, he became the CEO of Bajaj Hindustan Ltd., India’s largest manufacturer of sugar and ethanol before becoming the CEO of India Glycols Limited.

He is also the past President of Indian Chemical Council (ICC), an apex national industry body.

Mr. Bhartia is Senior Advisor to a few large Indian business houses and is also on the boards of multiple companies in diverse industries ranging from Digital Fintech to Clinical Research.

As on March 31, 2025, Mr. Bhartia was on the Board of the following companies:

Other Listed Public Limited Companies	Public Limited Companies
Aravali Securities and Finance Limited (Independent Director)	Veeda Clinical Research Limited (Independent Director)
	Greaves Electric Mobility Limited (Non-Executive Non-Independent Director)

Mr. Bhartia does not hold any shares in the Bank as on March 31, 2025.

Mrs. Anita Sudhir Pai (“Mrs. Pai”)

Mrs. Pai is an Independent Director of the Bank. She began her career in 1990 with HDFC Limited, and worked in various divisions before joining Standard Chartered Bank and then the ICICI group in 1998, where she initially set up the credit and operations function for ICICI Home Loans, part of ICICI Group’s foray into retail banking. Mrs. Pai was one of the founding members of ICICI Prudential Life Insurance Company Limited and was in charge of Customer Service, Operations, Technology and Infrastructure. She had overall responsibility for the entire backbone of the business, including underwriting, claims, operations, technology, customer service including the call centre and the Six Sigma quality initiative. She also worked with ICICI Bank Ltd in various roles viz. Global Operations including Treasury and Credit mid offices, Customer Service including Service Quality, Six Sigma Quality and Innovation.

Mrs. Pai, till recently, was a Senior Group President & COO with Yes Bank Ltd. In this role, she was responsible for Technology, Digital Banking and Operations – establishing a nimble operations set up backed by best in class technology and digital platforms to deliver superior customer service.

Mrs. Pai was earlier on the Board of ICICI Home Loans Limited as a Director nominated by ICICI Bank. Her career of almost 33 years has been characterized by strategic thinking, focus on innovation, relentless execution and customer service. She has

been an integral part of two extremely impactful start-ups and has contributed to building sustainable technology and scaling up backoffice operations to enable business growth.

As on March 31, 2025, Mrs. Pai was on the Board of the following companies:

Other Listed Public Limited Companies	Unlisted Public Limited Companies
-	360 One Asset Management Limited (Independent Director)
	Narayana Health Insurance Limited (Independent Director)

Mrs. Pai does not hold any shares in the Bank as on March 31, 2025.

Mrs. Neeta Mukerji (“Mrs. Mukerji”)

Mrs. Mukerji is an Independent Director of the Bank and has a Post Graduate Diploma in Management from Indian Institute of Management, Calcutta. Mrs. Mukerji is a senior banker with over 30 years of experience in premier financial institutions like ICICI Bank, Asset Reconstruction Company of India Limited (ARCIL), GE Capital, RBL Bank and ACRE. She has wide ranging experience across banking with specific focus on credit, risk management and distressed debt. Her core expertise areas include setting up and managing risk management function, assessing credit risk and structuring complex financial transactions and resolution of distressed debt.

As on March 31, 2025, Mrs. Mukerji was on the Board of the following companies :

Other Listed Public Limited Companies	Other Public Limited Companies
-	SREI Equipment Finance Limited (Independent Director)
	EAAA India Alternatives Limited (Independent Director)

Mrs. Mukerji does not hold any shares in the Bank as on March 31, 2025.

Mr. Pankaj Kumar (“Mr. Kumar”)

Mr. Kumar is a Nominee Director of the Bank representing Fino PayTech Limited, the holding company of the Bank. He is a member of Institute of Chartered Accountants of India and a Cost Accountant. He has rich experience of working in various facets of finance like Business Finance, International Trade, Treasury Management, Risk Management, Taxation, Global Upstream Oil & Gas etc. During his tenure spanning over more than 30 years, he has held various leadership positions including heading the finance for Bharat Petroleum Corporation Limited (“BPCL”) key business units like Retail and Lubricants. Mr. Kumar has also been on the Board of various group companies of BPCL and made significant contributions in respect of International Project Financing and International Joint Venture Operations. Currently Mr. Kumar is the Head of Corporate Treasury and Corporate Affairs at BPCL.

As on March 31, 2025, Mr. Kumar is not a Director in any other public limited company and he does not hold any shares in the Bank.

Mr. Prateek Roongta ("Mr. Roongta")

Mr. Roongta is a Nominee Director of the Bank representing Fino PayTech Limited, the holding company of the Bank. He is a Managing Director in the Corporate Private Equity Group at Blackstone Advisors India Private Limited. He is primarily responsible for managing the performance and transformation of Blackstone portfolio companies in India. Before joining Blackstone, Mr. Roongta was MD and Partner at Boston Consulting Group and has extensive experience of advising clients in the financial services industry across a wide range of topics including strategy, operations and digital transformation. Prior to that, Mr. Roongta worked at True North Advisors, a \$3 Bn Indian private equity fund. Mr. Roongta holds a post-graduate diploma in management from the Indian Institute of Management, Ahmedabad and is a qualified Chartered Accountant and Company Secretary.

As on March 31, 2025, Mr. Roongta was on the Board of the following companies:

Other Listed Public Limited Companies	Other Public Limited Companies
Aadhar Housing Finance Limited (Nominee Director)	Fino PayTech Limited (Nominee Director)
International Gemmological Institute (India) Limited (Nominee Director)	ASK Investment Managers Limited (Nominee Director)

Mr. Roongta does not hold any shares in the Bank as on March 31, 2025.

Mr. Rishi Gupta ("Mr. Gupta")

Mr. Gupta is the Managing Director and CEO of the Bank since May 02, 2017. He holds a bachelor's degree in commerce from University of Delhi and is a qualified Chartered Accountant and Cost Accountant. He has 30 years of rich experience primarily in the financial services industry. Mr. Gupta started his career with Maruti Udyog Limited and thereafter moved to ICICI Group. Post ICICI, he worked with International Finance Corporation (IFC) where he was part of the Regional Office handling Budget and Project Finance.

He is one of the founders of Fino PayTech Limited, the holding company of the Bank and was appointed as COO and CFO

on January 01, 2007 where he successfully helped the FINO group build a robust business model with good governance and cutting-edge operational & financial capabilities for three consecutive years- 2011, 2012 and 2013. Mr. Gupta was awarded "CFO100 Roll of Honor", an effort to recognize the top 100 senior finance professionals in India, who made a difference with their acumen, attitude and energy. In 2014, he was awarded the India CFO Award for excellence in Finance from IMA. Subsequently, he became MD & CEO of Fino PayTech Limited (till May 2017). In 2018, he got the award for "CA Entrepreneur-Path Breaker – Banking & Financial Services" by Institute of Chartered Accountants of India (ICAI).

He is also the founding member of the Business Correspondent Federation of India (BCFI) and served as the Chairman of its Economic Affairs Committee. The Bank is a member of ASSOCHAM, CII, Payments Council of India (PCI). Mr. Gupta is representing the Bank in these associations.

Mr. Gupta is not a Director in any other public limited company. As on March 31, 2025, he holds 5,325 Equity Shares of the Bank in his personal capacity and 2 Equity Shares as a registered owner without having beneficial interest.

CONFIRMATION REGARDING INDEPENDENT DIRECTORS

In the opinion of the Board, all the Independent Directors fulfil the conditions of Independence as specified in the Act and the Listing Regulations and are independent of the management.

COMPOSITION OF COMMITTEES OF BOARD, TERMS OF REFERENCE AND ATTENDANCE AT THE MEETINGS

The Board has constituted various Committees of Directors to take informed decisions in the best interest of the Bank. These Committees monitor the activities as per the scope defined in their Charter/terms of reference.

Majority of Members of the Board level Committees are Independent Directors and most of these Committees are chaired by them. There were no instances during FY2024-25, wherein the Board had not accepted recommendations made by any of the Committees of the Board.

The details of the composition of the committees, terms of reference, date of meetings along with attendance thereat are given below:

Audit Committee

Brief Terms of Reference	The brief terms of reference of the Audit Committee is given below: - Examining and reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval. - To recommend to the Board of Directors of the Bank, the appointment, re-appointment, remuneration, terms of reference and, if required, the replacement or removal of the statutory/concurrent/secretarial auditor and the fixation of audit fees or any other services rendered by them. - To review with management the adequacy of the internal control systems including the structure of the internal audit department.
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	4. Reviewing the adequacy of internal audit function if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit. 5. Review of Compliance functions in the Bank. 6. Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances and reviewing the functioning of the whistle blower mechanism. 7. Carrying out any other function as mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the Companies Act (including Section 177), SEBI Listing Regulations or by any other regulatory authority. The detailed Charter of the Committee is available on the Bank's website at https://web4.finobank.com/uploads/pages/corporate-governance/1736407756_termsofreference.pdf
Composition (including changes during the year and upto date of this report)	Mrs. Deena Asit Mehta, Chairperson Mrs. Anita Sudhir Pai Mrs. Neeta Mukerji (w.e.f. April 10, 2024) Mr. Pankaj Kumar Mr. Basavraj Loni, Company Secretary of the Bank, acted as the Secretary of the Committee.

Details of attendance at the Audit Committee Meetings held during the year under review:

Name of Members	Audit Committee Meetings				
	April 29, 2024 and continued on April 30, 2024	July 31, 2024	October 23, 2024	December 18, 2024	January 29, 2025
Mrs. Deena Asit Mehta					
Mrs. Anita Sudhir Pai					
Mrs. Neeta Mukerji					
Mr. Pankaj Kumar					

 Present in the meeting

 Leave of Absence

Nomination & Remuneration Committee

Brief Terms of Reference	The brief terms of reference of the Nomination and Remuneration Committee is given below: 1. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down. 2. Formulating of criteria for evaluation of the performance of the independent directors and the Board. 3. To review and recommend remuneration payable to the MD & CEO, other Material Risk Takers, senior management personnel, independent directors, if applicable. 4. To monitor and review various HR related matters such as plans, policies reports etc. from time to time. 5. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas. 6. Performing such functions as are required to be performed by the Nomination and Remuneration committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. 7. Performing such other activities as may be delegated by the Board and/or specified/provided under the Companies Act (including Section 178), the Listing Regulations or by any other regulatory authority. The detailed Charter of the Committee is available on the Bank's website at https://web4.finobank.com/uploads/pages/corporate-governance/1736407756_termsofreference.pdf
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Composition (including changes during the year and upto date of this report)	Mr. Rakesh Bhartia, Chairperson Mr. Rajat Kumar Jain Mrs. Deena Asit Mehta (w.e.f. April 10, 2024) Mr. Prateek Roongta Mr. Basavraj Loni, Company Secretary of the Bank, acted as the Secretary of the Committee.
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Details of attendance at the Nomination & Remuneration Committee Meetings held during the year under review

Name of Members	Nomination & Remuneration Committee Meetings					
	May 30, 2024	July 30, 2024	October 22, 2024	November 26, 2024	January 28, 2025	March 15, 2025
Mr. Rakesh Bhartia						
Mr. Rajat Kumar Jain						
Mrs. Deena Asit Mehta						
Mr. Prateek Roongta						

 Present in the meeting

 Leave of Absence

Stakeholders' Relationship Committee

Brief Terms of Reference	The brief terms of reference of the Stakeholders Relationship Committee is given below: - To assist the Board and the Company to redress shareholders, debenture holders, security holders and investors complaints if any, but not limited to transfer/transmission of shares, non-receipt of annual report, non-receipt of interest on bonds / declared dividends, issue of new/duplicate certificates, general meetings etc. - Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time. - Allotment and listing of shares. - Ensure proper and timely attendance and redressal of investor queries and grievances. - Carrying out any other functions contained in the Companies Act, 2013 (including Section 178) and/or equity listing agreements (if applicable), as and when amended from time to time. The detailed Charter of the Committee is available on the Bank's website at https://web4.finobank.com/uploads/pages/corporate-governance/1736407756_termsreference.pdf
Composition (including changes during the year and upto date of this report)	Mr. Rakesh Bhartia, Chairperson Mrs. Neeta Mukerji (w.e.f. April 10, 2024) Mr. Pankaj Kumar Mr. Rishi Gupta Mr. Basavraj Loni, Company Secretary of the Bank, acted as the Secretary of the Committee.

Details of attendance at the Stakeholders' Relationship Committee Meetings held during the year under review:

Name of Member	Stakeholders Relationship Committee Meetings	
	July 30, 2024	January 28, 2025
Mr. Rakesh Bhartia		
Mrs. Neeta Mukerji		
Mr. Pankaj Kumar		
Mr. Rishi Gupta		

 Present in the meetings

 Leave of Absence

Risk & Asset Liability Management Committee

Brief Terms of Reference	The brief terms of reference of the Risk & Asset Liability Management Committee is given below: - To assist the Board in its oversight of the Bank's management of key risks, including strategic, financial operational and compliance risks, as well as the guidelines, policies and processes for monitoring and mitigating such risks. - To identify, monitor and measure the risk profile of the Bank (including market risk, operational risk and other residual risks.) - To formulate and oversee the risk policies connected with risk management of the Bank. - To keep the Board informed about the nature and content of its discussions, recommendations and actions to be taken. - To review the appointment, removal and terms of remuneration of the Chief Risk Officer, if any. - Carrying out any other functions contained in the SEBI Listing Regulations, as and when amended from time to time. The detailed Charter of the Committee is available on the Bank's website at https://web4.finobank.com/uploads/pages/corporate-governance/1736407756_termsofreference.pdf
Composition (including changes during the year and upto date of this report)	Mrs. Neeta Mukerji, Chairperson (w.e.f. April 10, 2024) Mrs. Deena Asit Mehta Mr. Rakesh Bhartia Mr. Prateek Roongta Mr. Rishi Gupta Mrs. Anita Sudhir Pai (upto April 10, 2024) Mr. Basavraj Loni, Company Secretary of the Bank, acted as the Secretary of the Committee.

Details of attendance at the Risk and Asset Liability Management Committee Meetings held during the year under review:

Name of Member	Risk & ALM Committee Meetings			
	April 29, 2024	July 30, 2024	October 22, 2024	January 28, 2025
Mrs. Neeta Mukerji				
Mrs. Deena Asit Mehta				
Mr. Rakesh Bhartia				
Mr. Prateek Roongta				
Mr. Rishi Gupta				

 Present in the meetings

 Leave of Absence

Customer Service Committee

Brief Terms of Reference	The brief terms of reference of the Customer Service Committee is given below: - To formulate comprehensive deposit policy incorporating the issues arising out of the demise of a depositor for operation of his account, the product approval process, the annual survey of depositor satisfaction and the triennial audit of such services. - To ensure customers are treated fairly all the times and complaints raised by them is dealt with courtesy and in time. - Review and approve customer service policies and customer communication strategies of the Bank. - To review customer service / customer care aspects in the Bank and submit a detailed memorandum in this regard to the Board of Directors, once every six months and initiate prompt corrective action wherever service quality / skill gaps have been noticed. - Carrying out any other functions specified by the RBI, as and when from time to time. The detailed Charter of the Committee is available on the Bank's website at https://web4.finobank.com/uploads/pages/corporate-governance/1736407756_termsofreference.pdf
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Composition (including changes during the year and upto date of this report)	Mr. Rishi Gupta, Chairperson Mr. Rakesh Bhartia (w.e.f. April 10, 2024) Mrs. Anita Sudhir Pai (w.e.f. April 10, 2024) Mr. Pankaj Kumar Mrs. Neeta Mukerji (from April 10, 2024 upto November 28, 2024) Mr. Rajat Kumar Jain (upto April 10, 2024) Mr. Basavraj Loni, Company Secretary of the Bank, acted as the Secretary of the Committee.
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Details of attendance at the Customer Service Committee Meetings held during the year under review:

Name of Member	Customer Service Committee Meetings	
	April 29, 2024	October 22, 2024
Mr. Rishi Gupta		
Mr. Rakesh Bhartia		
Mrs. Anita Sudhir Pai		
Mrs. Neeta Mukerji		
Mr. Pankaj Kumar		

 Present in the meeting

 Leave of Absence

Corporate Social Responsibility & ESG Committee

(Earlier known as CSR Committee and re-named on March 16, 2025)

Brief Terms of Reference	The brief terms of reference of the Corporate Social Responsibility & ESG Committee (CSR & ESG) is given below: - To formulate and recommend to the Board of Directors, the CSR Policy, indicating the CSR activities to be undertaken as specified in Schedule VII of the Companies Act, 2013, as amended. - The Committee shall identify the areas of CSR activities and recommend the amount of expenditure to be incurred on such activities. - To provide oversight and approval of ESG policies, strategies, and initiatives, ensuring they align with the Bank's overall objectives and governance frameworks. - To oversee the integration of ESG risk management into the broader risk management framework to address material ESG risks. - To periodically review ESG-related policies, ensuring alignment with evolving regulatory landscapes and industry best practices for sustainability. - To perform such other functions or responsibilities and exercise such other powers as may be conferred upon the CSR & ESG Committee in terms of the provisions of Section 135 of the Companies Act, 2013, as amended and the rules framed thereunder. The detailed Charter of the Committee is available on the Bank's website at https://web4.finobank.com/uploads/pages/corporate-governance/1736407756_termsofreference.pdf
Composition (including changes during the year and upto date of this report)	Mr. Rishi Gupta, Chairperson Mr. Rakesh Bhartia Mr. Rajat Kumar Jain (w.e.f. November 28, 2024) Mr. Pankaj Kumar (w.e.f. April 10, 2024) Mrs. Neeta Mukerji (from April 10, 2024 upto November 28, 2024) Mrs. Deena Asit Mehta (upto April 10, 2024) Mr. Basavraj Loni, Company Secretary of the Bank, acted as the Secretary of the Committee.

Details of attendance at the CSR & ESG Committee Meetings held during the year under review:

Name of Member	CSR & ESG Committee Meetings	
	April 29, 2024	October 22, 2024
Mr. Rishi Gupta		
Mr. Rakesh Bhartia		
Mr. Rajat Kumar Jain	NA	
Mr. Pankaj Kumar		
Mrs. Neeta Mukerji		

 Present in the meeting

 Leave of Absence

IT Strategy Committee

Brief Terms of Reference	The brief terms of reference of the IT Strategy Committee is given below: - To review information security system in the Bank and the Status of implementation of regulatory instructions on Information Security and also overview observation, comments and suggestions provided through various regulatory audit, inspections and due diligence. - Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources. - Reviewing IT performance measurement and contribution of IT to businesses. - Becoming aware about exposure towards IT risks and controls and evaluating effectiveness of management's monitoring of IT risks. - Ensuring that the IT Organizational structure complements the business model and its direction. - Carrying out any other functions specified by the RBI, as and when from time to time. The detailed Charter of the Committee is available on the Bank's website at https://web4.finobank.com/uploads/pages/corporate-governance/1736407756_termsofreference.pdf
Composition (including changes during the year and upto date of this report)	Mrs. Anita Sudhir Pai, Chairperson (w.e.f. April 10, 2024) Mrs. Deena Asit Mehta Mr. Rajat Kumar Jain Mr. Prateek Roongta Mr. Rishi Gupta Mr. Rakesh Bhartia (upto April 10, 2024) Mr. Basavraj Loni, Company Secretary of the Bank, acted as the Secretary of the Committee.

Details of attendance at the IT Strategy Committee Meetings held during the year under review :

Name of Member	IT Strategy Committee Meetings				
	May 30, 2024	July 23, 2024	October 22, 2024	January 28, 2025	March 15, 2025
Mrs. Anita Sudhir Pai					
Mrs. Deena Asit Mehta					
Mr. Rajat Kumar Jain					
Mr. Prateek Roongta					
Mr. Rishi Gupta					

 Present in the meeting

 Leave of Absence

Committee of Directors (Operations)

Brief Terms of Reference	The brief terms of reference of the Committee of Directors (Operations) is given below: - To approve the resolutions for opening, modification and closure of Bank accounts of the Company from time to time. - To approve to avail various facilities viz. internet banking facilities, overdraft facilities/ cash credit facilities, non-fund based facilities such as Bank Guarantee/Performance Guarantee and Letter of credit and other banking arrangements with other Banks. - To approve to make investments and borrow funds within the limits prescribed under the Companies Act, 2013 (including statutory enactments from time to time). - To approve the resolutions for filing applications, forms, documents, petitions, affidavits etc. with any statutory authorities and non-statutory authorities for obtaining registrations and licences required to be obtained and other ancillary matters. - To approve Share allotment, transfers and transmissions, Issue of duplicate share certificates and other shares related matters. - Carrying out any other functions specified by the Board, as and when from time to time. The detailed Charter of the Committee is available on the Bank's website at https://web4.finobank.com/uploads/pages/corporate-governance/1736407756_termsreference.pdf
Composition (including changes during the year and upto date of this report)	Mr. Rajat Kumar Jain, Chairperson Mrs. Anita Sudhir Pai Mr. Rishi Gupta Mr. Basavraj Loni, Company Secretary of the Bank, acted as the Secretary of the Committee.

Details of attendance at the Committee of Directors (Operations) Meetings held during the year under review :

Name of Member	Committee of Directors (Operations) Meetings			
	April 24, 2024	July 16, 2024	October 16, 2024	January 20, 2025
Mr. Rajat Kumar Jain				
Mrs. Anita Sudhir Pai				
Mr. Rishi Gupta				

 Present in the meeting

 Leave of Absence

Strategic Investment Committee

Brief Terms of Reference	The brief terms of reference of the Strategic Investment Committee is given below: - To review and recommend to the Board any strategic investments (not being in normal course of business) in accordance with the Investment Policy of the Bank. - To review and recommend changes in the Bank's Investment Policy for the Board's approval pertaining to the strategic investments. - To review and recommend the Bank's Investment Policy for the Board's approval pertaining to the Strategic Plans. - Review and recommend to the Board any proposed strategic investments (which are not in the normal course of business) by way of acquisition of equity shares, preference shares, debentures, warrants, bonds etc. including their funding requirements, if any. - Steering and guiding the management on leveraging the right opportunity for long term investment for strategic long term benefit of the Bank. The detailed Charter of the Committee is available on the Bank's website at https://web4.finobank.com/uploads/pages/corporate-governance/1736407756_termsreference.pdf
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Composition (including changes during the year and upto date of this report)	Mr. Rajat Kumar Jain, Chairperson Mr. Pankaj Kumar (w.e.f. April 10, 2024) Mr. Prateek Roongta Mr. Rishi Gupta Mr. Basavraj Loni, Company Secretary of the Bank, acted as the Secretary of the Committee.
Meetings	No meeting was held during the year under review.

Business & Corporate Restructuring Committee

Brief Terms of Reference	The brief terms of reference of the Business & Corporate Restructuring Committee is given below: - To evaluate the implications and other considerations of the referral received from Fino PayTech Limited, Holding Company regarding group corporate restructuring and progress as per the mandate received from the Board. - To evaluate implications and other considerations of the group corporate restructuring proposal in a manner that it enhances the governance and transparency amongst all stakeholders and ensures fairness and independence of the process and ensures that no stakeholder's interest is prejudiced and once it deems fit, recommend the group corporate restructuring including merger/amalgamation to the Board for its consideration and approval. - To submit the draft scheme of arrangement pursuant to group corporate restructuring to the Board for its consideration and approval. - To evaluate business, strategic and implementation plan prepared by management and/or consultants for the transition of the Bank into a small finance bank. - To oversee various aspects that may be required for the transition of the Bank into a small finance bank, including matters related to hiring of senior level positions, compliance requirements for a small finance bank, administrative measures, etc. from time to time. The detailed Charter of the Committee is available on the Bank's website at https://web4.finobank.com/uploads/pages/corporate-governance/1736407756_termsreference.pdf
Composition (including changes during the year and upto date of this report)	Mr. Rakesh Bhartia, Chairperson Mr. Rajat Kumar Jain (w.e.f. April 10, 2024) Mrs. Neeta Mukerji (w.e.f. April 10, 2024) Mr. Prateek Roongta Mr. Rishi Gupta Mr. Basavraj Loni, Company Secretary of the Bank, acted as the Secretary of the Committee.

Details of attendance at the Business & Corporate Restructuring Committee Meetings held during the year under review

Name of Member	Business & Corporate Restructuring Committee Meetings			
	April 04, 2024	May 30, 2024	November 26, 2024	March 16, 2025
Mr. Rakesh Bhartia				
Mr. Rajat Kumar Jain	NA			
Mrs. Neeta Mukerji	NA			
Mr. Prateek Roongta				
Mr. Rishi Gupta				

 Present in the meeting

 Leave of Absence

Special Committee of the Board for Monitoring and Follow-Up of Cases of Frauds

(constituted by the Board on October 23, 2024)

Brief Terms of Reference	The brief terms of reference of the Special Committee of the Board for Monitoring and Follow-Up of Cases of Frauds is given below: - To assist the Board in its oversight of the Bank's Fraud Risk management and its effectiveness, as well as the guidelines, policies and processes for monitoring and mitigating fraud risks. - To evolve appropriate systems and procedures for ongoing identification and analysis of Fraud Risk and lay down parameters for efficient management of these risks through the Fraud Risk management Policy of the Bank. - Review and monitor cases of frauds, including root cause analysis, and suggest mitigating measures for strengthening the internal controls, risk management framework and minimizing the incidence of Frauds The detailed Charter of the Committee is available on the Bank's website at https://web4.finobank.com/uploads/pages/corporate-governance/1736407756_termsreference.pdf
Composition (including changes during the year and upto date of this report)	Mrs. Anita Sudhir Pai, Chairperson Mrs. Neeta Mukerji Mr. Rishi Gupta Mr. Basavraj Loni, Company Secretary of the Bank, acted as the Secretary of the Committee.

Details of attendance at the Special Committee of the Board for Monitoring and Follow-Up of Cases of Frauds Meeting held during the year under review :

Name of Member	Special Committee of the Board for Monitoring and Follow-Up of Cases of Frauds Meeting	
	January 28, 2025	
Mrs. Anita Sudhir Pai		
Mrs. Neeta Mukerji		
Mr. Rishi Gupta		

 Present in the meeting

 Leave of Absence

MEETING OF THE INDEPENDENT DIRECTORS OF THE BANK

As per the requirement of Section 149(8) read with Schedule IV of the Act and Regulation 25 of SEBI Listing Regulations, a meeting of the Independent Directors of the Bank is required to be held once a year in absence of non-independent directors.

During FY2024-25, the Independent Directors of the Bank met twice on April 27, 2024 and October 21, 2024 without the attendance of Non-Independent Directors and members of the management, at which they discussed & reviewed, including but not limited to:

- Action taken report arising out of previous meeting of Independent Directors.
- Performance of Non-Independent Directors, the Board of Directors as a whole, Part-time Chairperson of the Bank.
- The quality, quantity, and timeliness of flow of information between the management of the Bank and the Board of Directors.

- Update on Reconstitution of the Committees of the Board.
- Independent Directors development Programme.
- Matters related to issuance of stock options to management team.
- Role and approach of Independent Directors with respect to intended corporate restructuring of the Bank and transitioning of the Bank into small finance bank.

ANNUAL STRATEGY MEETING

The Bank holds an Annual Strategy Meeting of the Board to deliberate on various topics related to strategic budget & planning, progress of ongoing initiatives/projects, governance etc. towards achieving the Bank's long-term objectives.

This provides the Board Members a platform to bring their expertise to various strategic initiatives, while also giving an opportunity for them to understand the strategic issues faced by the Bank, competitive differentiation being pursued by the Bank and detailed aspects of execution and challenges faced by the senior management team.

SENIOR MANAGEMENT

Particulars of senior management personnel including the changes during the year under review are as follows:

Name	Role
Mr. Rishi Gupta	Managing Director & Chief Executive Officer
Mr. Ketan Merchant	Chief Financial Officer
Mr. Shailesh Pandey	Chief Business Officer
Mr. Vinod Kumar	Chief Information Officer and SEVP – Operations
Major Ashish Ahuja ¹	Chief Sales Officer
Mr. Aninda Mukherjee	Chief Risk Officer
Major Pratima Pinto Thomas ²	Head Human Resource & CSR
Mr. Tejas Maniar	Chief Digital & Liabilities Officer
Mr. Dinesh Parekh	Head Treasury
Mr. Aashish Pathak	Chief Compliance Officer
Mr. Prayag Gadgil	Head Internal Audit
Mr. Darpan Anand	National Head (Channel Sales)
Ms. Manjiri Barve ³	Head-HR, CSR and Internal Vigilance
Mr. Basavraj Loni ⁴	Company Secretary & Compliance Officer - Head Legal

1. Mr. Ashish Ahuja resigned from the Bank with effect from July 30, 2024.

2. Major Pratima Pinto Thomas resigned with effect from February 28, 2025.

3. Ms. Manjiri Barve was appointed with effect from March 01, 2025.

4. Mr. Basavraj Loni resigned from the Bank with effect from May 31, 2025.

The Senior Management Personnel of the Bank have affirmed that they have not entered into any material, financial or commercial transaction wherein they have personal interest and which may potentially conflict with the interest of the Bank at large.

REMUNERATION OF DIRECTORS

Compensation Policy

The Bank has a Board approved Compensation Policy for Directors and employees of the Bank in terms of the provisions of the SEBI Listing Regulations and RBI Guidelines dated November 04, 2019 on Compensation of Whole-Time Directors/ Chief Executive Officers/ Material Risk Takers and Control Function staff. This Policy inter alia contains guidelines relating to compensation structure consisting of sitting fees and fixed remuneration for Independent Directors, fixed pay, variable pay, employee stock options, compensation revision cycle and framework regarding malus/clawback to Executive Directors and applicable to employees of the Bank. The Compensation Policy is available on the Bank's website at <https://web4.finobank.com/investors/corporate-governance#code-policies>.

The fixed remuneration paid to the MD & CEO and Independent Directors of the Bank, for FY2024-25 was in accordance with the aforesaid Compensation Policy.

Remuneration of Managing Director & CEO

The details of remuneration of Mr. Rishi Gupta, Managing Director & CEO for the FY2023-24 as approved by the RBI is as follows:

(₹ in crore)

Break-up of the Remuneration	F.Y. 2023-24
Salary	1.21
Provident Fund	0.08
LTA	0.16
Free furnishing	0.16
Free use of Bank's car	0.30
Hard furnishing	0.25
Utilities	0.06
Total Fixed Pay (including perquisites) (A)	2.22
Variable Pay-Cash	0.74
Variable Pay-Non Cash Share Linked (deferred over the period of three years as per the vesting schedule of the options)	2.30
Total Variable Pay (B)	3.04
Total (A+B)	5.26

Note: As per the Bank's Policy, the Gratuity amount is being provisioned on a group basis through an actuarial valuation as per the Payment of Gratuity Act, 1972 and is payable only at the end of employment and hence not included in the above.

During FY2024-25, no stock options were granted to Mr. Rishi Gupta.

Details of remuneration / sitting fees paid to Non-executive Directors

The Independent Directors receive remuneration by way of sitting fees for attending each meeting of the Board and its Committees. Based upon the recommendation of Nomination & Remuneration Committee ("NRC"), the Board approved sitting fees of ₹1,00,000 per Board meeting and ₹75,000 per Committee meeting to Independent Directors. No stock options were granted to any of the Non-Executive Directors during the year under review.

The Board of Directors had approved the payment of fixed remuneration to each Non-Executive Independent Director of the Bank (except Part-time Chairperson) up to ₹10,00,000 per annum for FY2023-24 and FY2024-25 and up to ₹15,00,000 per annum to the Part-time Chairperson w.e.f. November 24, 2023 to FY2024-25, subject to approval of the shareholders of the Bank. The shareholders approved the same on April 07, 2024 through postal ballot. This fixed remuneration is in addition to the sitting fees and reimbursement of out of pocket expenses for attending Committee and Board meetings.

The details of fixed remuneration and sitting fees paid to Independent Directors for FY2024-25 are as follows:

Name of the Director	Fixed Remuneration (₹)	Sitting fees (₹)
Mr. Rajat Kumar Jain	15,00,000	21,25,000
Mrs. Deena Asit Mehta	10,00,000	23,50,000
Mr. Rakesh Bhartia	10,00,000	23,50,000
Mrs. Anita Sudhir Pai	10,00,000	21,25,000
Mrs. Neeta Mukerji	10,00,000	21,75,000

The Bank does not pay any remuneration to its Nominee Directors. Further, there were no other pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Bank during FY2024-25 except banking transactions in the ordinary course of business and on arm's length basis, if any.

GENERAL BODY MEETINGS

Annual General Meetings

The details of the special resolutions passed during the last three Annual General Meetings are as follows:

Financial Year	Venue	Day, Date & Time	Number of Special Resolutions passed	Nature of Special Resolutions
2021-22	Held through Video- Conferencing deemed to be convened at the Registered office of the Bank	Thursday, September 29, 2022 at 12:00 Noon	1 (One)	Approval of the appointment of Mr. Rakesh Bhartia (DIN: 00877865) as an Independent Director of the Bank.
2022-23	Held through Video- Conferencing deemed to be convened at the Registered office of the Bank	Monday, September 25, 2023 at 12:00 Noon	2 (two)	1. Approval of 'Fino Payments Bank Limited-Employees Stock Option Policy, 2023' 2. Approval for the extension of the benefits of Fino Payments Bank Limited-Employees Stock Option Policy, 2023 ("ESOP-2023") to the employees of Holding Company
2023-24	Held through Video- Conferencing deemed to be convened at the Registered office of the Bank	Wednesday, September 25, 2024 at 12:00 Noon	1 (One)	Approval for an amendment in the 'Fino Payments Bank Limited - Employees Stock Option Policy, 2020'

The Annual General Meetings were conducted as per provisions of the Act read with the rules framed thereunder and applicable circulars issued by the Ministry of Corporate Affairs and Securities Exchange Board of India from time to time.

Postal Ballot

During the year under review, the following resolutions were passed by the shareholders by the requisite majority by way of Postal Ballot through e-voting:

Date of Postal Ballot Notice	Resolution	Voting Results	Approval Date
April 18, 2024	Appointment of Mrs. Neeta Mukerji (DIN: 00056010) as an Independent Director of the Bank (Special Resolution)	Favour: 99.99%	May 25, 2024
		Against: 0.01%	
	Approval of 'Fino Payments Bank Limited - Employees Stock Option Policy, 2024' (Special Resolution)	Favour: 85.14%	
		Against: 14.86%	
March 16, 2025	Appointment of Mrs. Deena Asit Mehta (DIN:00168992) as a Director and her re-appointment as an Independent Director for the second term (Special Resolution)	Favour: 94.77%	May 18, 2025
		Against: 5.23%	

The voting results of the Postal Ballot are made available on the Bank's website at <https://web4.finobank.com/investors/postal-ballot>.

The Board of Directors of the Bank had appointed Mr. Tribhuvneshwar Kaushik and in his absence, Mr. Savyasachi Joshi of M/s. Kaushik Joshi & Co., Practising Company Secretaries, as the Scrutinizer to scrutinize the above mentioned Postal Ballot process in a fair and transparent manner.

Procedure for Postal Ballot

The postal ballots were carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and applicable circulars issued by the Ministry of Corporate Affairs from time to time.

MEANS OF COMMUNICATION

- Financial Results:** The Bank submits the quarterly financial results to the stock exchanges within forty-five days from the end of the quarter and the audited annual financial results are submitted within sixty days from the end of the financial year as required under the SEBI Listing Regulations. The financial results are published in (Financial Express/ Free Press Journal) English newspaper having country-wide circulation and in (Navshakti) Marathi newspaper where the registered office of the Bank is situated. The financial results and newspaper publication cuttings are available on the Bank's website at <https://web4.finobank.com/investors/quarterly-results>.

- ii. **Investors/analysts Meets:** Your Bank's officials interact on a regular basis with stakeholders through investor meetings, investor calls, earnings call etc. Intimation and outcome of such meets are uploaded on the website of stock exchanges and also available on the Bank's website at <https://web4.finobank.com/investors/quarterly-results> and <https://web4.finobank.com/investors/investor-analysts-meet-disclosures>.
- iii. **Investor Presentation:** The investor presentations are uploaded on the website of stock exchanges and also available on the Bank's website at <https://web4.finobank.com/investors/investor-analysts-meet-disclosures>.
- iv. **Press/Media releases:** Official press/media releases are uploaded on the website of stock exchanges and also available on the Bank's website at <https://web4.finobank.com/investors/quarterly-results>.
- v. **Compliance reports, corporate announcements, material information and updates:** Your Bank disseminates the requisite compliance reports and corporate announcements/updates to the stock exchanges through their designated portal and the same is also made available on the Bank's website at www.finobank.com.
- vi. The Bank's website contains a separate dedicated section **"Investor Relations"**. The Investor Relations section contains a comprehensive database of information of interest to the investors including the financial results and annual reports of the Bank, any price sensitive information disclosed to the regulatory authorities from time to time, business activities and the services rendered/ facilities extended by the Bank to its investors, in a user-friendly manner. The basic information about the Bank in terms of Regulation 46 of the SEBI Listing Regulations is provided on the Bank's website and the same is updated regularly.

GENERAL SHAREHOLDER INFORMATION

Financial Calendar for the period April 01, 2025 to March 31, 2026

i)	Financial Year	April 01 to March 31
ii)	Board meeting for consideration of Financial statements of FY2024-25	April 28, 2025
iii)	9 th Annual General Meeting	August 29, 2025; 12 Noon (IST) Through Video-Conferencing or Other Audio-Visual Means
iv)	Board meeting for consideration of Unaudited Financial results for first three quarters of FY2025-26	Within the timelines prescribed under SEBI Listing Regulations

STOCK EXCHANGES WHERE SHARES OF THE BANK ARE LISTED

The Bank's share capital consists of only one class of equity shares having face value of ₹10 each, and the Bank has not issued any other class of shares.

The equity shares of the Bank are listed at the following stock exchanges and the annual listing fees for FY2024-25 has been paid:

Sr. No.	Name and Address of the Stock Exchange	STOCK CODE
1	BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400 023.	543386
2	The National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.	FINOPB

Names of Depositories for dematerialization of equity shares (ISIN: INE02NC01014)

- National Securities Depository limited (NSDL)
- Central Depository Services (India) Limited (CDSL)

SHARE TRANSFER PROCESS AND SYSTEM

During FY2024-25, KFin Technologies Limited, RTA of the Bank ensured compliance with all the procedural requirements with respect to transmission and transposition of shares and formalities with respect to name deletion, sub-division, consolidation, renewal, exchange and endorsement of share certificates, if any. Such service requests are generally processed by the RTA within 15 days from the date of receipt of relevant documents by the RTA.

SEBI has mandated that securities of listed companies can be transferred only in dematerialised form. Accordingly, the Bank / its RTA are not accepting any lodgement of transfer of shares in physical form.

The Stakeholders' Relationship and Customer Service Committees deal with redressal of complaints and queries raised by shareholders/ investors and customers respectively.

The Bank's shares are compulsorily traded in dematerialised mode. As required by SEBI, Reconciliation of Share Capital Audit is conducted by a Practising Company Secretary and Certificates issued in this regard are filed with Stock Exchanges on a quarterly basis.

SHAREHOLDERS' HELPDESK/ ADDRESS FOR CORRESPONDENCE

Share transfers, dividend payments, if any, and all other investor related activities are attended to and processed at the office of Registrar and Transfer Agents.

For lodgement of transfer deeds, if any, and any other documents or for any grievances / complaints, shareholders / investors may contact at the following address:

1. Details of the Registrar and Share Transfer Agent

KFin Technologies Limited
(Unit: Fino Payments Bank Limited)
Selenium Tower B, Plot 31 & 32, Gachibowli, Financial
District, Nanakramguda, Serilingampally, Hyderabad – 500
032, Telangana, India.
Tel: +91 40 6716 2222/ 7961 1000
Toll Free: 1800 309 4001
E-mail: einward.ris@kfintech.com
Website: www.kfintech.com

2. Shareholders' Helpdesk Timings:

Monday to Friday (except on Bank holidays)
Tel: +91 40 6716 2222/ 7961 1000
Toll Free: 1800 309 4001
E-mail: einward.ris@kfintech.com

3. Details of the Company Secretary and Compliance Officer of the Bank

Name: Mr. Basavraj Loni (resigned as Company Secretary and Compliance Officer of the Bank w.e.f. May 31, 2025)

Address: Mindspace Juinagar, 8th Floor, Plot No. Gen 2/1/F, Tower 1, TTC Industrial Area, MIDC Shirwane, Juinagar, Navi Mumbai, Thane, Maharashtra-400706.

Tel: 022-7104 7000

Email: cs@finobank.com

Website: www.finobank.com

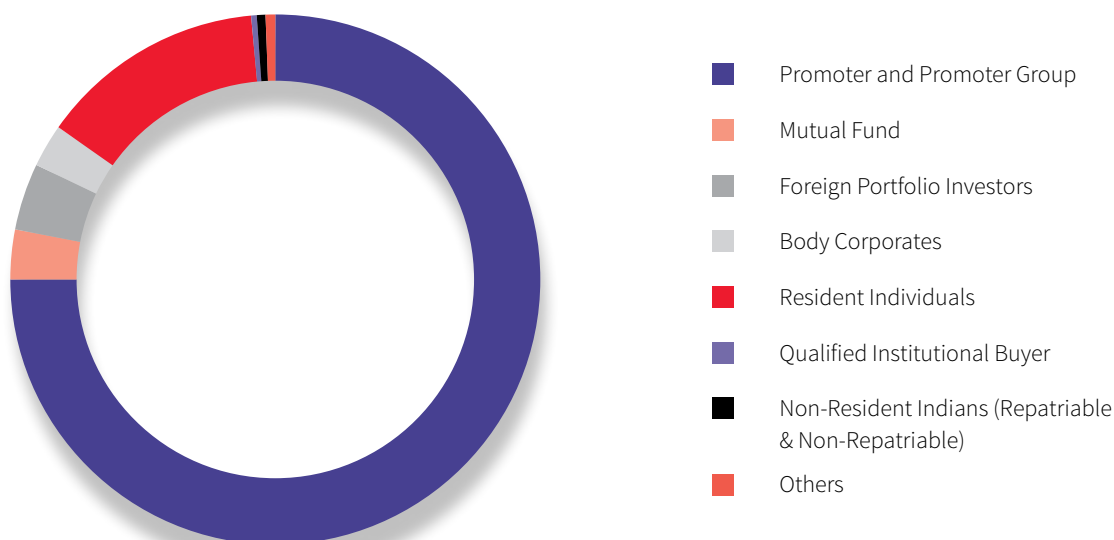
The Bank submits the statement of Investor Complaints under Regulation 13 of the SEBI Listing Regulations with the Stock Exchanges on quarterly basis.

No complaints were received from investors/shareholders during year under review.

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2025 (BY OWNERSHIP)

Sr. No.	Shareholder's Category	No. of shares held	% to share capital
1.	Promoter and Promoter Group	6,24,11,997*	75.00
2.	Mutual Fund	25,24,586	3.03
3.	Foreign Portfolio Investors	33,98,286	4.08
5.	Body Corporates	21,84,932	2.63
6.	Resident Individuals	1,14,87,407	13.80
7.	Qualified Institutional Buyer	2,83,720	0.34
8.	Non-Resident Indians (Repatriable & Non-Repatriable)	4,39,200	0.53
9.	Others	4,88,274	0.59
	Total	8,32,18,402	100.00

*This includes twelve equity shares held by six nominees of Fino PayTech Limited.

Distribution of Shareholding

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2025 (BY SIZE)

Sr. No.	Category (Shares)	No. of Holders	% To Holders	No. of Shares	% To Equity
1	1 - 5000	63,817	99.55	66,59,461	8.00
2	5001 - 10000	136	0.21	9,92,725	1.19
3	10001 - 20000	55	0.09	7,15,690	0.86
4	20001 - 30000	16	0.02	4,01,250	0.48
5	30001 - 40000	15	0.02	5,25,958	0.63
6	40001 - 50000	14	0.02	6,57,892	0.79
7	50001 - 100000	30	0.05	21,16,446	2.54
8	100001 & Above	21	0.03	7,11,48,980	85.50
	Total	64,104	100.00	8,32,18,402	100.00

TOP TEN EQUITY SHAREHOLDERS AS ON MARCH 31, 2025

Name of the Shareholders	Holding	% To Equity
Fino PayTech Limited	6,24,11,997*	75.00
Motilal Oswal Focused Fund & Motilal Oswal Dynamic Fund	18,31,586	2.20
Envision India Fund	14,45,000	1.74
Fidelity Funds - India Focus Fund	10,41,005	1.25
Tata Banking & Financial Services Fund	6,93,000	0.83
Sameer Manchanda	6,00,000	0.72
Jasjiv Singh Devinder Singh Sahney	4,35,806	0.52
Zodiac Wealth Advisors LLP	4,21,655	0.51
Reliance General Insurance Company Limited	2,83,720	0.34
Jagdish N Master	2,45,000	0.29
Total	6,94,08,757	83.41

*This includes twelve equity shares held by six nominees of Fino PayTech Limited.

STATEMENT OF DEMATERIALISATION

As on March 31, 2025, 100% of the paid-up equity share capital of the Bank was held in dematerialised form.

OUTSTANDING GDRS/ ADRS/ WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY

The Bank does not have any Outstanding GDRs/ ADRs/ Warrants or any other convertible instruments as on date.

COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND COMMODITY HEDGING ACTIVITIES

The Bank has a Board approved Market Risk Management Policy, which defines processes whereby the market risks inherent to activities being undertaken by the Bank can be identified, quantified and managed within a market risk framework and is consistent with the Bank's mandate and risk tolerance limits. The Bank is not exposed to Commodity Price Risk, Foreign Exchange Rate Risk and Equity Price Risk. The Bank did not exceed any of the Board approved risk limits during the period under review.

PLANT LOCATION

The Bank is engaged in the business of banking / financial services, as such, the Bank does not have any plant location.

CREDIT RATING

The details of all credit ratings obtained by the Bank are furnished in the Boards' Report.

ACCOUNTING TREATMENT

The financial statements have been prepared and presented under the historical cost convention and accrual basis of accounting, unless otherwise stated and are in accordance with Generally Accepted Accounting Principles in India ("GAAP"), statutory requirements prescribed under the Third Schedule of the Banking Regulation Act, 1949, directions, circulars and guidelines issued by the RBI from time to time (RBI guidelines), Accounting Standards ('AS') specified under Section 133 of the Act, read together with the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Rules, 2021, as may be applicable to the Bank.

OTHER DISCLOSURES

Related Party Transactions

All Related Party Transactions ("RPTs") that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. Transactions entered into by the Bank with related parties in the normal course of its business were placed before the Audit Committee of the Board ("ACB"). Prior omnibus/ specific approvals were also obtained from the

ACB for the RPTs which are repetitive in nature as well as for the normal banking transactions which cannot be foreseen. A statement giving details of all RPTs entered pursuant to the omnibus approval granted is placed before the ACB for their review on a quarterly basis.

The Bank has not entered into any material financial or commercial transactions with any related parties as per AS-18 and the SEBI Listing Regulations that may have potential conflict with the interest of the Bank at large.

Also, there were no material transactions with related parties, which were not in the ordinary course of the business nor were there any transactions which were not on arm's length basis.

In terms of Regulation 23(9) of the SEBI Listing Regulations, the Bank submits the disclosure of RPTs in a prescribed format, on a half yearly basis to the Stock Exchanges and updates its website accordingly.

Pursuant to the provisions of the Act and the Rules made thereunder and SEBI Listing Regulations, the Bank has in place a Board approved policy on related party transactions. The said policy is also uploaded on the Bank's website at <https://web4.finobank.com/investors/corporate-governance#code-policies>.

Penalties and Strictures for last Three Financial Years

During the last three financial years, there were no instances of non-compliance by the Bank or any penalties and/or strictures imposed on the Bank by Stock Exchanges or any other statutory authority on any matter relating to Capital Market.

Whistle Blower Policy/ Vigil Mechanism

The details of establishment of Vigil Mechanism / Whistle Blower Policy are furnished in the Board's Report. None of the Bank's personnel have been denied access to the Chairperson of the Audit Committee.

Code For Prevention of Insider Trading

The Bank has adopted a code of conduct for the prevention of insider trading in the securities of the Bank ("PIT Code") in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("SEBI Insider Trading Regulations") as amended from time to time with a view to regulate trading in securities by the Board and Designated persons of the Bank, their immediate relatives and other insiders as defined in the PIT Code. The Code, inter-alia, prohibits dealing in securities of the Bank by insiders while in possession of unpublished price sensitive information. The code is available on the Bank's website at <https://web4.finobank.com/investors/corporate-governance#code-policies>.

Directors and Officers Liability Insurance

In line with the requirements of Regulation 25(10) of the SEBI Listing Regulations, the Bank has taken a Directors and Officers Liability Insurance Policy ('D&O Policy') which protects its Directors and Officers for any actual or alleged breach of fiduciary duty.

Details of Utilization of funds raised through Preferential Allotment or Qualified Institutions Placement as Specified under Regulation 32(7A) of SEBI Listing Regulations

During the year under review, the Bank has not raised any funds through Preferential Allotment or Qualified Institutions Placement as specified under Regulation 32(7A) of the SEBI Listing Regulations.

Certificate under Regulation 34 of SEBI Listing Regulations

None of the Directors on the Board of the Bank have been debarred or disqualified from being appointed or continuing as Director of the Bank by the Securities and Exchange Board of India, the Ministry of Corporate Affairs, or any other statutory authority. A certificate to this effect has been provided by M/s. DM & Associates Company Secretaries LLP (FRN: L2017MH003500), Secretarial Auditors and the same is enclosed as **Annexure A**.

Code of Conduct

The Bank has framed and adopted a Code of Conduct which is approved by the Board. The Code is applicable to all Directors and senior management personnel of the Bank. The Code of Conduct is available on the Bank's website at <https://web4.finobank.com/investors/corporate-governance#code-policies>. All the Directors and senior management personnel have affirmed compliance with the Code of Conduct / Ethics as approved and adopted by the Board. A declaration to this effect is enclosed as **Annexure B**.

Fees for Statutory Central Auditors

The details of total fees for all services paid by the Bank to the Statutory Central Auditor and all entities in the network firm/ network entity of the Statutory Central Auditor is provided in Note. 55 to Financial Statements for the year ended March 31, 2025.

Disclosures in relation to The Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013

The Bank has zero tolerance towards sexual harassment at workplace and has in place an Anti Sexual Harassment Policy in compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made thereunder. All employees (permanent, contractual, temporary, trainees) are covered under this Policy. The Bank has constituted Internal Complaints Committee (ICC) to review, investigate and take suitable actions on the complaints related to sexual harassment. The details of complaints received and resolved during the financial year under review by ICC is given below:

Number of cases pending as on April 01, 2024	0
Number of complaints received during FY2024-25	1
Number of complaints disposed off during FY2024-25	1
Number of cases pending for more than 90 days	0
Number of cases pending as on March 31, 2025	0

Shares in Demat Suspense Account/Unclaimed Suspense Account

The Bank does not have any share in the Demat Suspense Account/ Unclaimed Suspense Account.

Details of Material Subsidiary

The Bank does not have any Subsidiary Company.

COMPLIANCE WITH MANDATORY REQUIREMENTS OF SEBI LISTING REGULATIONS

The Bank has complied with the mandatory requirements regarding Corporate Governance under the SEBI Listing Regulations, including those covered under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V thereto, as may be applicable to the Bank from time to time.

COMPLIANCE WITH NON-MANDATORY REQUIREMENTS

In addition, the Bank also adheres and complies with the following discretionary requirements specified under Part E of Schedule II of SEBI Listing Regulations to the extent applicable:

a) Board of Directors

Pursuant to Section 10A (2)(a) of the Banking Regulation Act, 1949, none of the Directors, other than the whole-time Directors, are permitted to hold office continuously for a period exceeding eight (8) years. All the Independent Directors of the Bank possess requisite qualifications and experience which enable them to contribute effectively to the Bank. The Board confirms that in its opinion, the Independent Directors fulfil conditions specified in these regulations and are independent of the management.

b) Shareholder's Rights

The Bank publishes its results on its website at www.finobank.com which is accessible to the public at large. The same are also available on the websites of the Stock Exchanges on which the Bank's shares are listed. The

Bank's results for each quarter are published in two English newspapers having nation- wide circulation and in a Marathi newspaper having circulation in Maharashtra.

c) Audit Qualifications

During the period under review, there is no audit qualification in the Statutory Auditors' Reports. The Bank continues to adopt best practices to ensure regime of unmodified financial statements.

d) Separate posts of Chairperson and Managing Director/ CEO

Mr. Rajat Kumar Jain, a Non-Executive Independent Director, is the Part-time Chairperson and Mr. Rishi Gupta is the Managing Director & CEO of the Bank.

They are not related to each other.

e) Reporting of Internal Auditor

The Internal Auditor of the Bank reports to the Audit Committee of the Bank.

COMPLIANCE CERTIFICATE

Pursuant to Regulation 17(3) of the SEBI Listing Regulations, a confirmation on laws applicable to the Bank confirming compliances with all applicable laws, is placed before the Board on a quarterly basis.

CEO AND CFO CERTIFICATION

A Certificate issued by Mr. Rishi Gupta, Managing Director & CEO and Mr. Ketan Merchant, Chief Financial Officer of the Bank, in terms of Regulation 17(8) of the SEBI Listing Regulations for the year under review was placed before the Board of Directors and is enclosed as **Annexure C**.

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

In accordance to Schedule V of the SEBI Listing Regulations, the Secretarial Auditor's Certificate on Corporate Governance is enclosed as **Annexure D**.

For and on behalf of the Board of Directors

Date : July 30, 2025
Place : Navi Mumbai

Rajat Kumar Jain
Part-time Chairperson & Independent Director
DIN: 00046053

Rishi Gupta
Managing Director & CEO
DIN: 01433190

Annexure A

Certificate of Non-Disqualification of Directors

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of
FINO PAYMENTS BANK LIMITED
MindSPACE JuInagar, 8th Floor,
Plot No. Gen 2/1/F, Tower 1,
TTC Industrial Area,
MIDC Shirwane, JuInagar Navi Mumbai
Thane - 400706

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of FINO PAYMENTS BANK LIMITED having CIN: L65100MH2007PLC171959 and having its Registered Office at MindSPACE JuInagar, 8th Floor, Plot No. Gen 2/1/F, Tower 1, TTC Industrial Area, MIDC Shirwane, JuInagar, Navi Mumbai, Thane – 400706 (hereinafter referred to as ‘the Bank’) and also the information provided to us by the Bank for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications including Directors Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanations furnished to us by the Bank & its officers, we hereby certify that none of the Directors on the Board of the Bank as stated below for the Financial Year ended on March 31, 2025 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment
1.	Mr. Rajat Kumar Jain	00046053	02/11/2020
2.	Mrs. Deena Asit Mehta	00168992	19/03/2020
3.	Mr. Rakesh Bhartiya	00877865	27/07/2022
4.	Mrs. Anita Sudhir Pai	07651059	11/01/2024
5.	Mrs. Neeta Mukerji	00056010	05/03/2024
6.	Mr. Pankaj Kumar	07245781	11/04/2023
7.	Mr. Prateek Roongta	00622797	31/10/2022
8.	Mr. Rishi Gupta	01433190	23/06/2007

Ensuring the eligibility of/for the appointment / continuity of every Director on the Board is the responsibility of the management of the Bank. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Bank nor of the efficiency or effectiveness with which the management has conducted the affairs of the Bank.

FOR DM & ASSOCIATES COMPANY SECRETARIES LLP

Company Secretaries

Dinesh Deora

Senior Partner

Membership No.: FCS 5683

C P No.: 4119

UDIN: F005683G000436663

P.R. Certificate No.: 758/2020

Place: Mumbai

Date : May 26, 2025

Annexure B

Declaration

Except as disclosed to the Board of the Bank, I confirm that for the year under review, all Directors and senior management have affirmed their adherence to the provisions of the Code of Conduct of Directors and senior management personnel.

For Fino Payments Bank Limited

Rishi Gupta

Managing Director & CEO

DIN: 01433190

Date: July 30, 2025

Place: Navi Mumbai

Annexure C

CEO/CFO Certificate

[Pursuant to Regulation 17(8) read with Part B of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

- A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2025 and that to the best of our knowledge and belief:
- these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Bank during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Bank pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit Committee
- significant changes in internal control over financial reporting during the year;
 - significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Bank's internal control system over financial reporting.

For Fino Payments Bank Limited

Rishi Gupta

Managing Director & CEO

DIN: 01433190

Date: April 28, 2025

For Fino Payments Bank Limited

Ketan Merchant

Chief Financial Officer

Date: April 28, 2025

Annexure D

Certificate of Compliance with the Corporate Governance Requirements

To,
The Members of
Fino Payments Bank Limited

We have examined the compliance of conditions of Corporate Governance by **FINO PAYMENTS BANK LIMITED** ("the Bank") for the year ended March 31, 2025, as prescribed in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and Para C, D and E of Schedule V to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

We state that the Compliance of the conditions of Corporate Governance is the responsibility of the Management and our examination was limited to a review of procedures and implementation thereof, adopted by the Bank for ensuring the compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Bank.

In our opinion and to the best of our information and according to the examination of relevant records and the explanations given to us, we certify that the Bank has complied with the conditions of Corporate Governance as stipulated in the aforesaid provisions of SEBI Listing Regulations.

We further state that such compliance is neither an assurance as to future viability of the Bank nor the efficiency or effectiveness with which the management has conducted the affairs of the Bank.

FOR DM & ASSOCIATES COMPANY SECRETARIES LLP
Company Secretaries

Place: Mumbai
Date: May 26, 2025

Dinesh Deora
Senior Partner
Membership No.: FCS 5683
C P No.: 4119
UDIN: F005683G000436542
P.R. Certificate No.:758/2020

Business Responsibility & Sustainability Reporting – BRSR

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity

❖ L65100MH2007PLC171959

2. Name of the Listed Entity

❖ Fino Payments Bank Limited

3. Year of incorporation

❖ 23/06/2007

4. Registered office address

❖ Mindspace Juinagar, 8th Floor, Plot No. Gen 2/1/F, Tower 1, TTC Industrial Area, MIDC Shirwane, Juinagar, Navi Mumbai, Thane Maharashtra-400706

5. Corporate address

❖ Mindspace Juinagar, 8th Floor, Plot No. Gen 2/1/F, Tower 1, TTC Industrial Area, MIDC Shirwane, Juinagar, Navi Mumbai, Thane Maharashtra-400706

6. E-mail

❖ cs@finobank.com

7. Telephone

❖ +91 22 7104 7000

8. Website

❖ <https://www.finobank.com/>

9. Financial year for which reporting is being done

❖ FY2024-25

10. Name of the Stock Exchange(s) where shares are listed

❖ BSE Limited

❖ National Stock Exchange of India Limited

11. Paid-up Capital

❖ ₹83.22 Cr

12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report

❖ Name: Mr. Himanshu K Mishra

❖ Telephone number: 022 71047009

❖ e-mail ID: himanshu.m@finobank.com

13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).

❖ All the information is reported on standalone basis.

14. Name of assurance provider: NA

15. Type of assurance obtained: NA

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Financial Services	Payments Bank activities	100%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Savings Account, Money transfer, CMS, BC Banking and Insurance	64191	100%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	NA	155	155
International	NA	NA	NA

19. Markets served by the entity:

a. Number of locations

Location	Number
National (No. of States)	All states and UTs in India
International (No. of Countries)	NA

b. What is the contribution of exports as a percentage of the total turnover of the entity?

❖ NA

c. A brief on types of customers

❖ Fino Payments Bank offers services to both retail as well as corporate customers. For retail customers, who are largely rural based, the Bank offers savings accounts, current accounts, mobile banking, remittance, bill payments and third-party offerings such as insurance, and referral loans. For corporate clients across multiple sectors such as NBFC, MFI, Logistics, Edtech, eCommerce etc. the Bank offers cash management services.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1.	Permanent (D)	2,769	2,486	89.7%	283	10.3%
2.	Other than Permanent (E)	NA	NA	NA	NA	NA
3.	Total Employees (D+E)	2,769	2,486	89.7%	283	10.3%
WORKERS*						
4.	Permanent (F)	NA	NA	NA	NA	NA
5.	Other than Permanent (G)	NA	NA	NA	NA	NA
6.	Total Employees (F+G)	NA	NA	NA	NA	NA

* The entire workforce of the Company is categorised as 'Permanent Employees'. Therefore, disclosures under 'Other than Permanent Employees' and 'Workers' category is not applicable.

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	0	0	0	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total differently abled employees (D + E)	0	0	0	0	0
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	NA	NA	NA	NA	NA
5.	Other than Permanent (G)	NA	NA	NA	NA	NA
6.	Total differently abled workers (F + G)	NA	NA	NA	NA	NA

21. Participation / Inclusion / Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	8	3	37.5%
Key Management Personnel	3	0	0

22. Turnover rate for permanent employees and workers

	FY2024-25 (Turnover rate in current FY)			FY2023-24 (Turnover rate in previous FY)			FY2022-23 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	53%	34%	46%	62%	34%	60%	69%	51%	68%
Permanent Workers	NA	NA	NA	NA	NA	NA	NA	NA	NA

V. Holding, Subsidiary and Associate Companies (including joint ventures)
23. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Fino PayTech Limited (FPL)	Holding company	FPL holds 75% stake in the Bank	No

VI. CSR Details
24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) **Turnover (in ₹):** 1,847.1 Crore (Turnover represents Total Income)

(iii) **Net worth (in ₹):** 571.9 Crore

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	FY2024-25 Current Financial Year			FY2023-24 Previous Financial Year		
	(If Yes, then provide web- link for grievance redress policy)	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes (https://web4.finobank.com/uploads/pages/corporate-governance/1700629946_VigilanceandWhistleBlowerPolicy.pdf)	0	0	-	0	0	-
Investors (other than shareholders)	Yes. The Investors can approach the Registrar and Share transfer Agents for resolution of any grievance. Further, the Bank is registered with SCORES platform which is a grievance redressal facilitation platform provided by SEBI. (https://web4.finobank.com/uploads/pages/corporate-governance/1700629946_VigilanceandWhistleBlowerPolicy.pdf)	0	0	-	0	0	-
Shareholders	Yes (https://web4.finobank.com/uploads/pages/corporate-governance/1700629946_VigilanceandWhistleBlowerPolicy.pdf)	0	0	-	0	0	-
Employees and Workers	Yes (https://web4.finobank.com/uploads/pages/corporate-governance/1700629946_VigilanceandWhistleBlowerPolicy.pdf)	1	0	-	0	0	-
Customers	Yes (https://web4.finobank.com/uploads/pages/notice-board/1693378107_CustomerGrievancePolicy.pdf) The Bank also has a dedicated customer helpline number (1800 268 1000) and email ID (customercare@finobank.com) to record customer grievances.	97,625	8,238	Broad categories of complaints include Account under restrictions on suspicious pattern/ LEA, ATM Txn dispute, Account opening related etc.	66,450	2,206	Broad categories of complaints includes account under restrictions on suspicious pattern/ LEA, ATM Txn dispute, Fraudulent txn, account opening related etc.
Value Chain Partners	Yes (https://web4.finobank.com/uploads/pages/corporate-governance/1700629946_VigilanceandWhistleBlowerPolicy.pdf)	0	0	-	0	0	-

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web- link for grievance redress policy)	FY2024-25 Current Financial Year			FY2023-24 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Other (Merchants)	Yes (https://web4.finobank.com/uploads/pages/corporate-governance/1700629946_VigilanceandWhistleBlowerPolicy.pdf) The Bank has a dedicated Merchant Helpline Desk number (1800 268 1000) and email ID (care@finobank.com) to record merchant grievances.	15,748	06	The complaints filed during the year were replied to.	23,196	02	The complaints filed during the year were replied to.

26. Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

Sr. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the Risk / Opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implications)
1	Financial and Digital Inclusion	Opportunity	Through its phygital model, the Bank leverages local merchants equipped with digital devices to facilitate account openings and deliver essential banking services. These merchants, being from the community, foster trust and bridge the digital divide. Strategic initiatives like nationwide financial literacy camps in collaboration with NABARD, and the BC Sakhi program in partnership with NRLM - where village women are trained and empowered as banking correspondents -enhance outreach, drive customer engagement, and promote financial independence.	-	Positive

Sr. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the Risk / Opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implications)
2	Data Protection and Cyber Security	Risk	Data protection and cybersecurity are critical material topics for the Bank due to the sensitive nature of customer data it holds. In the event of a data breach, confidential personal and financial information may be exposed or compromised. Such incidents can severely damage the Bank's reputation, erode customer trust, and lead to significant financial losses due to legal liabilities, regulatory penalties, and potential fraud. Ensuring robust data protection measures and cybersecurity protocols is essential to safeguard the Bank's operations, maintain customer confidence, and uphold the institution's integrity in an increasingly digital financial landscape.	To mitigate data protection and cybersecurity risks, the Bank adheres to industry-best standards and regulatory frameworks. It employs advanced security tools and continuous monitoring, to safeguard customer data. Regular audits, employee training, and robust incident response plans further strengthen its defense. These proactive measures ensure data integrity, protect customer trust, and minimize potential financial and reputational impact.	Negative
3	Risk Management	Risk	Risk management is a critical material topic because poor risk oversight can lead to significant financial losses, regulatory penalties, and reputational damage. Ineffective risk controls expose the Bank to market, operational, and cybersecurity threats, jeopardizing its stability and long-term success. Robust risk management safeguards the Bank's financial health and trustworthiness.	The Bank is continuously enhancing its risk and fraud detection tools by adopting cutting-edge technologies and automation. It remains committed to adhering strictly to all regulatory guidelines and compliance requirements. Robust internal controls, regular audits, and proactive monitoring are in place to prevent potential breaches. The Bank maintains a zero-tolerance policy towards data security lapses, reinforcing its commitment to safeguarding customer information and maintaining trust.	Negative
4	Climate Action	Risk	Climate action presents risks through increased regulatory compliance costs, potential operational disruptions from extreme weather, and shifts in customer expectations. These factors can impact financial stability, increase operational risks, and affect reputation and long-term sustainability if not managed effectively.	It is essential to recognize climate action as a key risk given its potential impact on operations and regulatory requirements. The bank acknowledges this importance and is actively in the process of assessing and implementing measures to effectively identify, manage, and mitigate climate-related risks to ensure resilience and long-term sustainability.	Negative

Sr. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the Risk / Opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implications)
5	Employee Engagement and Well-being	Opportunity	Engaged and well-supported employees are more likely to deliver exceptional customer service, drive innovation, and contribute to the Bank's long-term growth. In a competitive financial landscape, prioritizing employee well-being can also position the Bank as an employer of choice, reducing attrition and attracting top talent. Ultimately, a motivated workforce aligns directly with the Bank's mission to deliver accessible and reliable banking services, especially in underserved markets.		Positive
6	Human Capital Development	Opportunity	As a customer-centric financial institution, empowering employees through continuous skill development, training, and wellness initiatives will foster a more engaged, motivated, and productive workforce. This, in turn, leads to improved customer interactions, increased operational efficiency, and lower attrition rates. Furthermore, prioritizing well-being supports a positive workplace culture, which enhances Fino's employer brand and attracts top talent. In the long term, a strong and resilient human capital base enables the Bank to adapt to evolving market dynamics, innovate its product offerings, and effectively serve India's underbanked population — aligning with its vision of financial inclusion.		Positive
7	Corporate Governance	Risk	Corporate Governance poses a significant risk to the Bank as lapses in governance can lead to weak oversight, misalignment of stakeholder interests, and increased vulnerability to regulatory non-compliance and reputational damage. In the dynamic financial services sector, especially for a payments bank operating in a highly regulated environment, poor governance can result in operational inefficiencies, fraud risks, and erosion of customer trust, ultimately impacting business sustainability and growth.	The Bank is actively mitigating corporate governance risks through a multi-faceted approach. Central to this effort is to establish a three-tier ESG Committee structure to strengthen oversight and accountability across all levels of the organization. This structure will ensure clear segregation of duties, promotes transparency in decision-making, and enhances compliance with regulatory requirements.	Negative

Sr. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the Risk / Opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implications)
8	Diversity, Equity and Inclusion (DEI)	Risk	While DEI is important, if not implemented carefully, it can pose risks to the Bank. These include possible internal conflicts, reduced efficiency in decision-making, and employee dissatisfaction if efforts are seen as insincere. Additionally, managing DEI-related regulatory requirements may increase compliance challenges.	The Bank addresses DEI risks through ongoing employee training to promote genuine inclusion and minimize conflicts.	Negative
9	Community Development	Opportunity	By actively engaging in initiatives that promote financial literacy, digital inclusion and local entrepreneurship, the Bank can build trust and long-term relationships with communities that are traditionally excluded from formal banking services. This approach not only aligns with Fino's mission of driving financial inclusion but also creates a loyal customer base, increases account opening, and drives usage of its digital and doorstep banking services. Investing in community development along with livelihood generation enhances the Bank's social impact while unlocking new markets for growth and sustainable profitability.		Positive
10	Business Ethics and Sustainable Value Chain Management	Opportunity	Business Ethics and Sustainable Value Chain Management offer the Bank an opportunity to strengthen trust with customers and stakeholders. By following ethical practices and ensuring sustainability in its operations, the Bank can reduce risks, comply with regulations, and enhance its reputation. This approach supports long-term growth, operational efficiency, and aligns with the increasing demand for responsible banking.		Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/ No)	Yes	No	Yes	Yes	Yes	No	No	Yes	Yes
b. Has the policy been approved by the Board? (Yes/ No)	Yes	NA	Yes	Yes	Yes	NA	NA	Yes	Yes
c. Web Link of the Policies, if available	https://web4.finobank.com/investors/corporate-governance#code-policies https://web4.finobank.com/notice-board								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	No	Yes	Yes	Yes	No	No	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	NA	No	No	No	NA	NA	No	No
4. Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	1) ISO 27001:2013 2) ISO 9001:2015								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	To embed ESG (Environmental, Social, and Governance) principles across its operations, the Bank conducted a comprehensive materiality and risk assessment to define strategic priorities. Governance was strengthened by merging the ESG and CSR committees, enhancing oversight and accountability. A three-tier ESG governance structure is proposed to drive execution and rigorously measure the impact of our ESG initiatives, demonstrating our commitment to sustainable and responsible banking.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The proposed three-tier ESG committee structure will help set KPIs, implement and monitor the impact of initiatives in FY25-26, underscoring our commitment to sustainable business practices.								
Governance, leadership, oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	As part of our continued commitment to responsible banking, Fino Payments Bank has taken structured steps to strengthen its ESG framework. We conducted a comprehensive materiality assessment to identify ten key material topics, which now guide our ESG priorities. Building on this, a detailed risk and opportunity assessment was undertaken, identifying sixteen ESG-related risks, of which ten were mapped directly to our material topics to ensure focused mitigation and strategic planning to strengthen ESG governance. We have also established a Board-level CSR & ESG Committee to oversee the implementation and monitoring of our initiatives. Our efforts have been recognised at the national level, with the Bank receiving a Special Mention Award for "Excellence in ESG and Sustainability Initiatives" at IBEX India. We remain committed to integrating sustainability into our business strategy and delivering long-term value to all stakeholders.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Himanshu K Mishra, EVP & Head Special Projects								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No).	No								
If yes, provide details.	The Bank has constituted a Board Committee during the FY2024-25 to strengthen governance and oversight of its sustainability initiatives. The committee operates at the board & management levels. Further, a three tier ESG committee is proposed, where the CSR & ESG Committee would be supported by the ESG Steering Committee, a committee of executives of the Bank, below which will be the Core Sustainability Committee of the executives and functional levels, ensuring clear accountability and effective coordination across the organization. This structure supports the systematic implementation of ESG priorities and aligns efforts with the Bank's long-term sustainability goals.								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee								Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)									
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Com- mittee of the Board/ Board	NA	Com- mittee of the Board/ Board	Any other Com- mit- tee/ Board	Com- mittee of the Board/ Board	NA	NA	Com- mittee of the Board/ Board	Any other Com- mit- tee/ Board	An- nu- ally	NA	An- nu- ally	An- nu- ally	An- nu- ally	NA	NA	An- nu- ally	An- nu- ally
Compliance with statu- tory requirements of relevance to the princi- ples, and, rectification of any non-compliances	Com- mittee of the Board/ Board	NA	Com- mittee of the Board/ Board	Any other Com- mit- tee/ Board	Com- mittee of the Board/ Board	NA	NA	Com- mittee of the Board/ Board	Any other Com- mit- tee/ Board	An- nu- ally	NA	An- nu- ally	An- nu- ally	An- nu- ally	NA	NA	An- nu- ally	An- nu- ally
11. Has the entity car- ried out indepen- dent assessment/ evaluation of the working of its poli- cies by an external agency? (Yes/ No). If yes, provide name of the agen- cy.	P1	P2		P3		P4		P5		P6		P7		P8		P9		
The policies of the Bank are reviewed internally, annually and/or as and when required.																		

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy reason to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	NA	Yes	NA	NA	NA	No	Yes	NA	NA
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	NA	No	NA	NA	NA	No	No	NA	NA
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	NA	No	NA	NA	NA	No	No	NA	NA
It is planned to be done in the next financial year (Yes/No)	NA	No	NA	NA	NA	Yes	No	NA	NA
Any other reason (please specify)	We are currently establishing a benchmark for our environmental footprint. This involves evaluating our existing systems and procedures to guarantee they have the least possible impact.								

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of trainings and awareness programmes held	Topic/Principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	3	- Knowledge Session on AI - KPMG risk assessment session - Board Pac Session - Financial intelligence for Directors - IIM Mumbai Management Development Program - Institute of Directors master class on ESG	87.5% 75% 62.5% 25% 12.5% 12.5%
Key Managerial Personnel	8	Training related to compliance, Information Security Management (ISMS), cyber threats and fraud awareness training, Prevention of Sexual Harassment (PoSH) and Internal Complaints Committee (ICC), anti-money laundering and anti-fraud training and customer service.	100%
Employees other than BoD and KMPs	10	Induction Program for new joiners includes trainings such as compliance, Information Security Management (ISMS), cyber threats and fraud awareness, Prevention of Sexual Harassment (PoSH) and Internal Complaints Committee training, anti-money laundering, anti-fraud training and customer service.	99%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

	Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty	1	Assistant Commissioner CGST & Central Excise Division – II, Bhopal – Madhya Pradesh	0.16 Crore	Penalty has been levied for alleged short reversal of Input tax Credit as per Rule 42 of CGST Rule, 2017 for the period of FY2017-18 to 2020-21	Yes
Penalty	1	Deputy Commissioner (State Tax) Special Circle, Kadapa Division, Kadapa, Andhra Pradesh	0.021 Crore	Penalty has been levied for alleged short reversal of Input tax Credit as per Rule 42 of CGST Rule, 2017 for the period FY2022-23	Yes
Penalty	1	Deputy Commissioner Division VI, Belapur, Maharashtra	0.237 Crore	Penalty has been levied for alleged wrong claim of Input Tax Credit for the period FY2018-19	Yes
Settlement	NA	NA	NA	NA	NA
Compounding Fee	NA	NA	NA	NA	NA

	Non-Monetary			
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NA	NA	NA	NA
Punishment	NA	NA	NA	NA

3. Of the instances disclosed in Question 2 above, details of the Appeal / Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory / enforcement agencies/ judicial institutions
Assistant Commissioner CGST & Central Excise Division – II, Bhopal – Madhya Pradesh	Central Appellate Authority –Bhopal - Madhya Pradesh
Deputy Commissioner (State Tax) Special Circle, Kadapa Division, Kadapa, Andhra Pradesh	State Appellate Authority - Additional Commissioner (ST) – Chittoor- Andhra Pradesh
Deputy Commissioner Division VI, Belapur, Maharashtra	Central Appellate Authority - Additional Commissioner – Belapur - Maharashtra

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

- ❖ Yes. The provisions relating to anti-corruption or anti-bribery are covered under the Code of Conduct Policy. The Code of Conduct has detailed guidance on the business ethics, values, policies and procedures to prevent corruption and bribery in all the activities and business dealings of the Bank. The said Code of Conduct is an internal document.

Additionally, the Bank also has a Vigilance and Whistleblower Policy that is applicable to all employees. Through this Policy, the Bank encourages all individuals, including employees and third party/vendors, to voice any concerns about suspected misconduct without fear of retaliation. The Vigilance and Whistleblower Policy provides a mechanism to report unethical behavior, potential fraud, or policy violations directly to management, ensuring protection to those who file a grievance. The Policy necessitates the designation of a Chief of Internal Vigilance (CIV), whose primary responsibility is to pinpoint key areas susceptible to corruption. The same is available on the website of the Bank at:

https://web4.finobank.com/uploads/pages/corporate-governance/1700629946_VigilanceandWhistleBlowerPolicy.pdf

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption

	FY2024-25	FY2023-24
Directors	None	None
KMPs	None	
Employees	None	

6. Details of complaints with regard to conflict of interest:

	FY2024-25		FY2023-24	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	NA	NA	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	NA	NA	NA

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

- ❖ NA

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY2024-25	FY2023-24
Number of days of accounts payables	7.13	5.41

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

#	Parameter	Metrics	FY2024-25	FY2023-24
1	Concentration of Purchases	Purchases from trading houses as % of total purchases	0	0
2		Number of trading houses where purchases are made from	0	0
3		Purchases from top 10 trading houses as % of total purchases from trading houses	0	0
4	Concentration of Sales	Sales to dealers / distributors as % of total sales	0	0
5		Number of dealers / distributors to whom sales are made	0	0
6		Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	0	0
7	Share of RPTs in	Purchases (Purchases with related parties / Total Purchases)	0.22%	0.33%
8		Sales (Sales to related parties / Total Sales)	0.09%	0.14%
9		Loans & advances (Loans & advances given to related parties / Total loans & advances)	0	0
10		Investments (Investments in related parties / Total Investments made)	0	0

* Fino Payments Bank is in the financial services sector, and therefore given the nature of its business, does not directly procure any goods from a trading house.

As per the Income Tax Act, 1961, a 'Trading House' may be interpreted as a business that primarily engages in trading and export of various goods or products. Such businesses often play a crucial role in facilitating international trade by sourcing, purchasing, and selling goods to international markets.

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:

Awareness programmes conducted for value chain partners on any of the principles during the financial year (FY24-25):		
Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
3712	Modules covered include a introduction to Fino Payments Bank and its business model, products and processes. Additional modules include Compliance and technical trainings	24%

*Percentage is calculated based on total active merchants

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, the Board of Directors are subject to the Board-approved Code of Conduct for Members of the Board and Senior Management (https://web4.finobank.com/uploads/pages/corporate-governance/1707214756_CodeofConductforMembersoftheBoardandSeniorManagement.pdf) which mandates that the Board members shall avoid conflict of interest and disclose to the Board any material transaction or relationship that reasonably could be expected to give rise to such a conflict. Further, the Board members are required to disclose their interest to the Board at the first meeting of the financial year and any change as and when such change occurs. In line with the extant RBI circulars on 'fit and proper' criteria, the Board members are required to provide Declaration & Undertaking to the Bank on an annual basis and at the time of their appointment/ re-appointment. This declaration also contains information on entities in which the Directors have interest. As and when any Director is appointed / re-appointed, the Bank carries out a due diligence exercise which inter alia examines the possibility of conflict of interest.

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	*Refer note below		
Capex			

*Fino Payments Bank is in the financial services sector therefore the relevance of the above categories is restricted largely to information technology. The Bank intends to reassess its value chain and identify focus areas to reduce its environmental impact.

2. a. Does the entity have procedures in place for sustainable sourcing?
No, Since the Bank's presence is in the Financial Services sector, the primary operational purchase is paper. For the procurement of equipment, the Bank prioritizes energy efficiency, especially when buying electronic devices like computers, laptops, lights, and air conditioners.
b. If yes, what percentage of inputs were sourced sustainably?
❖ Not Applicable
3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.
While the Bank's service-based model does not involve physical products, we recognize our responsibility in managing operational waste. Accordingly, we have established a formal framework for responsible e-waste management across our organization.
4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.
❖ Not Applicable

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?
❖ Not Applicable
2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.
❖ Not Applicable
3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY2024-25	FY2023-24
NA	NA	NA

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	2024-25			2023-24		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)		NA			NA	
E-waste		NA			NA	
Hazardous waste		NA			NA	
Other waste		NA			NA	

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

All employees are covered under Health and Accident Insurance (within India). Medical expenses and Insurance related to Maternity claims are covered under Health Insurance coverage

Category	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	2,486	2,486	100%	2,486	100%	NA	NA	2,486	100%	0	NA
Female	283	283	100%	283	100%	283	100%	NA	NA	0	NA

b. Details of measures for the well-being of workers:

❖ Not Applicable

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	FY2024-25	FY2023-24
Cost incurred on well-being measures as a % of total revenue of the company*	0.27 %	0.33%

* In alignment with Principle 3, 1.a., the following is included while calculating spending towards well-being of employees: Health Insurance, Term Insurance and Maternity Benefits, Paternity Benefits, Rewards and Recognition expenditure.

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY2024-25			FY2023-24		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/NA)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/NA)
PF	100%	Not Applicable	Y	100%	Not Applicable	Y
Gratuity	100%	Not Applicable	Y	100%	Not Applicable	Y

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

- ❖ Our customer facing offices are accessible to the differently abled people. Our products & offerings are designed by leveraging technology to provide accessibility.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

- ❖ No. The Bank does not have an Equal Opportunity policy in place at present. However, the Bank upholds equal opportunity and non-discrimination practices through the Equal Employment and Non- Discrimination Policy that is a part of our Code of Conduct. The Policy ensures that no employee or job applicant is discriminated against on factors such as caste, creed, race, religion, gender, age, LGBT status, national origin, pregnancy, marital status, family status, disability, HIV status, veteran status, or any other protected class.

5. Return to work and Retention rates of permanent employees and workers that took parental leave:

FY2024-25	Permanent Employees		Permanent workers	
Gender	Return to work rate	Retention rate	Return to work rate	Retention rate
Male and Female	100%	100%	NA	NA

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Not Applicable
Other than Permanent Workers	Not Applicable
Permanent Employees	Given the nature of the complaint, there are several avenues available for employees. This includes the Vigilance and Whistleblower Policy, dedicated email IDs and HRMS Ticketing Systems where employees can reach out and file their grievances.
Other than Permanent Employee	Not Applicable

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY2024-25			FY2023-24		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/ A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	The Bank's employees are not a part of any union / employee association					
- Male						
- Female						
Total Permanent Workers						
- Male						
- Female						

8. Details of training given to employees and workers:

Category	FY2024-25					FY2023-24				
	Total (A)	On Health and safety measures		On Skill Upgradation		Total (D)	On Health and safety measures		On Skill Upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	2,486	2,486	100%	2,486	100%	2,419	0	0	2,419	100%
Female	283	283	100%	283	100%	263	0	0	263	100%
Total	2,769	2,769	100%	2,769	100%	2,682	0	0	2,682	100%
Workers										
Male	NA	NA	0	NA	0	NA	NA	0	NA	0
Female	NA	NA	0	NA	0	NA	NA	0	NA	0
Total	NA	NA	0	NA	0	NA	NA	0	NA	0

*As part of health and safety measure, we conduct fire drill twice a year for all the employees.

9. Details of performance and career development reviews of employees and workers:

Category	FY2024-25			FY2023-24		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	2,486	2,033	82%	2,419	1,806	75%
Female	283	240	85%	263	195	74%
Total	2,769	2,273	82%	2,682	2,001	75%
Workers						
Male	NA	NA	0	NA	NA	0
Female	NA	NA	0	NA	NA	0
Total	NA	NA	0	NA	NA	0

Note: Performance and career development reviews were carried out for all eligible employees.

10. Health and safety management system:

- Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?
 - ❖ Yes. Employee wellbeing is a key focus area for the Bank. To ensure the safety and security of employees, all offices and branches have CCTVs and fire alarm systems, including fire extinguishers. Mock fire drills are conducted regularly to create awareness among employees on safety measures.
- What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?
 - ❖ Mental and physical well-being of the employees is of paramount importance to the Bank. Through periodic assessments the Bank identifies occupational health and safety risks and implements mitigation measures accordingly. Regular training sessions and mock drills enhance preparedness for emergencies.
- Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

This is not directly applicable given the nature of business. In case of any unforeseen circumstances, the Bank's employees and their families are covered under the Group Medical Policy. In an extreme case of a fatality occurring due to a work-related hazard, all employees are covered under Group Term Insurance.
- Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)
 - ❖ Yes, the Bank provides Group Medical Policy for employees and their families as well as Group Term Insurance to provide safety against medical and healthcare emergencies.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY2024-25	FY2023-24
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	NA	NA
Total recordable work-related injuries	Employees	0	0
	Workers	NA	NA
No. of fatalities	Employees	0	0
	Workers	NA	NA
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	NA	NA

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Fino Payments Bank prioritizes the physical and mental well-being of its employees and is committed to providing a safe and hazard-free work environment. To achieve the same, the Bank expects its businesses and employees to comply fully with appropriate laws and internal regulations. The Bank has implemented several accident prevention measures and actively promotes responsible behaviour among employees and colleagues. Measures range from the technical planning of workplaces, equipment, and processes and to safety management and personal behaviour in everyday workplace. Some of the measures taken by the Bank to ensure safe and healthy workplace are:

- ❖ Fire alarm systems and extinguishers in offices and branches
- ❖ Regular training sessions and mock drills to enhance employee preparedness
- ❖ Awareness on POSH through periodic emails
- ❖ Hygienic canteen with healthy eating options

13. Number of Complaints on the following made by employees and workers:

	FY2024-25			FY2023-24		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	NA	NA	NA	NA	NA	NA
Health & Safety	NA	NA	NA	NA	NA	NA

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	NA
Working Conditions	NA

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

- ❖ Not Applicable

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

- ❖ Employees are covered under Group Term Life Insurance.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

- ❖ Not Applicable

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

❖ Not Applicable

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

❖ There have been no instances of termination of employment due to skill gaps or business conditions by the Bank. If the same becomes necessary due to regulatory requirements, business changes or any other unforeseen circumstances, appropriate measures will be considered for the outgoing employees.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	NA
Working Conditions	NA

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

❖ Not Applicable

PRINCIPLE 4 : Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

❖ The Bank believes that regular stakeholder engagement is essential for developing strong partnerships. We have a stakeholder identification mechanism that takes into consideration their business requirements. Thus, a strategic and diversified approach to stakeholder engagement allows us to make well-informed decisions, taking into consideration the changing expectations of our stakeholder groups.

❖ The stakeholders identified by the Bank are its consumers, distribution partners, shareholders, employees and investors.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community, Meetings, Notice Board, Website), Other	Frequency of engagement of (Annually/ Half yearly/ Quarterly others - please specify	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	Yes	We communicate with our customers across – SMS, WhatsApp, Email, Website, App Notifications, Phone calls, Personal interactions by distribution partners, employees etc. There is a dedicated helpline for customers to file grievances. The type of communication, context, tools of communication, frequency etc depend on the business needs. Our eligible account holders receive Direct Benefit Transfer out of various Government Schemes.	The communication runs through the year.	The purpose of the communication is to inform and engage.

Stakeholder group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community, Meetings, Notice Board, Website), Other	Frequency of engagement of (Annually/ Half yearly/ Quarterly others - please specify	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investors (other than shareholders)	No	The Investor Relations (IR) team actively engages with the investors. Important documentation like Quarterly financial reports, press releases, results, conference call and investor presentation and conferences, Annual Reports, Investor Decks, Investor Meets are all available on the website.	The communication runs through the year.	Providing relevant information on the Bank's performance and understanding investor perspectives on the same.
Shareholders	No	The IR team actively engages with the investors. Important documentation like Quarterly financial reports, press releases, results conference call and investor presentation and conferences, Annual Reports, Investor Decks, Investor Meets are all available on the website.	The communication runs through the year.	Providing updates related to the Bank's business and operational performance.
Employees	No	We communicate with our employees through various means such regular meetings, SMS, WhatsApp, emails, phone calls, etc. The type of communication, context, tools of communication, frequency etc. depend on the business needs.	The communication runs through the year.	Ensure that employees are abreast of the developments within the Bank. The purpose of the communication is to inform and engage.
Value Chain Partners/ Distribution Partners	No	We communicate with our value chain partners across personal Meetings, review meetings, SMS, WhatsApp, Email, Website, Phone calls, etc. The type of communication, context, tools of communication, frequency etc. depends on the business needs.	The communication runs through the year.	The purpose of the communication is to inform and engage value chain partners on the policies / practices of the Bank.

Leadership Indicators

- Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**
 - There are various channels of communication for stakeholders, which include the Bank's website, earnings call and designated email IDs displayed on the Bank's website which stakeholders may refer to. The Bank has a Stakeholders Relationship Committee ("SRC") which ensures the effective redressal of their grievances. Wherever relevant, the feedback shared by stakeholders from the above-mentioned communication channels form a part of discussions of the SRC.
- Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**
 - The Bank is steadfast in its dedication to engaging with all stakeholders. Through active engagement with employees, clients, suppliers, partners, and communities, the Bank aims to contribute to sustainable development.
- Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**
 - The Bank has a Corporate Social Responsibility (CSR) Policy that acts as the guiding light for all our community development initiatives. Through the CSR Policy, the Bank remains committed to creating value for marginalized communities in the country. Our CSR interventions consciously strive to positively impact the lives of the marginalized communities. The Bank engages with communities around its branches with the objective of widening its prosperity circle through relevant interventions in line with the UN Sustainable Development Goals.

PRINCIPLE 5 : Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity:

Category	FY2024-25			FY2023-24		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	2,769	100%	0	2,682	100%	0
Other than permanent	NA	NA	NA	NA	NA	NA
Total Employees	2,769	100%	0	2,682	100%	0
Workers						
Permanent	NA	NA	NA	NA	NA	NA
Other than permanent	NA	NA	NA	NA	NA	NA

* All the employees are trained on human rights and policies in the induction process.

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY2024-25					FY2023-24				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	2,769	165	5.95%	2,604	94.05%	2,682	60	2.23%	2622	97.77%
Male	2,486	139	5.59%	2,350	94.53%	2,419	42	1.73%	2377	98.27%
Female	283	29	10.24%	254	89.76%	263	18	6.84%	245	93.16%
Other than Permanent	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Workers										
Permanent	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than Permanent	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

3. Details of remuneration / salary / wages, in the following format:

a. Median remuneration/wages

	Male		Female	
	Number	Median remuneration/ salary/wages of respective category	Number	Median remuneration/ salary/wages of respective category
Board of Directors (BoD) Key Managerial Personnel	Please Refer the Board's Report and Annexures			
Employees other than BoD and KMP	2,483	3,36,840	283	3,43,608

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY2024-25	FY2023-24
Gross wages paid to females as % of total wages	10%	10%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes. The Bank encourages employees to report to their supervisor/HR/compliance officer, concerns and suspected violations of the Code, internal policies, external legal and regulatory requirements etc. All significant breaches can be escalated immediately.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Bank has a Vigilance and Whistle-blower Policy and Code of Conduct which provides a grievance redressal mechanism for human rights related issues. The Bank conducts prompt and thorough investigations on the violation of relevant rules, laws and regulations and takes appropriate action against individuals. An employee who knowingly violates the internal policies and guidelines shall be subject to disciplinary action, including demotion or dismissal.

6. Number of Complaints on the following made by employees and workers:

	FY2024-25			FY2023-24		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	1	Nil	The Complaint was resolved during the year.	1	Nil	The Complaint was resolved during the year.
Discrimination at workplace	0	0	-	0	0	-
Child Labour Forced Labour/ Involuntary Labour Wages	0	0	-	0	0	-
Other human rights related issues	0	0	-	0	0	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY2024-25	FY2023-24
Total complaints reported under Sexual Harassment of women at Workplace (Prevention, Prohibition, Redressal) Act, 2013 (POSH)	1	1
Complaints on POSH as a % of female employees/ workers	0.35%	0.38%
Complaints on POSH upheld	Nil	Nil

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

- ❖ Fino Payments Bank Ltd. is committed to the prohibition of harassment and intimidation of employees in the workplace. The Bank discourages conduct that implies granting or withholding favors or opportunities as a basis for decisions affecting an individual, in return for that individual's compliance. Such harassment is the easier form of harassment to identify because it is in the form of either a threat or a promise, whether explicit or implied.
- ❖ Fino Payments Bank Ltd. has a Prevention of Sexual Harassment at Workplace Policy that prohibits unwelcome advances, requests for sexual favors, or verbal or physical conduct where such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment.

- ❖ The Bank has an Equal Employment and Non-Discrimination Policy that is a part of the Code of Conduct. Employees are encouraged to report any incidents of inconsistent treatment or behaviour through our Employee Complaint Resolution Policy or Vigilance Policy. We have a zero-tolerance policy for victimization or harassment against employees who report issues or cooperate with investigations.
- ❖ The POSH and grievance redressal mechanism has in place modalities to prevent adverse consequences to the complainant in discrimination and harassment cases.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

- ❖ Not Applicable

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	Nil*
Forced/involuntary labour	Nil*
Sexual harassment	Nil*
Discrimination at workplace	Nil*
Wages	Nil*
Others - please specify	Nil*

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

- ❖ Not Applicable

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.

- ❖ There were no human rights grievances/complaints received during the reporting period.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

- ❖ Not Applicable

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

- ❖ Our customer facing offices are accessible to the differently abled people. Our products & offerings are constructed in such a way by leveraging technology to provide accessibility.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	The Bank is currently evaluating the feasibility of carrying out assessments on the aforementioned topics in the near future.
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others - please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

- ❖ Not Applicable

PRINCIPLE 6 : Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity:

Parameter	FY2024-25	FY2023-24
Total electricity consumption (A)	13,99,666.19 KJ	NA
Total fuel consumption (B)	NA	NA
Energy consumption through other sources (C)	NA	NA
Total energy consumption (A+B+C)	13,99,666.19 KJ	NA
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	Negligible	Negligible
Energy intensity (optional) – the relevant metric may be selected by the entity		

*We have started tracking electricity consumption from FY24-25.

*Electricity consumption was estimated for Headquarters and all regional offices and branches using the Carbon Accounting Proxy Methodology.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

❖ No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

❖ No

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY2024-25	FY2023-24
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	NA
(ii) Groundwater	0	NA
(iii) Third party water	3,61,292.8 litres	NA
(iv) Seawater / desalinated water	0	NA
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	3,61,292.8 litres	NA
Total volume of water consumption (in kilolitres)	3,61,292.8 litres	NA
Water intensity per rupee of turnover (Water consumed / turnover)	Negligible	NA
Water intensity (optional) – the relevant metric may be selected by the entity		

*We have started tracking water consumption from FY24-25.

**Water consumption was calculated for Headquarters and 2 regional offices.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

❖ No

4. Provide the following details related to water discharged:

❖ Not Applicable

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

❖ Not Applicable

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Not Assessed. The Bank is in its initial stage of assessing the relevance of air emissions given the nature of its business.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

❖ Not Applicable

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY2024-25	FY2023-24
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	NA	NA
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	10,02,161	NA
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)		Negligible	NA
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)		NA	NA
Total Scope 1 and Scope 2 emission intensity in terms of physical output		NA	NA
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity			

**Carbon Accounting Proxy methodology was used to calculate emissions of Scope 2.*

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

❖ No

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

❖ No

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY2024-25	FY2023-24
Total Waste generated (in metric tonnes)		
Plastic waste (A)	The Bank is in process of implementing measures to quantify its e-waste generation for the fiscal year 2025-26	
E-waste (B)		
Bio-medical waste (C)		
Construction and demolition waste (D)		
Battery waste (E)		
Radioactive waste (F)		
Other Hazardous waste. Please specify, if any. (G)		
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)		
Total (A+B + C + D + E + F + G + H)		
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (total waste generated / Revenue from operations adjusted for PPP)		
Waste intensity in terms of physical output		
Waste intensity (optional) – the relevant metric may be selected by the entity		
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Parameter	FY2024-25	FY2023-24
Category of waste		
(i) Recycled		
(ii) Re-used	-	-
(iii) Other recovery operations		
Total		
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration		
(ii) Landfilling	-	-
(iii) Other disposal operations		
Total		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

❖ Not Applicable

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

❖ Not Applicable

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

❖ Not Applicable

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

❖ Not Applicable

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, the Bank is fully compliant with the applicable environmental laws / regulations / guidelines in the places where we operate, to the extent to which they apply to the Bank.

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

❖ At present, the Bank has not quantified its water withdrawal, consumption and discharge in areas of water stress. The Bank is in its initial stage of assessing this metric given the nature of its business.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

❖ No

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY2024-25	FY2023-24
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	At present, the Bank has not quantified its Scope 3 emissions. However, it is in the early stages of identifying and evaluating the relevant categories of Scope 3 emissions.	
Total Scope 3 emissions per rupee of turnover	Gram per CO ₂ per rupee income		
Total Scope 3 emission intensity (optional) - the relevant metric may be selected by the entity	tCO ₂ /FTE		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

❖ No

3. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

❖ Given the nature of our business, we do not have significant direct impact on biodiversity.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken along-with summary	Details of the initiative	Outcome of the initiative
Not Applicable			

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

❖ Yes, we have a business continuity plan to keep the core systems running in the event of an adversity.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

❖ Not relevant

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

❖ Not relevant

PRINCIPLE 7 : Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations: 5
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of / affiliated to:

Confederation of Indian Industry (CII)	National
Associated Chambers of Commerce and Industry of India (ASSOCHAM)	National
IMC Chamber of Commerce and Industry	National
Federation of Indian Chamber of Commerce and Industry (FICCI)	National
Payments Council of India, PCI (IAMAI)	National

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities

❖ Not Applicable

Leadership Indicators

1. Details of public policy positions advocated by the entity:

❖ The Bank does not directly engage in public policy. Through its active involvement with the aforementioned trade and industry associations, the Bank remains well-informed about industry developments and fosters collaborative partnerships within the business community.

PRINCIPLE 8 : Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

❖ Not Applicable

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

❖ Not Applicable

3. Describe the mechanisms to receive and redress grievances of the community.

❖ The Bank has several avenues in place to receive and redress grievances of the community. They include our Helpline number, our customer care email ID, WhatsApp and our FinoPay mobile application. The Bank actively collaborates with the communities surrounding its branches, aiming to expand its sphere of prosperity through targeted initiatives aligned with the Sustainable Development Goals.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY2024-25	FY2023-24
Directly sourced from MSMEs/ small producers	4.50%	5.48%
Directly from within India	100%	100%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost.

Location	FY2024-25	FY2023-24
Rural	16.5%	8%
Semi-urban	2%	1%
Urban	20%	14%
Metropolitan	61.5%	77%

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

Note: The above figures have been computed on the basis that employee wages were determined using a percentage of their fixed pay.

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
NA	NA

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S.No.	State	Aspirational District	Amount spent (In ₹)
		Not Applicable	

3.

(a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)	No.
(b) From which marginalized /vulnerable groups do you procure?	Not Applicable
	* Given the nature of our business, we don't procure from marginalized / vulnerable groups.
(c) What percentage of total procurement (by value) does it constitute?	Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

❖ Not Applicable

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

❖ Not Applicable

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of Persons benefitted from CSR Project	% of beneficiaries from vulnerable and marginalized groups
1	Primary education	6,416	100%
2	Healthcare	5,810	100%
3	Skill development	929	>60%
Total		13,155	

PRINCIPLE 9 : Businesses should engage with and provide value to their consumers in a responsible manner**Essential Indicators****1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

- ❖ The Bank has a Customer Grievance policy to ensure that all customers are treated respectfully, fairly and without bias at all times. The policy lists out the grievance redressal mechanism where customers can file their complaints. Additionally, the Bank has in place a Consumer Helpline Number (1800 268 1000) and an email ID (customercare@finobank.com) which customers may alternatively utilize along with Branch Visit, Bank Portal, FinoPay, Social Media, WhatsApp. All issues raised by customers are dealt with courtesy, efficiency and resolved on time. Customers are made completely aware of their rights so that they can opt for alternative remedies if they are not fully satisfied with the response or resolution to their complaint.

2. Turnover of products and services as a percentage of turnover from all products/services that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	NA
Safe and responsible usage	NA
Recycling and/or safe disposal	NA

3. Number of consumer complaints in respect of the following:

	FY2024-25			FY2023-24		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber Security	0	0	-	0	0	-
Delivery of essential services	97,625	8,238	-	66,450	2,206	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair trade practices	0	0	-	0	0	-
Other	0	0	-	0	0	-

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	NA	NA
Forced recalls	NA	NA

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

- ❖ Yes. Keeping personal information of customers secure and using it solely for activities related to the Bank and preventing any misuse of customer data is a top priority of the Bank.
- ❖ The Bank maintains a cyber security policy that is sensitive in nature and is not intended for external dissemination. The policy is crucial to our operations and is handled with the utmost confidentiality. In addition to our cyber security policy, the Bank also has a privacy policy.
- ❖ The Bank's privacy policy is aimed at protecting the personal information disclosed by customers. This policy governs the way in which the Bank collects, uses, discloses, stores, secures and disposes of personal information and sensitive personal data or information. (<https://www.finobank.com/regulatory/privacy-policy>).

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

❖ Not Applicable

7. Provide the following information relating to data breaches:

a. Number of instances of data breaches

There were no instances of data breaches during the reporting period.

b. Percentage of data breaches involving personally identifiable information of customers.

❖ Not Applicable

c. Impact, if any, of the data breaches

❖ Not Applicable

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

❖ All information is available on the Bank website www.finobank.com.

All pertinent details about our products and updates are shared through our official website, our mobile application and various social media platforms. Our official website serves as the primary source of information and is regularly updated with the latest news, announcements, and other essential details (<https://web4.finobank.com/notice-board>). In addition to the website, the Bank actively uses social media platforms such as X (formerly Twitter), Facebook and Instagram to connect with our customers. Our mobile application, FinoPay is available on iOS and Android platforms and provides customers with a hassle-free digital experience.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

❖ Fino Payments Bank displays a factsheet on Important Safe Banking Tips on its website (<https://web4.finobank.com/regulatory/important-safe-banking-tips>) informing customers about the best practices they should employ while doing digital banking. Furthermore, the Bank regularly updates its notice board (<https://web4.finobank.com/notice-board>) to inform customers about the safe and responsible usage of its products and services.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

❖ Information informing customers of any risk of disruption / discontinuation of essential services is posted on our website www.finobank.com. Our mobile application, FinoPay, notifies customers of any disruption / discontinuation of essential services through notifications which include information about the services affected and the expected duration of the outage. We also inform our customers about disruptions through WhatsApp notifications.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No).

Given the nature of our business, traditional product labelling does not pertain to us. However, the Bank ensures transparency by adhering to all necessary disclosure requirements related to its products and services in every form of communication. Furthermore, the Bank provides information about its product offerings and services through various channels such as its website, advertisements, print and social media, among others, to keep customers and stakeholders well-informed. The Bank also has a Citizen's Charter which not only explains our commitment and responsibilities along with redressal methods but also the obligations on the part of customers.

Yes. The Bank utilizes formal tools like Net Promoter Score (NPS) surveys, social media and Facebook live sessions to understand customer needs.



PART 6

FINANCIAL STATEMENTS

Independent Auditor's Report

To
The Members of
Fino Payments Bank Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Fino Payments Bank Limited ("the Bank"), which comprise the Balance Sheet as at March 31, 2025, the Profit and Loss account, the Statement of Cash Flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013 ("the Act") and circulars and guidelines issued by the Reserve Bank of India ("RBI") from time to time ("RBI guidelines") in the manner so required for Banking Companies and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with Companies (Accounting Standards) Rules, 2021 and other accounting principles generally accepted in India, of the state of affairs of the Bank as at March 31, 2025, and its profit, and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the Key Audit Matter
- The Bank utilizes a complex IT infrastructure to facilitate its daily operations. This infrastructure is crucial for processing and recording substantial transaction volumes either through a single or several applications. - IT system reliability and security are critical for the Bank's operational efficiency. Given the high volume of daily transactions, IT controls are essential to ensure accurate data processing by applications and to facilitate necessary modifications. - To guarantee that these IT systems process data accurately, completely, and consistently—thereby supporting dependable financial reporting—robust IT general controls (ITGC) and specific application controls are required. - We consider 'IT systems and controls' as a key audit matter due to the extensive automation, the significant number of systems utilized by management, and the complexity of the IT framework, which significantly influences the financial reporting system.	For the system audit, we employed IT experts to understand the Bank's IT general controls. Our audit processes included: - Evaluating the Bank's ITGC environment by understanding processes, mapping applications, and recognizing financial risks linked with the people-process-technology interface. - Confirming the design and operational effectiveness of crucial controls in user access management, change management, program development, and vulnerability management. - Assessing the design and operational effectiveness of access control measures, including the granting, removal, and periodic review of access rights. - Testing compensatory controls and executing alternative audit procedures as needed. We also noted any modifications to the IT framework during the audit period. - The audit aimed to provide reasonable assurance that the Bank's IT controls are adequate, effectively designed, and implemented to maintain the integrity, confidentiality, and availability of the Bank's financial and operational data.

Other Information

The Bank's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon and the Basel II Disclosures under New Capital Adequacy Framework. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

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

The Bank's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with the Companies (Accounting Standards) Rules, 2021, and provisions of Section 29 of the Banking Regulation Act, 1949 and RBI Guidelines. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act and the RBI Guidelines for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are also responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. The Balance Sheet and the Profit and Loss account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 and Section 133 of the Act and relevant rules issued thereunder.
2. As required by sub-section (3) of section 30 of the Banking Regulation Act, 1949, we report that:
 - a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;
 - b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank;
 - c) Since the key operations of the Bank are automated with the key applications integrated to the core banking system, the audit is carried out centrally as all the necessary records and data required for the purposes of our audit are available therein. During the audit period, we have visited 16 branches.

- d) The profit and loss account shows a true balance of profit for the year then ended.

3. 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 Bank so far as it appears from our examination of those books;
- c) The Balance Sheet, the Profit and Loss account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder to the extent they are not inconsistent with the accounting policies prescribed by RBI;
- e) On the basis of the written representations received from the Directors as on March 31, 2025, taken on record by the Board of Directors, none of the Directors are disqualified as on March 31, 2025, 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 Bank and the operating effectiveness of such controls, refer to our separate Report in "Annexure A";
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Bank has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note 38 to the financial statements;
 - ii. The Bank did not have any long-term contracts including derivative contracts for which there were any for material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Bank;
 - iv. 1) The Management has represented that, to the best of its knowledge and belief, as disclosed in refer note 51 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other persons / entities, including foreign entities ('Intermediaries'), with the

understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- 2) The Management has represented that, to the best of its knowledge and belief, as disclosed in refer note 51 to the financial statements, no funds have been received by the Bank from any persons/ entities, including foreign entities, that the Bank has directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- 3) Based on such audit procedures performed, as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub

clause (1) and (2) as provided under (1) and (2) above contain any material misstatement.

- v. The Bank has neither declared nor paid any dividend during the current year;
- vi. Based on our examination which included test checks, the Bank has used accounting software systems for maintaining its books of account for the financial year ended March 31, 2025 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the Bank as per statutory requirements for record retention.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, the Bank is a Banking Company as defined under Banking Regulation Act, 1949. Accordingly, the requirements prescribed under Section 197 of the Act do not apply.

For A P Sanzgiri & Co

Chartered Accountants

Firm Registration Number: 116293W

Abhijit Sanzgiri

Partner

Membership Number: 043230

UDIN: 25043230BMIRWP4722

Place: Navi Mumbai

Date: April 28, 2025

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT ON THE FINANCIAL STATEMENTS OF FINO PAYMENTS BANK LIMITED FOR THE YEAR ENDED MARCH 31, 2025

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

Report on the Internal Financial Controls Over Financial Reporting with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

OPINION

We have audited the internal financial controls over financial reporting with reference to financial statements of Fino Payments Bank Limited (“the Bank”) as at March 31, 2025, in conjunction with our audit of the financial statements of the Bank for the year ended on that date.

In our opinion, the Bank has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2025, based on the internal control with reference to financial statements criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the “Guidance Note”).

Management’s Responsibility for Internal Financial Controls

The Bank’s management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Bank 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 Bank’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 (‘the Act’).

Auditor’s Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Bank’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls with Reference to Financial Statements

A Bank’s internal financial controls over financial reporting with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Bank’s internal financial controls over financial

reporting with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank; (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 bank are being made only in accordance with authorizations of management and directors of the Bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Bank assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Chartered Accountants

Firm Registration Number: 116293W

Abhijit Sanzgiri

Partner

Membership Number: 043230

UDIN: 25043230BMIRWP4722

Place: Navi Mumbai

Date: April 28, 2025

Balance Sheet as at March 31, 2025

(₹ in 000)

Particulars	Schedule	As at March 31, 2025	As at March 31, 2024
CAPITAL AND LIABILITIES			
Capital	1	8,32,184	8,32,143
Employee stock options outstanding		2,75,782	1,52,120
Reserves and surplus	2	63,60,800	54,47,425
Deposits	3	1,93,94,353	1,41,25,400
Borrowings	4	83,94,572	71,26,500
Other liabilities and provisions	5	68,01,628	65,07,536
		4,20,59,319	3,41,91,124
ASSETS			
Cash and balances with Reserve Bank of India	6	18,28,637	31,74,331
Balances with banks and money at call and short notice	7	92,13,253	74,81,169
Investments	8	2,38,81,285	1,74,69,301
Advances	9	1,694	689
Fixed assets	10	29,75,752	19,52,387
Other Assets	11	41,58,698	41,13,247
		4,20,59,319	3,41,91,124
Contingent liabilities	12	3,40,408	1,31,836
Bills for collection		-	-
Significant accounting policies and notes to the financials	17 & 18		

The schedules and accompanying notes to accounts referred to above form an integral part of the Balance Sheet

As per our report of even date attached

For A P Sanzgiri & Co
Chartered Accountants
ICAI Firm Registration No: 116293W

For and on behalf of the Board of Directors
Fino Payments Bank Limited

Abhijit Sanzgiri
Partner
Membership No: 043230

Rajat Kumar Jain
Part-time Chairman &
Independent Director
DIN - 00046053

Deena Mehta
Independent Director
DIN - 00168992

Rishi Gupta
Managing Director &
Chief Executive Officer
DIN - 01433190

Ketan Merchant
Chief Financial Officer

Basavraj Loni
Company Secretary & VP - Legal

Membership No - A23095

Place : Navi Mumbai
Date : April 28, 2025

Place : Navi Mumbai
Date : April 28, 2025

Statement of Profit and Loss for the year ended March 31, 2025

(₹ in 000)

Particulars	Schedule	For the year ended March 31, 2025	For the year ended March 31, 2024
I INCOME			
Interest earned	13	19,52,304	15,00,460
Other income	14	1,65,18,739	1,32,83,351
		1,84,71,043	1,47,83,811
II EXPENDITURE			
Interest expended	15	10,05,844	7,89,006
Operating expenses	16	1,63,81,656	1,31,26,196
Provisions and contingencies		1,58,196	6,369
		1,75,45,696	1,39,21,571
III PROFIT/LOSS			
Net profit /(loss) for the year		9,25,347	8,62,240
Profit/(loss) brought forward		(19,19,563)	(24,67,642)
		(9,94,216)	(16,05,402)
IV APPROPRIATIONS			
Transfer to statutory reserve		2,31,337	2,15,560
Transfer to Investment Fluctuation Reserve		1,28,728	98,601
Balance carried over to Balance Sheet		(13,54,281)	(19,19,563)
EARNING PER EQUITY SHARE (Face value of ₹10 per share)			
Basic (₹)		11.12	10.36
Diluted (₹)		11.08	10.36
Significant accounting policies and notes to the financials	17 & 18		

The schedules and accompanying notes to accounts referred to above form an integral part of the Balance Sheet

As per our report of even date attached

For A P Sanzgiri & Co
Chartered Accountants
ICAI Firm Registration No: 116293W

For and on behalf of the Board of Directors
Fino Payments Bank Limited

Abhijit Sanzgiri
Partner
Membership No: 043230

Rajat Kumar Jain
Part-time Chairman &
Independent Director
DIN - 00046053

Deena Mehta
Independent Director
DIN - 00168992

Rishi Gupta
Managing Director &
Chief Executive Officer
DIN - 01433190

Ketan Merchant
Chief Financial Officer

Basavraj Loni
Company Secretary & VP - Legal

Membership No - A23095

Place : Navi Mumbai
Date : April 28, 2025

Place : Navi Mumbai
Date : April 28, 2025

Cash Flow Statement

for the year ended March 31, 2025

(₹ in 000)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
I Cash Flow from operating activities		
Net Profit/(Loss) for the Year before tax	10,83,543	8,63,013
Adjustments for:-		
Loss / (Profit) on Sale of Fixed Assets (Net)	(321)	(128)
Loss / (Profit) on Exchange transaction (Net)	(21)	-
Add : Non-Cash Expenditure		
Depreciation	6,21,496	5,34,456
Provision for doubtful debts and advances	-	5,596
Stock based compensation cost	1,24,246	43,988
Amortisation of Premium on HTM Investments	230	229
Amortisation of Premium on AFS Investments	32,273	-
Gratuity	37,147	35,745
Compensated absence	13,453	12,867
Cash Flow before working capital changes	19,12,046	14,95,766
Adjustments for working capital changes:-		
Increase/(decrease) in deposits	52,68,953	49,53,930
(Increase)/decrease in advances	(1,005)	479
Increase/(decrease) in other liabilities and provisions	2,43,492	8,26,887
(Increase)/decrease in investments	(64,57,919)	(60,05,195)
(Increase)/decrease in other assets	(75,944)	(6,81,593)
Cash Generated from Operations	8,89,623	5,90,274
Direct tax(paid)/received (net of refunds)	(1,27,683)	(22,427)
Net Cash Flow from / (used in) operating activities (A)	7,61,940	5,67,847
II Cash Flow from investing activities		
Purchase of Fixed Asset (including capital work in progress)	(16,45,107)	(10,37,856)
Sale of Fixed assets	567	259
Net Cash flow from / (used in) Investing activities (B)	(16,44,540)	(10,37,597)
III Cash Flow from financing activities		
Net Proceeds from issue of equity shares	918	-
Increase in Borrowings	12,68,072	27,85,855
Net Cash flow from / (used in) financing activities (C)	12,68,990	27,85,855
IV Net (decrease)/increase in cash and cash equivalents during the year (A + B + C)	3,86,390	23,16,105
V Cash and cash equivalents at the beginning of the year	1,06,55,500	83,39,395
VI Cash and cash equivalents at the end of the year	1,10,41,890	1,06,55,500
Notes to the Cash Flow Statement:		
Cash and cash equivalents includes the following:		
(i) Cash and balances with Reserve Bank of India (Refer Schedule 6)	18,28,637	31,74,331
(ii) Balances with banks and money at call and short notice (Refer Schedule 7)	92,13,253	74,81,169
Cash and cash equivalents at the end of the year	1,10,41,890	1,06,55,500

As per our report of even date attached

For A P Sanzgiri & Co
Chartered Accountants
ICAI Firm Registration No: 116293W

For and on behalf of the Board of Directors
Fino Payments Bank Limited

Abhijit Sanzgiri
Partner
Membership No: 043230

Rajat Kumar Jain
Part-time Chairman &
Independent Director
DIN - 00046053

Deena Mehta
Independent Director
DIN - 00168992

Rishi Gupta
Managing Director &
Chief Executive Officer
DIN - 01433190

Ketan Merchant
Chief Financial Officer

Basavraj Loni
Company Secretary & VP - Legal

Membership No - A23095

Place : Navi Mumbai
Date : April 28, 2025

Place : Navi Mumbai
Date : April 28, 2025

Schedules to the Financial Statements as at March 31, 2025

1. CAPITAL

(₹ in 000)

Particulars	March 31, 2025	March 31, 2024
Authorised Capital		
90,000,000 ordinary equity shares of ₹10/- each	9,00,000	9,00,000
(previous year 85,000,000 ordinary equity shares of ₹10/- each)		
Issued, subscribed and paid-up capital		
83,218,402 ordinary equity shares of ₹10/- each	8,32,184	8,32,143
(previous year 83,214,302 ordinary equity shares of ₹10/- each)		
TOTAL	8,32,184	8,32,143

2. RESERVES & SURPLUS

(₹ in 000)

Particulars	March 31, 2025	March 31, 2024
1. Statutory Reserve		
(i) Opening balance	5,36,316	3,20,756
(ii) Addition during the period	2,31,337	2,15,560
(iii) Deduction during the period	-	-
Total	7,67,653	5,36,316
2. Capital Reserve		
(i) Opening balance	-	-
(ii) Addition during the period	-	-
(iii) Deduction during the period	-	-
Total	-	-
3. Revaluation Reserve		
(i) Opening balance	-	-
(ii) Addition during the period	-	-
(iii) Deduction during the period (Depreciation on revalued portion credited to Statement of Profit and Loss)	-	-
Total	-	-
4. Share Premium		
(i) Opening balance	64,91,950	64,91,950
(ii) Addition during the period	1,461	-
(iii) Deduction during the period	-	-
Total	64,93,411	64,91,950
5. Revenue & Other Reserves		
(i) Opening balance	-	-
(ii) Addition during the period	-	-
(iii) Deduction during the period	-	-
Total	-	-
6. Investment Fluctuation Reserve		
(i) Opening balance	3,38,722	2,40,121
(ii) Addition during the period	1,28,728	98,601
(iii) Deduction during the period	-	-
Total	4,67,450	3,38,722
7 AFS Reserve		
(i) Opening balance	-	-
(ii) Addition during the period	-	-
(iii) Deduction during the period	(13,433)	-
Total	(13,433)	-
8 Balance in Statement of Profit & Loss	(13,54,281)	(19,19,563)
TOTAL (1 to 7)	63,60,800	54,47,425

Schedules to the Financial Statements as at March 31, 2025

3. DEPOSITS

(₹ in 000)

Particulars	March 31, 2025	March 31, 2024
A. 1. Demand deposits		
i) From banks	-	-
ii) From others	3,14,225	1,47,623
Total	3,14,225	1,47,623
2. Savings bank deposits	1,90,80,128	1,39,77,777
3. Term deposits		
i) From banks	-	-
ii) From others	-	-
Total	-	-
TOTAL (1 to 3)	1,93,94,353	1,41,25,400
B. i. Deposits of branches in India	1,93,94,353	1,41,25,400
ii. Deposits of branches outside India	-	-
TOTAL	1,93,94,353	1,41,25,400

4. BORROWINGS

(₹ in 000)

Particulars	March 31, 2025	March 31, 2024
1. Borrowings in India		
(i) Reserve Bank of India	-	-
(ii) Other banks	43,98,308	34,50,566
(iii) Other institutions and agencies	39,96,264	36,75,934
Total	83,94,572	71,26,500
2. Borrowings outside India	-	-
TOTAL (1 + 2)	83,94,572	71,26,500
Secured borrowings included in 1 & 2 above	55,44,572	51,88,394

5. OTHER LIABILITIES AND PROVISIONS

(₹ in 000)

Particulars	March 31, 2025	March 31, 2024
1. Bills payable	-	-
2. Inter office adjustments (Net)	-	-
3. Interest accrued	11,937	9,148
4. Others (including provisions)	67,89,691	64,98,388
TOTAL (1 to 4)	68,01,628	65,07,536

6. CASH AND BALANCES WITH RESERVE BANK OF INDIA

(₹ in 000)

Particulars	March 31, 2025	March 31, 2024
1. Cash in hand	8,694	14,416
2. Balances with Reserve Bank of India		
(i) In current account	18,19,943	31,59,915
(ii) In other accounts	-	-
TOTAL (1 + 2)	18,28,637	31,74,331

Schedules to the Financial Statements as at March 31, 2025

7. BALANCE WITH BANKS AND MONEY AT CALL AND SHORT NOTICE

(₹ in 000)

Particulars	March 31, 2025	March 31, 2024
1. In India		
(i) Balances with banks		
a) In current accounts	21,38,621	30,65,364
b) In other deposit accounts	70,74,632	44,15,805
(ii) Money at call and short notice		
a) With banks	-	-
b) With other institutions	-	-
Total (i+ii)	92,13,253	74,81,169
2. Outside India		
(i) In current accounts	-	-
(ii) In other deposit accounts	-	-
(iii) Money at call and short notice	-	-
Total (i+ii+iii)	-	-
TOTAL (1 + 2)	92,13,253	74,81,169

8. INVESTMENTS

(₹ in 000)

Particulars	March 31, 2025	March 31, 2024
1. Investments in India in		
(i) Government securities	2,38,80,506	1,74,44,322
(ii) Other approved securities	-	-
(iii) Shares	779	24,979
(iv) Debentures & bonds	-	-
(v) Subsidiaries / joint venture	-	-
(vi) Others	-	-
Total	2,38,81,285	1,74,69,301
2. Investments Outside India in		
(i) Government securities (including local authorities)	-	-
(ii) Subsidiaries / joint venture abroad	-	-
(iii) Other investments	-	-
Total	-	-
TOTAL (1 + 2)	2,38,81,285	1,74,69,301
3 Investments		
(i) Gross value of investments		
a) In India	2,38,81,285	1,74,69,301
b) Outside India	-	-
(ii) Provision for depreciation		
a) In India	-	-
b) Outside India	-	-
(iii) Net value of investments		
a) In India	2,38,81,285	1,74,69,301
b) Outside India	-	-
Total	2,38,81,285	1,74,69,301

Schedules to the Financial Statements as at March 31, 2025

9. ADVANCES

(₹ in 000)

Particulars	March 31, 2025	March 31, 2024
A. (i) Bills purchased and discounted	-	-
(ii) Cash credits, overdrafts and loans repayable on demand	-	-
(iii) Term loans	1,694	689
Total	1,694	689
B. (i) Secured by tangible assets (Includes advances against fixed deposits and book debts)	-	-
(ii) Covered by bank/government guarantees	-	-
(iii) Unsecured	1,694	689
Total	1,694	689
C.1 Advances in India		
(i) Priority sector	-	-
(ii) Public sector	-	-
(iii) Banks	-	-
(iv) Others	1,694	689
Total	1,694	689
C.2 Advances Outside India		
(i) Due from banks	-	-
(ii) Due from others		
a) Bills purchased and discounted	-	-
b) Syndicated loans	-	-
c) Others	-	-
Total	-	-
TOTAL (C.1 + C.2)	1,694	689

10. FIXED ASSETS

(₹ in 000)

Particulars	March 31, 2025	March 31, 2024
1. Premises (including land)		
(i) At cost at March 31, of the preceding period	-	-
(ii) Additions during the period	-	-
Total	-	-
(iii) Deductions during the period	-	-
(iv) Accumulated depreciation to date	-	-
Total	-	-
2. Other Fixed Assets (including furniture and fixtures)		
(i) At cost at March 31 of the preceding period	38,75,254	32,56,480
(ii) Additions during the period	8,16,158	6,19,357
Total	46,91,412	38,75,837
(iii) Deductions during the period	1,910	583
(iv) Accumulated depreciation to date	30,16,000	23,96,168
Total	16,73,502	14,79,086
3. Capital work in progress	13,02,250	4,73,301
TOTAL (1 to 4)	29,75,752	19,52,387

Schedules to the Financial Statements as at March 31, 2025

11. OTHER ASSETS

(₹ in 000)

Particulars	March 31, 2025	March 31, 2024
1. Inter-office adjustment (Net)	-	-
2. Interest accrued	2,16,680	68,101
3. Tax paid in advance/tax deducted at source (Net of provision)	81,136	1,10,059
4. Stationery and stamps	-	-
5. Deferred tax assets (Net)	-	-
6. Others	38,60,882	39,35,087
TOTAL (1 to 6)	41,58,698	41,13,247

12. CONTINGENT LIABILITIES

(₹ in 000)

Particulars	March 31, 2025	March 31, 2024
1. Claims against the bank not acknowledged as debts	-	-
2. Liability for partly paid investment	-	-
3. Liability on account of outstanding forward exchange contracts	-	-
4. Liability on account of outstanding derivative contracts	-	-
5. Guarantees given on behalf of constituents	-	-
(i) In India	-	-
(ii) Outside India	-	-
6. Acceptances, endorsements and other obligations	-	-
7. Other items for which the bank is contingently liable	-	-
a) Income tax & GST matters (under appeal)	93,226	3,051
b) Others	2,47,182	1,28,786
TOTAL (1 to 7)	3,40,408	1,31,836

13. INTEREST EARNED

(₹ in 000)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
1. Interest / Discount on Advances / bills	108	95
2. Income on Investments	15,17,310	11,60,012
3. Interest on balances with Reserve Bank of India and other inter-bank funds	4,29,438	3,37,086
4. Other interest	5,448	3,267
TOTAL (1 to 4)	19,52,304	15,00,460

14. OTHER INCOME

(₹ in 000)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
1. Commission, Exchange and Brokerage	1,55,02,773	1,25,12,077
2. Profit/(loss) on sale of Investments (Net)	-	-
3. Profit/(loss) on sale of land, building and other assets (Net)	321	128
4. Profit/(loss) on exchange transactions (Net)	21	10
5. Miscellaneous Income	10,15,624	7,71,136
TOTAL (1 to 5)	1,65,18,739	1,32,83,351

Schedules to the Financial Statements as at March 31, 2025

15. INTEREST EXPENDED

(₹ in 000)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
1. Interest on Deposits	3,99,716	2,77,580
2. Interest on Reserve Bank of India / Inter-Bank Borrowings	2,51,157	1,85,674
3. Others	3,54,971	3,25,752
TOTAL (1 to 3)	10,05,844	7,89,006

16. OPERATING EXPENSES

(₹ in 000)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
1. Payments to and provisions for employees	20,65,836	17,73,701
2. Rent, taxes and lighting	2,17,658	1,79,089
3. Printing and stationery	28,932	27,253
4. Advertisement and publicity	1,20,355	95,388
5. Depreciation on bank's property	6,21,496	5,34,456
6. Director's fees, allowances and expenses	16,667	11,238
7. Auditors' fees and expenses (Including branch auditor's fees and expenses)	6,647	6,068
8. Law Charges	69,363	69,055
9. Postage, Telegrams, Telephones, etc.	4,41,095	2,47,425
10. Repairs and maintenance	1,21,482	1,04,087
11. Insurance	75,432	71,176
12. Other Expenditure	1,25,96,693	1,00,07,260
TOTAL (1 to 12)	1,63,81,656	1,31,26,196

Schedule 17 - Significant Accounting Policies Appended to and Forming Part of the Financial Statements

A. Background and nature of operations

Fino Payments Bank Limited ('the Bank') was originally incorporated as Fino Fintech Foundation on June 23, 2007, for promoting objects of the nature specified in Section 8, sub-section (1), clause (a) of the Companies Act, 2013 ('the Act') and that it intends to apply its profits if any, or other income in promoting its objects and to prohibit the payment of any dividends to its members.

The Reserve Bank of India ('RBI') issued a license to the Bank on March 30, 2017 under Section 22 (1) of the Banking Regulation Act, 1949 to carry on the business of Payments Bank in India. Pursuant to the resolution passed in the extra ordinary general meeting held on March 31, 2017, the name of the Bank was changed from Fino Fintech Limited to Fino Payments Bank Limited with effect from April 04, 2017. The Bank commenced operations as a Payments Bank with effect from June 30, 2017. The Bank 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.

The Bank has been included in the Second Schedule to the Reserve Bank of India Act, 1934 vide Notification DoR.NBD. No.2138/16.03.005/2020-21 dated January 01, 2021 and published in the Gazette of India (Part III - Section 4) dated February 13 - February 19, 2021.

Fino Payments Bank Limited is a subsidiary of Fino PayTech Limited ('the Holding Company') which is engaged in providing business and banking technology platform based solutions and services related to financial inclusion.

These financial statements are presented in Indian Rupees ('Rupees' or '₹') and all amounts are rounded to the nearest thousands, except as stated otherwise.

B. Basis of preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention and accrual basis of accounting, unless otherwise stated and are in accordance with Generally Accepted Accounting Principles in India ('GAAP'), statutory requirements prescribed under the Third Schedule of the Banking Regulation Act, 1949, directions, circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time (RBI guidelines), Accounting Standards ('AS') specified under Section 133 of the Companies Act, 2013 read together with the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Rules, 2021, in so far as they apply to banks:-

The accounting policies adopted in the preparation of the financial statement are consistent with those followed in the previous year except for the investment, pursuant to the RBI Master Direction dated September 12, 2023, which introduced revised guidelines for classification, valuation, and operation of the investment portfolio of banks, the Bank has classified its investments under the categories of Held to Maturity (HTM) and Available for Sale (AFS). Accordingly, the investment portfolio is measured and valued under the revised framework. Subsequent changes in the fair value of performing investments under AFS are recognized through the AFS Reserve by debiting or crediting the reserve, with a corresponding impact from the increase or decrease in the value of investments.

Use of estimates

The preparation of financial statements in conformity with GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision in the accounting estimates is recognized prospectively in the current and future periods.

C. Principal accounting policy

1. Investments

Classification:

In accordance with the RBI guidelines on classification, valuation and operation of Investment portfolio dated Sep 12, 2023, investments (except investments in own subsidiaries, joint ventures and associates) are classified under three categories, viz., Held to Maturity (HTM), Available for Sale (AFS) and Fair Value through Profit and Loss (FVTPL). Held for Trading (HFT) shall be a separate investment subcategory within FVTPL. Under each of these categories, investments are further classified under six groups (hereinafter called "groups") – Government Securities, Other Approved Securities, Shares, Debentures and Bonds, Investments in Subsidiaries / Joint Ventures and Other Investments.

Schedule 17 - Significant Accounting Policies Appended to and Forming Part of the Financial Statements

Basis of classification:

(a) HTM

As per Operating Guidelines of RBI, Payments Banks are not allowed to classify their investment as HTM category, unless the investments are made from Bank's own funds. Securities that fulfil the following conditions are classified under HTM:

- (i) The security is acquired with the intention and objective of holding it to maturity, i.e., the financial assets are held with an objective to collect the contractual cash flows; and
- (ii) The contractual terms of the security give rise to cash flows that are solely payments of principal and interest on principal outstanding ('SPPI criterion') on specified dates.

(b) AFS

Securities that meet the following conditions are classified under AFS:

- (i) The security is acquired with an objective that is achieved by both collecting contractual cash flows and selling securities; and
- (ii) The contractual terms of the security meet the 'SPPI criterion'
 - (a) Provided that on initial recognition, a bank may make an irrevocable election to classify an equity instrument that is not held with the objective of trading under AFS.
 - (b) AFS securities shall inter-alia include debt securities held for asset liability management (ALM) purposes that meet the SPPI criterion where the bank's intent is flexible with respect to holding to maturity or selling before maturity.

(c) FVTPL

- (a) Securities that do not qualify for inclusion in HTM or AFS are classified under FVTPL. HFT is a separate category within FVTPL.

Banks shall only include those financial instruments in HFT when there is no legal impediment against selling or fully hedging it. Banks shall fair value daily all HFT instruments and recognise any valuation change in the Profit and Loss Account.

Valuation:

(a) Initial Recognition :

All investments shall be measured at fair value on initial recognition. Unless facts and circumstances suggest that the fair value is materially different from the acquisition cost, it shall be presumed that the acquisition cost is the fair value. In respect of government securities acquired through auction (including devolvement), switch operations and open market operations (OMO) conducted by the RBI, the price at which the security is allotted shall be the fair value for initial recognition purposes. Where the securities are quoted or the fair value can be determined based on market observable inputs (such as yield curve, credit spread, etc.) any Day 1 gain/ loss shall be recognised in the Profit and Loss Account, under Schedule 'Other Income' within the subhead 'Profit on revaluation of investments' or 'Loss on revaluation of investments', as the case may be. Any Day 1 loss arising from Level 3 investments shall be recognised immediately. Any Day 1 gains arising from Level 3 investments shall be deferred. In the case of debt instruments, the Day 1 gain shall be amortized on a straight-line basis up to the maturity date (or earliest call date for perpetual instruments), while for unquoted equity instruments, the gain shall be set aside as a liability until the security is listed or derecognised.

(b) Subsequent Measurement :

HTM:

Securities held in HTM shall be carried at cost and shall not be marked to market (MTM) after initial recognition. Any discount or premium on the securities under HTM shall be amortized over the remaining life of the instrument.

AFS:

The securities held in AFS shall be fair valued at least on a quarterly basis, if not more frequently. Any discount or premium on the acquisition of debt securities under AFS shall be amortized over the remaining life of the instrument. The valuation gains and losses across all performing investments, irrespective of classification (i.e., Government securities, Other approved

Schedule 17 - Significant Accounting Policies Appended to and Forming Part of the Financial Statements

securities, Bonds and Debentures, etc.), held under AFS shall be aggregated. The net appreciation or depreciation shall be directly credited or debited to a reserve named AFS Reserve without routing through the Profit and Loss Account. The AFS Reserve shall be reckoned as Common Equity Tier (CET) 1 subject to clause 28 of these Directions. The unrealised gains transferred to AFS Reserve shall not be available for any distribution such as dividend and coupon on Additional Tier 1. Upon sale or maturity of a debt instrument in AFS category, the accumulated gain/ loss for that security in the AFS Reserve shall be transferred from the AFS Reserve and recognized in the Profit and Loss Account. In the case of equity instruments designated under AFS at the time of initial recognition, any gain or loss on sale of such investments shall not be transferred from AFS Reserve to the Profit and Loss Account. Instead, such gain or loss shall be transferred from AFS Reserve to the Capital Reserve.

FVTPL:

The securities held in FVTPL shall be fair valued and the net gain or loss arising on such valuation shall be directly credited or debited to the Profit and Loss Account. Securities that are classified under the HFT sub-category within FVTPL shall be fair valued on a daily basis, whereas other securities in FVTPL shall be fair valued at least on a quarterly, if not on a more frequent basis. Any discount or premium on the acquisition of debt securities under FVTPL shall be amortized over the remaining life of the instrument.

(c) Fair value of Investments :

1. Quoted SLR and Non SLR securities :

- (a) The fair value for the quoted securities shall be the prices declared by the Financial Benchmarks India Private Ltd. For securities whose prices are not published by FBIL, the fair value of the quoted security shall be based upon quoted price as available from the trades/ quotes on recognised stock exchanges, reporting platforms or trading platforms authorized by RBI/SEBI or prices declared by the Fixed Income Money Market and Derivatives Association of India (FIMMDA).

2. Unquoted SLR Securities

- (a) Treasury Bills valued at carrying cost.
- (b) Central/ State Government securities as per price / YTM published by FBIL.
- (c) Other securities values at 25 basis point mark-up on FBIL published yield.

3. Unquoted Non-SLR Securities

- (a) Unquoted debentures/ bonds shall be valued with appropriate mark-up over the YTM rates for Central Government Securities as being published by FBIL/ FIMMDA periodically. The mark-up applied shall be determined based on the ratings assigned to the debentures/ bonds by the credit rating agencies. The mark up shall be at least 50 basis points above the rate applicable to a Central Government security of equivalent maturity for rated debentures/bonds. The mark-up for unrated debentures or bonds shall not be less than the mark-up applicable to rated debentures or bonds of equivalent maturity.
- (b) CPs/CD's of tenure less than one year shall be valued at carrying cost.
- (c) Investment in un-quoted mutual funds units shall be valued on the basis of the latest repurchase price declared by the MF in respect of each scheme. where repurchase price/ market quote is not available, units shall be valued at NAV of the scheme. If NAV is not available then valued at cost.

4. Equity Shares

Equity shares for which current quotations are not available i.e., which are classified as illiquid or which are not listed on a recognised exchange, the fair value for the purposes of these directions shall be the break-up value (without considering 'revaluation reserves', if any) which is to be ascertained from the company's latest audited balance sheet. The date as on which the latest balance sheet is drawn up shall not precede the date of valuation by more than 18 months. In case the latest audited balance sheet is not available or is more than 18 months old, the shares shall be valued at ₹ 1 per company.

Schedule 17 - Significant Accounting Policies Appended to and Forming Part of the Financial Statements

RBI Master Direction dated September 12, 2023; the Bank has made an irrevocable option to classify an equity instrument that is not held with the objective of trading under AFS. Subsequent changes in the fair value of performing investments under AFS are recognized through the AFS Reserve.

(d) Reclassifications between categories:

Banks shall not reclassify investments between categories (viz. HTM, AFS and FVTPL) without the approval of their Board of Directors. Further, reclassification shall also require the prior approval of the Department of Supervision (DoS), RBI.

Income Recognition:

Banks shall recognize income on accrual basis for the following investments:

- a. Government Securities, bonds and debentures of corporate bodies, where interest rates on these securities are predetermined and provided interest is serviced regularly and is not in arrears.
- b. Income from units of mutual funds, alternative investment funds and other such pooled/collective investment funds shall be recognized on cash basis.

Banks shall not capitalize the broken period interest paid to the seller as part of cost and shall treat it as an item of expenditure under Profit and Loss Account in respect of investments in securities.

Non-performing investments are identified and depreciation/provision are made thereon based on the RBI guidelines. Once an investment is classified as an NPI, it should be segregated from rest of the portfolio and not considered for netting valuation gains and losses. Banks shall not accrue any income on NPIs. Income shall be recognized only on realization of the same. Further, any MTM appreciation in the security shall be ignored.

In accordance with RBI guidelines, repo transactions in government securities are reflected as borrowings, and the related borrowing cost is accounted for as interest expense. The Bank does not undertake reverse repo transactions; instead, it places excess funds with the RBI under the Standing Deposit Facility (SDF). Revenue on SDF transactions is accounted for as interest income.

2. Advances

As per the Operating Guidelines for Payments Banks issued by RBI on October 06, 2016 ('the Operating Guidelines'), Payments Banks (PBs) are not permitted to lend to any person including their Directors. However, PBs may lend to their own employees out of the Bank's own funds, as per a Board approved policy outlining the caps on such loans.

In accordance with the Operating guidelines, the Bank has classified employee loans as advances, as per the Employee loan policy, duly approved by Board. Employees who are confirmed and have completed at least one year of service with the Bank are entitled to avail loan. The Bank follows the process of recovering monthly installments due from respective employees while processing monthly salary.

3. Deposits

As per the Operating guidelines PBs can accept only savings and current deposits. The aggregate limit per customer has been extended to ₹200,000 from April 07, 2021 by RBI as against the previous limit of ₹1,00,000. PBs are permitted for making arrangements with any other Scheduled Commercial Bank / SFB (Small Finance Bank), for amounts in excess of the prescribed limits, to be swept into an account opened for the customer at that bank, with the prior written consent of the customer.

The above limit shall apply to customer deposits and not to any security / earnest money deposit the Bank may collect from any of its service providers in the ordinary course of business.

4. Fixed assets and depreciation

Fixed Assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repair and maintenance costs are recognised in the Profit and Loss Account as incurred. Capital work in progress is valued at cost.

Schedule 17 - Significant Accounting Policies Appended to and Forming Part of the Financial Statements

Gains and losses arising from retirement or disposal of the tangible assets are determined as the difference between the net disposal proceeds and the carrying amount of the assets and are recognised in Profit and Loss Account on the date of retirement or disposal.

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses if any.

Capital work in progress includes cost of assets under development that are not ready for their intended use.

Depreciation is charged over the estimated useful life of the fixed assets. The management believes that the useful life of assets assessed by the Bank, pursuant to the Act, taking into account changes in the environment, changes to the technology, the utility and the efficacy of the asset in use, fairly reflects its estimate of useful life of the fixed assets.

The estimated useful life of key fixed assets are given below:

Class of asset	Useful life
Computer hardware	3 Years
Servers & Networks	6 Years
Motor car	5 Years
Office equipments	5 Years
Furniture and fixtures	10 Years
Leasehold improvements	Over the period of lease
Computer software	5 Years
Plant and machinery	5 Years

All fixed assets are depreciated as per written down value method except for Leasehold improvements, Computer hardware, Servers & Networks, Computer software and Plant and machinery, which are being depreciated as per straight line method.

All fixed assets individually costing less than ₹5,000 are fully depreciated in the year of purchase.

5. Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. An impairment loss is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss has previously been recognized.

6. Foreign currency transactions

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transaction. Exchange differences, if any arising out of transactions settled during the year are recognised in the statement of Profit and Loss Account.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction. The exchange differences, if any, are recognised in the Profit and Loss Account and related assets and liabilities are accordingly restated in the balance sheet.

7. Revenue recognition

- Interest income on deposits with Banks and financial institutions is recognised on a time proportion basis taking into account the amount outstanding and the implicit rate of interest.
- Income on non-coupon bearing discounted instruments is recognised over the tenor of the instrument on a constant effective yield basis.
- Transaction fee is recognised on the completion of individual transactions made through Point of Transaction (POT) devices.

Schedule 17 - Significant Accounting Policies Appended to and Forming Part of the Financial Statements

- (iv) Disbursement fee includes remittance and service fees which are recognised based on the amount of disbursements / remittances / collections made through POT devices.
- (v) Business correspondent fee is recognised on the allotment of POT devices to individual agents.
- (vi) Agent registration fee is recognised on receipt of non-refundable agent deposit.
- (vii) Insurance broking income is recognised based on the numbers of policies sold to customers on behalf of insurance companies.
- (viii) Service revenue is recognised on completion of provision of services. Revenue, net of discount is recognised on transfer of all significant risks and rewards to the customer and when no significant uncertainty exists regarding realization of consideration.
- (ix) Third party financial products processing fees are recognised on an upfront basis.
- (x) Retail income including subscription charges and annual charges relating to debit cards issuance is recognised to the extent of balance available in the customer's account.
- (xi) All other fees are accounted for as and when they become due.

8. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Leases where the lessor effectively retains substantially all the risks and rewards of ownership over the lease term are classified as operating leases. The total lease rentals in respect of assets taken on operating lease are charged to the Profit and Loss Account on a straight line basis over the lease term. A lease that transfers substantially all the risks and rewards incidental to ownership to the Bank is classified as a finance lease.

9. Taxation

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

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 income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. The deferred tax charge or benefit and the corresponding deferred tax liabilities and assets are recognised using the tax rates and tax laws that have been enacted or substantially enacted as at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized, however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that they can be realized against future taxable profits. At each balance sheet date, unrecognized deferred tax asset of earlier years are re-assessed and recognized to the extent that it has become reasonably or virtually certain, as the case may be, that future taxable income will be available against which such deferred tax asset can be realized.

Minimum Alternate Tax ('MAT')

MAT under the provisions of the Income Tax Act, 1961 is recognised as current tax in the Profit and Loss Account. The credit available under the Income Tax Act, 1961 in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Bank 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 recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

Schedule 17 - Significant Accounting Policies Appended to and Forming Part of the Financial Statements

10. Earnings per share

The Bank reports basic and diluted earnings per share in accordance with Accounting Standard 20 - Earnings Per Share. Basic earnings per share is computed by dividing the net profit or loss after tax for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax by weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

11. Provisions, contingent liabilities and contingent assets

The Bank creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Loss contingencies arising from claims, litigations, assessment fines, penalties etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed. Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognised in the period in which the change occurs.

12. Provision for bad and doubtful debts

The Bank creates 100% provision against all receivables outstanding for more than 180 days or earlier where recovery is considered doubtful.

13. Cash and cash equivalents

Cash and cash equivalents include cash in hand, balances with RBI, balances with other Bank's and money at call and short notice.

14. Employee benefits

Post-employment benefits

Defined contribution plan

The Bank makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Bank's contribution is recognised as an expense in the Profit and Loss Account during the period in which the employee renders the related service.

Defined benefit plan

The Bank's gratuity benefit scheme is a defined benefit plan. The Bank'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 unrecognized past service costs and the fair value of any plan assets are deducted. The calculation of the Bank's obligation under the plan is performed quarterly by a qualified actuary using the projected unit credit method.

The Bank recognizes all actuarial gains and losses arising from defined benefit plans immediately in the Profit and Loss Account. All expenses related to defined benefit plans are recognised in employee benefits expense in the Profit and Loss Account. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in Profit and Loss Account on a straight-line basis over the average period until the benefits become vested. The Bank recognizes gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

Schedule 17 - Significant Accounting Policies Appended to and Forming Part of the Financial Statements

Compensated absences

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

15. Segment Information

The segment information as per AS 17, "Segment Reporting", has been disclosed as per guidelines issued by RBI on AS 17 vide circular dated April 18, 2007. Attributable assets, liabilities, income and expenses are either specifically identified with individual segment or are allocated to the segment on reasonable basis or are classified as unallocated.

16. Share Issue Expenses

As per the section 52 (2) (c) of the Companies Act 2013, securities premium account may be utilized for writing off the expenses/ commission paid/discount allowed on, any issue of shares or debentures by a company. Further, as per RBI DBOD mailbox clarification dated October 9, 2007 on 'Prudential Norms - Utilization of Share Premium Account', banks can utilize share premium account for meeting the expenses relating to the issue of shares.

17. Employee Stock Option Scheme

The Bank has Employee Stock Option Plan which provides for grant of options on the Bank's equity shares to employees of the Bank. The plan provides that the Banks's employees are granted an option to acquire equity shares of the Company that vests in a graded manner. The Option may be exercised with in specified period. Employee stock compensation cost for stock options is recognised as per the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Bank measures compensation cost relating to the employee stock options using the fair value method. The amortization of fair value is recognized as an expense in the Statement of Profit and Loss within employee benefits as employee's compensation expenses, with corresponding increase in employee stock option outstanding reserve.

Gains on cancellation/forfeiture of unvested options are recognized as a decrease in expenses in Profit and Loss Account within employee benefits. Further, employees stock option outstanding reserve transferred to General Reserve at the time of cancellation/ expiry/forfeiture of vested options.

Schedule 18 - Notes Forming Part of Financial Statements

for the year ended 31 March 2025

1. Regulatory Capital

1.1. Composition of Regulatory Capital

As per the Operating Guidelines for Payments Banks RBI/2016-17/80DBR.NBD.No.25/16.13.218/2016 -17 read with separate letter received by Payments Banks dated November 08, 2017, no separate charge is prescribed for market risk and operational risk. However, Bank, as a conservative approach, has provided Market Risk Capital (MRC) Charge on its overall investment portfolio and foreign currency assets, as on March 31, 2025.

Capital Adequacy Ratio (CRAR) as per the operating guidelines and as per Basel II Standardized Approach for Credit Risk, as at March 31, 2025 is given below:

(₹ in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
(i) Common Equity Tier 1 capital (CET 1)	525.11	532.49
(ii) Additional Tier 1 capital	-	-
(iii) Tier 1 capital (i + ii)	525.11	532.49
(iv) Tier 2 capital	46.75	33.87
(v) Total capital (Tier 1+Tier 2)	571.86	566.36
(vi) Total Risk Weighted Assets (RWAs)	710.82	760.21
(vii) Common Equity Tier 1 (CET) Capital Ratio (%)	73.87%	70.05%
(viii) Tier I Capital Ratio (%)	73.87%	70.05%
(ix) Tier II Capital Ratio (%)	6.58%	4.45%
(x) Total Capital Ratio (CRAR) (%)	80.45%	74.50%
(xi) Leverage Ratio	12.38%	15.51%
(xii) Percentage of the shareholding of the Government of India in Public Sector banks	-	-
(xiii) Amount of paid-up equity capital raised during the year (Refer note 15)	0.00	-
(xiv) Amount of non-equity Tier I capital raised during the year	-	-
(xv) Amount of Additional Tier 1 capital raised during the year	-	-
(xvii) Amount of Tier 2 capital raised during the year	12.88	9.86

1.2. Draw down from Reserves

The Bank has not undertaken any drawdown from reserves during the year ended March 31, 2025 and March 31, 2024.

2. Investments

The Banks accounting policy during the current year with respect to investments has been changed as a result of RBI Master Direction RBI/2023-24/ DOR.MRG.37/21.04.141/2023-24 on Classification, Valuation and Operation of Investment Portfolio of Commercial Banks. There is no impact on the profitability of the bank as a result of the aforesaid change.

2.1 Movement of Provisions for Depreciation and Investment Fluctuation Reserve:

(₹ in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
(i) Movement of provisions held towards depreciation of investments		
(i) Opening balance	-	-
(ii) Add: Provisions made during the year	-	-
(iii) Less: Write-off / write back of excess / provisions during the year	-	-
(iv) Closing balance	-	-

Schedule 18 - Notes Forming Part of Financial Statements

for the year ended 31 March 2025

2.1 Movement of Provisions for Depreciation and Investment Fluctuation Reserve: (Contd.)

(₹ in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
(ii) Movement of Investment fluctuation Reserve		
(i) Opening balance	33.87	24.01
(ii) Add: Amount transferred during the year	12.87	9.86
(iii) Less: Drawdown	-	-
(iv) Closing balance	46.75	33.87
(iii) Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT/Current category	2.00%	2.00%

2.2 Repo transactions (in face value and market value terms):

The details relating to repo/reverse repo transactions (in face value & market value terms) during the year ended March 31, 2025 are as follows:

(₹ in Crore)

	Minimum outstanding during the year		Maximum outstanding during the year		Daily average outstanding during the year		Outstanding as on March 31, 2025	
	Face Value	Market Value	Face Value	Market Value	Face Value	Market Value	Face Value	Market Value
i) Securities sold under repo								
a) Government securities	189.97	190.09	599.52	599.96	549.60	549.71	400.00	399.63
b) Corporate debt securities	-	-	-	-	-	-	-	-
c) Any other securities	-	-	-	-	-	-	-	-
ii) Securities purchased under reverse repo								
a) Government securities	-	-	-	-	-	-	-	-
b) Corporate debt securities	-	-	-	-	-	-	-	-
c) Any other securities	-	-	-	-	-	-	-	-

The details relating to repo/reverse repo transactions (in face value & market value terms) during the year ended March 31, 2024 are as follows:

(₹ in Crore)

	Minimum outstanding during the year		Maximum outstanding during the year		Daily average outstanding during the year		Outstanding as on March 31, 2024	
	Face Value	Market Value	Face Value	Market Value	Face Value	Market Value	Face Value	Market Value
i) Securities sold under repo								
a) Government securities	59.08	58.75	595.88	595.77	490.03	490.94	367.92	367.59
b) Corporate debt securities	-	-	-	-	-	-	-	-
c) Any other securities	-	-	-	-	-	-	-	-
ii) Securities purchased under reverse repo								
a) Government securities	-	-	-	-	-	-	-	-
b) Corporate debt securities	-	-	-	-	-	-	-	-
c) Any other securities	-	-	-	-	-	-	-	-

Notes:

- Security sold under repo includes market repo and tri-party repo transactions.
- The face value of securities sold under repo is considered as the face value of securities purchased.
- The market value of securities sold under repo is treated as the price at which the borrowing transaction is done.
- The daily average outstanding during the year excludes days on which the borrowing is zero.

Schedule 18 - Notes Forming Part of Financial Statements

for the year ended 31 March 2025

2.3 Government Security Lending (GSL) transactions (in market value terms)

On December 27, 2023, the Reserve Bank of India ("RBI") released the RBI (Government Securities Lending) Directions, 2023 ("Directions") to enable lending and borrowing of government securities. The Bank has not undertaken any Government Security Lending (GSL) transactions during the current year and previous year. Accordingly, the disclosure requirements with respect to GSL transactions are not applicable.

2.4 Composition of Investment Portfolio

(₹ in Crore)

	Investments in India as at March 31, 2025						
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total Investments in India
(a) Held to Maturity							
Gross	50.80	-	-	-	-	-	50.80
Less: Provision for non-Performing investments(NPI)	-	-	-	-	-	-	-
Net	50.80	-	-	-	-	-	50.80
(b) Available for Sale							
Gross	2,337.25	-	0.08	-	-	-	2,337.33
Less: Provision for depreciation And NPI	-	-	-	-	-	-	-
Net	2,337.25	-	0.08	-	-	-	2,337.33
(c) Held for Trading							
Gross	-	-	-	-	-	-	-
Less: Provision for depreciation And NPI	-	-	-	-	-	-	-
Net	-	-	-	-	-	-	-
(d) Total Investments	2,388.05	-	0.08	-	-	-	2,388.13
Less: Provision for non-Performing investments	-	-	-	-	-	-	-
Less: Provision for depreciation And NPI	-	-	-	-	-	-	-
Net	2,388.05	-	0.08	-	-	-	2,388.13

(₹ in Crore)

	Investments in India as at March 31, 2024						
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India
(a) Held to Maturity							
Gross	50.82	-	2.50	-	-	-	53.32
Less: Provision for non-Performing investments(NPI)	-	-	-	-	-	-	-
Net	50.82	-	2.50	-	-	-	53.32
(b) Available for Sale							
Gross	1,693.61	-	-	-	-	-	1,693.61
Less: Provision for depreciation And NPI	-	-	-	-	-	-	-
Net	1,693.61	-	-	-	-	-	1,693.61

Schedule 18 - Notes Forming Part of Financial Statements

for the year ended 31 March 2025

2.4 Composition of Investment Portfolio (Contd.)

(₹ in Crore)

		Investments in India as at March 31, 2024						
		Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India
(c)	Held for Trading							
	Gross	-	-	-	-	-	-	-
	Less: Provision for depreciation And NPI	-	-	-	-	-	-	-
	Net	-	-	-	-	-	-	-
(d)	Total Investments	1,744.43	-	2.50	-	-	-	1,746.93
	Less: Provision for non-Performing investments	-	-	-	-	-	-	-
	Less: Provision for depreciation And NPI	-	-	-	-	-	-	-
	Net	1,744.43	-	2.50	-	-	-	1,746.93

Note: The Bank does not have Investments outside India.

2.5 Non SLR investment portfolio:

i) Non performing non SLR investments

During current and previous year, the Bank does not have any non-performing Non-SLR investments.

ii) Issuer composition of non-SLR investments

(₹ in Crore)

Sr. No.	Issuer	Amount		Extent of Private Placement		Extent of 'Below Investment Grade' Securities		Extent of 'Unrated' Securities		Extent of 'Unlisted' Securities	
(1)	(2)	(3)		(4)		(5)		(6)		(7)	
		Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year
a)	PSUs	-	-	-	-	-	-	-	-	-	-
b)	FIs	-	-	-	-	-	-	-	-	-	-
c)	Banks	-	-	-	-	-	-	-	-	-	-
d)	Private Corporates*	0.08	2.50	-	-	-	-	-	-	0.08	2.50
e)	Subsidiaries/ Joint Ventures	-	-	-	-	-	-	-	-	-	-
f)	Others	-	-	-	-	-	-	-	-	-	-
g)	Provision held towards depreciation	-	-	-	-	-	-	-	-	-	-
	Total	0.08	2.50	-	-	-	-	-	-	0.08	2.50

* The Board of Directors at its meeting held on April 10, 2022 has approved a minority strategic investment in PaySprint Private Limited a "Fintech" company. The Board of Directors of PaySprint Private Limited has approved the allotment of 867 equity shares of face value of ₹10 each to the Bank at a premium of ₹28,801 per share, aggregating to the total investment of ₹2.50 Crore representing 7.98% of paid up share capital of PaySprint Private Limited. As per RBI Master Direction - RBI/ DOR/2023-24/104 DOR.MRG.36/21.04.141/2023-24 dated September 12, 2023, the Bank has made an irrevocable election to classify an equity instrument that is not held with the objective of trading (i.e., not held for any of the purposes listed in paragraph 4 of Annex I of the circular) under AFS. This has necessitated in a debit to AFS Reserve by ₹2.42 Crore valuing the investment in Financial Statements at ₹0.08 Crore.

Schedule 18 - Notes Forming Part of Financial Statements

for the year ended 31 March 2025

2.6 Sale and transfer to / from HTM category:

As per the Operating guidelines for Payments Banks, Payment Banks are not permitted to classify any investment, other than those made out of their own funds, as Held to Maturity (HTM) category. Further the investments made out of their own funds shall not, in any case be, in assets or investments in respect of which the promoter / a promoter group entity is a direct or indirect obligor.

During the current and previous year, there has been no sale/ transfer from Held to HTM category.

2.7 Derivative contracts

The Bank has not undertaken any derivative transactions during the current year and the previous year. Accordingly, the disclosure requirements with respect to derivative contracts and risk exposure in derivatives are not applicable.

3. Asset quality

As per the Operating Guidelines of Payments Banks, Payments Banks are not permitted to lend to any person including their Directors. However, Payments Banks may lend to their own employees out of the Bank's own funds, as per a Board approved policy outlining the caps on such loans.

In accordance with the Operating guidelines, as at March 31, 2025, the Bank had classified employee loan amounting to ₹0.17 Crore as advances (Previous Year ₹0.07 Crore). The Bank follows the process of recovering monthly installments due from respective employees while processing monthly salary.

Accordingly, the disclosure requirements with respect to Asset quality are not applicable.

4. Business ratios

Particulars	As at March 31, 2025	As at March 31, 2024
(i) Interest income as percentage to Working funds ¹	5.22%	5.00%
(ii) Non-interest income as percentage to Working funds	44.17%	44.24%
(iii) Operating profit ² as percentage to Working funds	2.90%	2.89%
(iv) Return on assets (Working funds)	2.47%	2.87%
(v) Business ³ (Deposit plus advance) per employee (₹ in Crore)	0.71	0.51
(vi) Profit per employee ⁴ (₹ in Crore)	0.03	0.03
(vii) Cost of Deposits	2.06%	1.97%
(viii) Net Interest Margin ⁵	3.58%	3.77%

¹ Working funds is the average of total assets (excluding accumulated losses) as reported in monthly Form X to RBI under Section 27 of the Banking Regulations Act, 1949.

² Operating profit is net profit for the year before provisions and contingencies.

³ Business is the total of net advances and deposits (net of inter-bank deposits).

⁴ Productivity ratios are based on average employee number.

⁵ Net Interest Income/ Average Earning Assets. Net Interest Income= Interest Income – Interest Expense

Schedule 18 - Notes Forming Part of Financial Statements

for the year ended 31 March 2025

5. Asset Liability Management

Maturity Pattern of certain items of Assets and Liabilities as at March 31, 2025 and March 31, 2024

(₹ in Crore)

Particulars	As at March 31, 2025					
	Deposits	Advances	Investments	Borrowings	Foreign Currency Assets	Foreign Currency Liabilities
1 day	180.52	-	1,915.53	839.46	-	-
2 to 7 days	152.96	-	-	-	-	-
8 to 14 days	0.63	-	-	-	-	-
15 to 30 Days	211.45	-	457.59	-	-	-
31 Days to 2 months	23.17	-	10.00	-	0.44	0.44
Over 2 months to 3 months	-	-	-	-	-	-
Over 3 months to 6 months	100.11	-	0.18	-	-	-
Over 6 months to 1 year	-	0.17	0.26	-	-	-
Over 1 year to 3 years	1,270.60	-	1.84	-	-	-
Over 3 years to 5 years	-	-	2.66	-	-	-
Over 5 years	-	-	0.08	-	-	-
Total	1,939.44	0.17	2,388.13	839.46	0.44	0.44

(₹ in Crore)

Particulars	As at March 31, 2024					
	Deposits	Advances	Investments	Borrowings	Foreign Currency Assets	Foreign Currency Liabilities
1 day	101.46	-	1,397.85	712.65	-	-
2 to 7 days	140.15	-	-	-	-	-
8 to 14 days	0.25	-	-	-	-	-
15 to 30 Days	154.64	-	332.40	-	-	-
31 Days to 2 months	15.60	-	11.49	-	-	-
Over 2 months to 3 months	-	-	-	-	-	-
Over 3 months to 6 months	71.86	-	0.16	-	-	-
Over 6 months to 1 year	-	0.07	0.15	-	-	-
Over 1 year to 3 years	928.58	-	0.00	-	0.42	0.42
Over 3 years to 5 years	-	-	2.37	-	-	-
Over 5 years	-	-	2.50	-	-	-
Total	1,412.54	0.07	1,746.93	712.65	0.42	0.42

Note - Classification of assets and liabilities under the different maturity buckets is based on the same estimates and assumptions as used by the Bank for compiling the returns submitted to the RBI.

6. Liquidity Coverage Ratio (LCR)

The provisions of Liquidity Coverage Ratio (LCR), as per the circular on Basel III Framework on Liquidity Standards – Liquidity Coverage Ratio (LCR), Liquidity Risk Monitoring Tools and LCR Disclosure Standards dated June 9, 2014 and as amended from time to time, are not applicable to the Payments Banks and hence no disclosures have been provided.

7. Net Stable Funding Ratio (NSFR)

The provisions of Net Stable Funding Ratio (NSFR), as per the circular on Basel III Framework on Liquidity Standards – Net Stable Funding Ratio (NSFR), are not applicable to the Payments Banks and hence no disclosures have been provided.

Schedule 18 - Notes Forming Part of Financial Statements

for the year ended 31 March 2025

8. Exposures

a. Exposure to real estate sector :

The Bank does not have any exposure to real estate sector as at March 31, 2025 and March 31, 2024. Accordingly, the disclosure requirements with respect to exposure to real estate sector are not applicable.

b. Capital market exposure :

(₹ in Crore)

Sr. No	Particulars	For the year ended March 31,, 2025	For the year ended March 31,, 2024
1	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	0.08	2.50
2	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds;	-	-
3	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
4	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-
5	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
6	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
7	Bridge loans to companies against expected equity flows / issues;	-	-
8	Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	-	-
9	Financing to stockbrokers for margin trading;	-	-
10	All exposures to Venture Capital Funds (both registered and unregistered);	-	-
	Total exposure to capital market	0.08	2.50

c. Risk category wise country exposure :

The Bank's exposures are concentrated in India as at March 31, 2025 and March 31, 2024. Accordingly, the disclosure requirements with respect to category wise country risk exposure are not applicable.

d. Unsecured advances :

As per the Operating guidelines for Payments Banks, Payments Banks are not permitted to lend to any person, accordingly, the disclosure requirements with respect to unsecured advances is not applicable.

e. Factoring Exposures :

The Operating Guidelines defines the scope of activities for Payments Banks. Factoring Business is not within the defined scope of the Operating Guidelines issued by RBI. The Bank has not engaged in Factoring Business.

Schedule 18 - Notes Forming Part of Financial Statements

for the year ended 31 March 2025

8. Exposures (Contd.)

f. Intra-group exposures :

The Bank does not have any exposure (advances/investments) within the group.

g. Unhedged foreign currency exposure :

The Bank does not have any foreign currency exposure as at March 31, 2025 and March 31, 2024. Thus the disclosure is not applicable to Bank.

9. Disclosure of penalties

During the year ended March 31, 2025 and March 31, 2024, no penalty was imposed on the Bank by RBI under the provisions the (i) Banking Regulation Act, 1949, (ii) Payment and Settlement Systems Act, 2007 and (iii) Government Securities Act, 2006.

However, a penalty of ₹5 lakhs was imposed on the Bank by regulator FIU-IND during the year ended March 31, 2024 on account of failure of the Bank to evolve an effective internal mechanism to detect and report suspicious DMT transactions conducted via CBC mode. Consequently, the Bank has put in place monitoring mechanism for detection and reporting of suspicious DMT transactions carried out by Corporate Business Correspondent.

10. Employee benefits

Defined contribution plans:

Employer's contribution recognized and charged off for the year to defined contribution plans are as under:

(₹ in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Provident fund	5.54	5.14
Pension fund	3.86	4.09
Total	9.40	9.23

Gratuity

The Bank's gratuity benefit scheme is a defined benefit plan. The Bank'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 unrecognized past service costs and the fair value of any plan assets are deducted.

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

The following table sets out the status of the Gratuity Plan as required under Accounting Standard 15.

Change in the present value of the defined benefit obligation.

(₹ in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Opening defined benefit obligation as at April 01	13.85	11.60
Current service cost	2.02	1.80
Interest cost	0.99	0.84
Actuarial (gains)/losses	0.70	0.94
Benefits paid	(1.84)	(1.33)
Past service cost	-	-
Transfer from/to group companies	-	-
Closing defined benefit obligation as at March 31	15.72	13.85

Schedule 18 - Notes Forming Part of Financial Statements

for the year ended 31 March 2025

10. Employee benefits (Contd.)

Change in the plan assets

(₹ in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Opening fair value of plan assets at April 01	-	-
Expected return on plan assets	-	-
Employers contributions	-	-
Benefits paid	-	-
Actuarial gains/(losses) on plan assets	-	-
Closing fair value of plan assets at March 31	-	-

Reconciliation of present value of the obligations and fair value of the plan assets

(₹ in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Present value of funded obligation at March 31	15.72	13.85
Fair value of plan assets at March 31	-	-
Surplus / (Deficit)	(15.72)	(13.85)
Net Asset / (Liability)	(15.72)	(13.85)

Net cost recognized in the Profit and Loss Account

(₹ in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Current service cost	2.02	1.80
Interest cost	0.99	0.84
Past service cost	-	-
Net actuarial (gains)/losses recognized during the year	0.70	0.94
Total cost of defined benefit plans included in Schedule 16 payments to and provisions for employees	3.71	3.58

Key Actuarial Assumptions

Particulars	As at March 31, 2025	As at March 31, 2024
Discount rate	6.50%	7.15%
Expected rate of return on plan asset	-	-
Salary escalation	9.10%	9.10%
Withdrawal rate	30.0%	30%
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14

Experience Adjustment

(₹ in Crore)

	2024-25	2023-24	2022-23	2021-22	2020-21
On Plan liabilities (gains) /losses	0.36	0.59	0.67	0.32	0.09
On Plan assets (losses)/gains	-	-	-	-	-

Schedule 18 - Notes Forming Part of Financial Statements

for the year ended 31 March 2025

11. Unamortized Pension and Gratuity liabilities

As at March 31, 2025, the Bank does not have any unamortized Pension and Gratuity liability.

12. Segment Reporting

Business segments

In terms of the AS-17 (Segment Reporting) issued by Institute of Chartered Accountants of India and RBI circular Ref. DBOD. No. BP.BC.81/21.04.018/2006-07 dated April 18, 2007 read with DBR.BP.BC No.23/21.04.018/2015-16 dated July 01, 2015 and amendments thereto, the business of the Bank has been segregated into four segments: Treasury, Corporate Banking, Retail Banking and Other Banking Operations:

(₹ in Crore)

Particulars	For the year ended March 31, 2025				
	Treasury	Corporate / Wholesale Banking	Retail Banking	Other Banking Operations	Total
Gross revenue	194.67	-	423.81	1,228.01	1,846.49
Unallocated revenue	-	-	-	-	0.61
Less: Intersegment revenue	-	-	-	-	-
Total Revenue	194.67	-	423.81	1,228.01	1,847.10
Segment results	132.76	-	180.37	136.57	449.70
Unallocated expenses	-	-	-	-	341.35
Operating profit	-	-	-	-	108.35
Income tax (including deferred tax)	-	-	-	-	15.82
Net profit/(loss)	-	-	-	-	92.53
As at 31 Mar 2025					
Segment assets	3,299.17	-	82.37	374.78	3,756.32
Unallocated assets	-	-	-	-	449.60
Total assets	3,299.17	-	82.37	374.78	4,205.92
As at 31 Mar 2025					
Segment liabilities	685.15	-	1,995.70	705.55	3,386.40
Unallocated liabilities	-	-	-	-	72.66
Total liabilities	685.15	-	1,995.70	705.55	3,459.06

(₹ in Crore)

Particulars	For the year ended March 31, 2024				
	Treasury	Corporate / Wholesale Banking	Retail Banking	Other Banking Operations	Total
Gross revenue	149.71	-	310.51	1,017.81	1,478.03
Unallocated revenue	-	-	-	-	0.35
Less: Intersegment revenue	-	-	-	-	-
Total Revenue	149.71	-	310.51	1,017.81	1,478.38
Segment results	97.51	-	106.03	146.29	349.83
Unallocated expenses	-	-	-	-	263.53
Operating profit	-	-	-	-	86.30
Income tax (including deferred tax)	-	-	-	-	0.08
Net profit/(loss)	-	-	-	-	86.22
As at 31 Mar 2024					
Segment assets	2,508.81	-	94.63	468.14	3,071.58
Unallocated assets	-	-	-	-	347.53
Total assets	2,508.81	-	94.63	468.14	3,419.11

Schedule 18 - Notes Forming Part of Financial Statements

for the year ended 31 March 2025

12. Segment Reporting (Contd.)

(₹ in Crore)

Particulars	For the year ended March 31, 2024				Total
	Treasury	Corporate / Wholesale Banking	Retail Banking	Other Banking Operations	
As at 31 Mar 2024					
Segment liabilities	542.02	-	1,560.99	611.94	2,714.95
Unallocated liabilities	-	-	-	-	60.98
Total liabilities	542.02	-	1,560.99	611.94	2,775.93

Notes:

- Other Banking Operations include Business Correspondent Services, Digital Payment Services, Cash Management Services, Domestic Money Transfer, Micro-ATM & Aadhaar enabled Payment System (AePS).
- Pursuant to the segment reporting requirement of the RBI previous year numbers are reported under the best allocable segment i.e Other Banking Operations.
- Income, expenses, assets and liabilities have been either specifically identified to individual segment or allocated to segments on a reasonable basis or are classified as unallocated.

Geographic segment:

The business of the Bank does not extend outside India and it does not have any assets outside India or earnings emanating from outside India. Accordingly, the Bank has not reported any geographic segments.

13. Related Party Transactions

As per AS 18 "Related Party Disclosures", the Bank's related parties for the year ended March 31, 2025 are disclosed below:

1. Parent Entity

Fino PayTech Limited (Percentage of holding - 75%)

2. Key Management Personnel ('KMP')

Mr. Rishi Gupta (Managing Director & Chief Executive Officer)

3. Relatives of Key Management Personnel

- Wife - Roli Gupta
- Sons - Prajwal Gupta, Pranav Gupta
- Brother - Gautam Gupta

4. Fellow Subsidiaries

FFPL Finserv Private Limited (formerly known as Fino Finance Private Limited)*

Fino Financial Services Private Limited

Fino Trusteeship Services Limited

The details of the amounts due to or due from the related parties as on March 31, 2025 and March 31, 2024 along with transactions between the Bank and such related parties entered during the year are as follows:

(₹ in Crore)

Items / Related Party	Parent	Fellow Subsidiaries	Associates / Joint ventures / Subsidiaries	KMP	Relatives of KMP	Total
Rendering of services	1.69	-	-	-	-	1.69
Reimbursement of expenses	2.87	-	-	-	-	2.87
Receipt of services	1.32	-	-	-	-	1.32
Remuneration	-	-	-	-	-	-
Balances payable	0.88	-	-	-	-	0.88
Balance receivable	-	-	-	-	-	-

Schedule 18 - Notes Forming Part of Financial Statements

for the year ended 31 March 2025

13. Related Party Transactions (Contd.)

The following represents the significant transactions between the Bank and such related parties during the year ended March 31, 2024:

(₹ in Crore)

Items / Related Party	Parent	Fellow Subsidiaries	Associates / Joint ventures / Subsidiaries	KMP	Relatives of KMP	Total
Rendering of services	2.03	-	-	-	-	2.03
Reimbursement of expenses	3.46	-	-	-	-	3.46
Receipt of Services	1.44	-	-	-	-	1.44
Remuneration	-	-	-	-	-	-
Balances payable	0.71	0.01	-	-	-	0.72
Balance receivable	-	-	-	-	-	-

*FFPL Finserv Private Limited (formerly known as Fino Finance Private Limited) voluntarily applied for surrender of the Certificate of Registration ("COR") as an NBFC and RBI has approved the same vide its cancellation order dated May 30, 2024. Consequently, the name of the entity has been changed with effect from October 16, 2024 to FFPL Finserv Private Limited.

14. Deferred tax (AS-22)

(₹ in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred tax assets :		
Depreciation on fixed assets	6.54	7.34
Unabsorbed depreciation on fixed assets	-	13.00
Business loss	11.04	13.17
Employee benefits	8.61	3.78
Provision for doubtful debts	1.58	1.58
Provision for Rent Straight Lining	0.28	0.16
Total	28.05	39.03

Deferred tax assets have not been recognized in respect of the aforesaid items in absence of virtual certainty of future taxable profits as mandated by Accounting Standard 22 – Deferred Taxes as issued by Institute of Chartered Accountants of India.

15. Provisions and contingencies

Break up of 'Provisions and contingencies' shown under the head expenditure in the Profit and Loss Account.

(₹ in Crore)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
i) Provision for Non Performing Investment (NPI)	-	-
ii) Provision made towards NPAs	-	-
iii) Provision for depreciation on investments	-	-
iv) Provision / (Write back) for credit card reward points	-	-
v) Provision for others	-	0.56
vi) Provision made towards Income tax	15.82	0.08
vii) Provision towards deferred tax (net)	-	-

Schedule 18 - Notes Forming Part of Financial Statements

for the year ended 31 March 2025

16. Capital Infusion

During the current year, the Bank allotted a total of 4,100 equity shares of face value ₹10/- each, to the employees who exercised their stock options in accordance to the Employee Stock Option Plan (ESOP) FY2024. (Previous Year: Nil)

17. Appropriation to / Withdrawal from Reserve

(i) Statutory Reserve :

The Bank has made an appropriation of ₹23.13 Crore (March 31, 2024: ₹21.56 Crore) out of profits for the year ended March 31, 2025 to Statutory Reserve pursuant to the requirements of Section 17 of the Banking Regulation Act, 1949 and RBI guidelines dated September 23, 2000.

(ii) Investment Fluctuation Reserve :

During the year ended March 31, 2025, the Bank has transferred an amount of ₹12.87 Crore (Previous year: ₹9.86 Crore) from Profit and Loss Account to Investment Fluctuation Reserve as per the RBI circular on "Prudential Norms for Classification, Valuation and Operation of Investments Portfolio by Banks – Spreading of MTM losses and creation of Investment Fluctuation Reserve (IFR)".

18. Disclosure of complaints

A. Summary information on complaints received by the Bank from customers and from the Office of Banking Ombudsman (OBO)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Complaints received by the bank from its customers		
1 Number of complaints pending at beginning of the year	2,206	1,259
2 Number of complaints received during the year	97,625	66,450
3 Number of complaints disposed during the year	91,593	65,503
Of which, number of complaints rejected by the bank	7,365	2,699
4 Number of complaints pending at the end of the year	8,238	2,206
Maintainable complaints received by the bank from OBOs		
5 Number of maintainable complaints received by the bank from OBOs	247	218
Of 5, number of complaints resolved in favour of the bank by OBOs	87	77
Of 5, number of complaints resolved through conciliation/mediation/ advisories issued by OBOs	160	141
Of 5, number of complaints resolved after passing of Awards by OBOs against the bank	-	-
6 Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously Banking Ombudsman Scheme, 2006) and covered within the ambit of the Scheme.

Schedule 18 - Notes Forming Part of Financial Statements

for the year ended 31 March 2025

18. Disclosure of complaints (Contd.)

B. Top five grounds of complaints received by the Bank from customers

Grounds of complaints, (i.e. complaints relating to)	No. of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaint received over the previous year	Number of complaint pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Year Ended March 31, 2025					
Analysis, Suspected Fraud A/c Freeze, Docs requested from the Customer	448	35,401	136%	511	2
Customer complaint against Delay/ Failure of UPI transactions	566	17,688	391%	3,262	1,624
A/c Restricted/ Lien marked due to complaint received from LEA/ Cyber Cell/ Legal Authorities	371	14,212	(17%)	-	-
ATM Transaction Dispute, Cash not received	115	6,594	(34%)	128	42
Customer Complaint as documents submitted still A/c under restriction, Later restriction removed	65	5,537	72%	314	-
Others	641	18,193	3%	4,023	2,915
Total	2,206	97,625	47%	8,238	4,583
Year Ended March 31, 2024					
A/c Restricted/ Lien marked due to complaint received from LEA/ Cyber Cell/ Legal Authorities	182	17,056	240%	166	-
Analysis, Suspected Fraud A/c Freeze, Docs requested from the Customer	243	15,010	29%	195	-
ATM Transaction Dispute, Cash not received	226	9,916	(5%)	115	1
Customer Complaint as documents submitted still A/c under restriction, Later restriction removed	56	3,228	22%	-	-
Customer complaint against Delay/ Failure of UPI transactions	110	3,600	103%	560	248
Others	442	17,640	13%	1,170	49
Total	1,259	66,450	32%	2,206	298

19. Letter of comfort

The Bank has not issued any letters of comfort during the year ending March 31, 2025 and March 31, 2024.

20. Provisioning coverage ratio

As per Operating Guidelines for Payments Banks, Payments Banks are not permitted to lend to any person including their Directors. Accordingly, the disclosure requirements with respect to provisioning coverage ratio are not applicable.

21. Bancassurance business

The details of fees / brokerage earned in respect of insurance broking, agency and bancassurance business.

(₹ in Crore)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
i) Fee/ brokerage from Life insurance business	-	-
ii) Fee/ brokerage from General insurance business	1.13	1.38
Total fees from Bancassurance business	1.13	1.38

Schedule 18 - Notes Forming Part of Financial Statements

for the year ended 31 March 2025

22. Concentration of deposits, advances, exposures and NPAs

22.1 Concentration of deposits

(₹ in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Total deposits of twenty largest depositors	0.39	0.39
Percentage of deposits of twenty largest depositors to Total deposits as at the year end	0.02%	0.03%

22.2 Concentration of Advances

(₹ in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Total advances of twenty largest borrowers#	0.17	0.07
Percentage of borrowers of twenty largest borrowers to Total advances as at the year end	100%	100%

Refer Note 2 of Significant Accounting Policies

22.3 Concentration of Exposures

As per Operating Guidelines for Payments Banks, Payments Banks are not permitted to lend to any person including their Directors. As at March 31, 2025 and March 31, 2024, the Bank does not have any exposure and accordingly, the disclosure requirements with respect to Concentration of Exposures is not applicable.

22.4 Concentration of NPA's

As per Operating Guidelines for Payments Banks, Payments Banks are not permitted to lend to any person including their Directors. As at March 31, 2025 and March 31, 2024, the Bank does not have any NPA's and accordingly, the disclosure requirements with respect to Concentration of NPA's is not applicable.

23. Sector wise Advances

As per the Operating guidelines for Payments Banks, Payments Banks are not permitted to lend to any person including their Directors. As at March 31, 2025 and March 31, 2024, the Bank has not provided any advances, accordingly the disclosure requirements with respect to sector wise Advances is not applicable.

24. Movement of NPA's

As per the Operating guidelines for Payments Banks, Payments Banks are not permitted to lend to any person including their Directors. As at March 31, 2025 and March 31, 2024, the Bank does not have any NPA's and accordingly, the disclosure requirements with respect to Movement of NPA's is not applicable.

25. Overseas Assets, NPAs and Revenue

The Bank does not hold any overseas assets / NPA as at March 31, 2025 and March 31, 2024 and no overseas operations were undertaken during the year ended March 31, 2025 and March 31, 2024. Accordingly, the disclosure requirements with respect to Overseas Assets, NPAs and Revenue are not applicable.

26. Movement of Technical / Prudential Written off Accounts

The Bank has not written off any accounts for the year ended March 31, 2025 and March 31, 2024.

27. Divergence in asset classification and provisioning

As per the Operating guidelines for Payments Banks, Payments Banks are not permitted to lend to any person including their Directors. As at March 31, 2025 and as at March 31, 2024, the Bank does not have any NPA's and accordingly, the disclosure requirements with respect to divergence in asset classification and provisioning are not applicable.

Schedule 18 - Notes Forming Part of Financial Statements

for the year ended 31 March 2025

28. Disclosure of transfer of loan exposures

As per the Operating guidelines for Payments Banks, Payments Banks are not permitted to lend to any person including their Directors. As at March 31, 2025 and as at March 31, 2024, the Bank does not have any exposure and accordingly, the disclosure requirements with respect to Disclosure of transfer of loan exposures are not applicable.

29. Disclosure on Remuneration

Qualitative Disclosure

A) Information relating to the composition and mandate of the Nomination & Remuneration Committee

Members of Nomination & Remuneration Committee are:

1. Mr. Rakesh Bhartia, Chairperson and Independent Director (appointed as Member w.e.f. December 9, 2022 and as Chairperson of the Committee w.e.f. July 24, 2023)
2. Mrs. Deena Asit Mehta, Member and Independent Director (appointed w.e.f. April 10, 2024)
3. Mr. Rajat Kumar Jain, Member and Independent Director (appointed w.e.f. May 11, 2022)
4. Mr. Prateek Roongta, Member and Nominee Director (appointed w.e.f. December 9, 2022)

B) Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy

The Compensation Structure at the Bank is divided into two parts Fixed and Variable.

The compensation is broadly been divided in components like Basic Salary, HRA, Provident Fund, Leave Travel Allowance, Special Allowance and Earning Potential (Variable Pay).

Depending on grade title/role/performance one or more components may be included or excluded from the salary structure.

Variable Pay: The Variable Pay varies depending on employee's performance and is subject to change as per the Bank's performance and policies.

For variable payout the performance evaluation is determined through KPI based approach. KPIs cascade from the organization's / department's goals. These are defined at the beginning of the financial year. (The weightages against these parameters will vary according to Department and the Band of the employee).

Employees eligible under sales incentives are excluded from earning potential process and are covered through the Sales Incentives Plans.

Statutory Bonus: Some Section of Employees are also paid statutory bonus as per the Payment of Bonus Act (1965) as amended from time to time.

C) Description of the ways in which current and future risks are taken into account in the remuneration processes.

The Bank takes into account various types of risks in its remuneration processes. Along with keeping in mind the key parameters like Fixed and Variable Pay the focus is also on ensuring a high performance culture, role clarity, meritocracy, clarity on performance expectation and a robust mechanism are necessary ingredients in building a productive and motivated team that is aligned to organizations vision

While considering the fixed pay for revision, the Bank conducts salary review process wherein revisions in compensation are based on performance and internal pay parity study up to an extent is taken in consideration to ensure that employees are competitively positioned in terms of fixed pay.

Cascading of goals from the organizational level to individual levels, periodic monitoring of performance, frequent rewards, performance improvement plans and key talent programmes ensure that the risk due to attrition is mitigated as much as possible.

To protect current and future risks; for Material Risk Takers, the deferred portion of compensation is subject to Malus and Claw back arrangements which dovetails into prudent risk taking and a futuristic approach to decision making by them.

Schedule 18 - Notes Forming Part of Financial Statements

for the year ended 31 March 2025

29. Disclosure on Remuneration (Contd.)

D) Description of the ways in which the bank's seeks to link performance during a performance measurement period with levels of remuneration

The Bank follows a Philosophy of Pay for Performance and Promote for Potential. Evaluation process for each Band is followed.

The performance evaluation is determined through KPIs based approach. KPIs cascades from the organization's / department's goals. These are defined at the beginning of the financial year. These KPIs are a combination of following broad parameters (The weightages against these parameters will vary according to Department and the Band of the employee):

- a) Financial
- b) Process
- c) Customer
- d) Capability

Earning potential will be paid basis the individual and the Bank performance (performance bonus will vary band wise and on the performance of the Bank & the individual performance against set KPI).

E) A discussion of the bank's policy on deferral and vesting of variable remuneration and a discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting.

Employees of the Bank may be entitled to stock purchase / stock options scheme as per the Bank's ESOP Scheme with the vesting period as recommended by RBI guidelines and incorporated in the compensation policy.

For those employees identified as Material Risk Takers, deferral arrangements will be a part of their variable compensation. For such employees, at least 60% of their total variable pay will be under deferral arrangements. The compensation of MRTs will also include a deferral of the cash variable as per the regulatory guidelines incorporated in the compensation policy.

Such Variable Compensation will also be subject to Malus and Clawbacks and will need employees to sign relevant declarations whenever necessary.

F) Description of the different forms of variable remuneration (i.e. cash, shares, ESOPs and other forms) that the bank utilizes and the rationale for using these different forms.

Employees of the Bank may be entitled to stock purchase / stock options scheme as per the Bank's ESOP Scheme.

Cash bonus is a part of earning potential/Sales Incentive depending on employee's and the Bank's performance basis the KPIs set across the organization and is subject to change as per the Bank's performance and policies.

Some Section of Employees are also eligible for statutory bonus as per the Payment of Bonus Act (1965) as amended from time to time.

Quantitative Disclosure:

(The quantitative disclosure covers Whole Time Directors, Chief Executive Officer and Other Risk Takers)

(₹ in Crore)

S. No	Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
1 (i)	Number of meetings held by the Nomination & Remuneration Committee during the financial period.	6	8
1 (ii)	Remuneration paid to its members during the financial period (₹ in Crore).	0.14	0.13
2 (i)	Number of employees having received a variable remuneration award during the financial period.	5	4
2 (ii)	Number and total amount of sign-on / joining bonus made during the financial period.	Nil	Nil
2 (iii)	Details of severance pay, in addition to accrued benefits, if any.	Nil	Nil
3 (i)	Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	15.21	9.84
3 (ii)	Total amount of deferred remuneration paid out in the period.	0.29	9.86
4	Breakdown of amount of remuneration awards for the financial year:		
	Fixed	8.88	8.15

Schedule 18 - Notes Forming Part of Financial Statements

for the year ended 31 March 2025

29. Disclosure on Remuneration (Contd.)

(₹ in Crore)

S. No	Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
	Variable	9.21	9.12
	Deferred	7.34	7.78
	Non-deferred	1.88	1.34
5(i)	Total amount of outstanding deferred remuneration and retained remuneration exposed to ex-post explicit and / or implicit adjustments.	21.64	22.68
5(ii)	Total amount of reductions during the period due to ex-post explicit adjustments.	Nil	Nil
5(iii)	Total amount of reductions during the period due to ex-post implicit adjustments.	Nil	Nil
6	Number of MRT's identified.	5	5
7(i)	Number of cases where Malus has been exercised.	0	0
7(ii)	Number of cases where Clawback has been exercised.	0	0

General Quantitative Disclosure:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
The mean pay for the Bank as a whole (excluding sub-staff) and the deviation of the pay of each of its WTDs from the mean pay.	Total mean pay of the Bank as a whole (excluding sub-staff) is ₹0.060 Crore calculated on annualized basis. Deviation in the fixed pay for WTD from the mean pay is 37 times for the FY 2024-25.	Total mean pay of the Bank as a whole (excluding sub-staff) is ₹0.053 Crore calculated on annualized basis. Deviation in the fixed pay for WTD from the mean pay is 37 times for the FY 2023-24.

30. Disclosure on remuneration to Non-Executive Directors

Remuneration by way of sitting fees to the Non-Executive Directors for attending meetings of the Board & its committees during the year ended March 31, 2025 amounted to ₹1.11 Crore (previous year: ₹1.10 Crore). Further, in accordance with RBI guidelines, remuneration to all Non-Executive Directors other than the Chairperson for the year ended March 31, 2025 amounted to ₹0.40 Crore (previous year: ₹0.40 Crore).

31. Disclosures relating to securitization

As per the Operating guidelines for Payments Banks, Payments Banks are not permitted to lend to any person including their Directors and hence there are no loans with the Bank which can be securitized. Accordingly, the disclosure requirements with respect to securitization are not applicable.

32. Credit default swaps

There is no credit default swap as on March 31, 2025 and as on March 31, 2024. Thus the disclosure is not applicable to the Bank.

33. Forward rate agreement/Interest rate swap

There is no Forward rate agreement/ Interest rate swap as on March 31, 2025 and as on March 31, 2024. Thus the disclosure is not applicable to the Bank.

34. Transfers to Depositor Education and Awareness Fund (DEAF)

(₹ in Crore)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening balance of amounts transferred to DEA Fund	-	-
Add: Amounts transferred to DEA Fund during the year	-	-
Less: Amounts reimbursed by DEA Fund towards claims	-	-
Closing balance of amounts transferred to DEA Fund	-	-

Schedule 18 - Notes Forming Part of Financial Statements

for the year ended 31 March 2025

35. Details of provisioning pertaining to fraud accounts

During the year ended March 31, 2025, the Bank has reported 818 (Previous Year 1,432) cases of fraud (excluding LEA complaints where there is no loss to the Bank) amounting to ₹1.46 Crore (Previous Year ₹8.00 Crore), against which the Bank has made a provision of ₹0.16 Crore (Previous Year ₹6.08 Crore) adjusted for recovery.

(₹ in Crore)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Number of frauds reported	818	1,432
Amount involved in frauds	1.46	8.00
Provision made	0.16	6.08
Unamortized provision debited from 'other reserves'	-	-

CPFIR Frauds not committed on banks are excluded from FMR reporting dated 6th Sep 2024 as per RBI communication.

36. Corporate Social Responsibility (CSR)

The details of CSR activities are given as below:

(₹ in Crore)

S. No	Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
1.	Amount required to be spent by the Bank during the year	1.30	0.88
2.	Amount of Expenditure incurred	1.30	0.88
3.	Shortfall at the end of the year	-	-
4.	Details of unspent CSR amount for the preceding three FY	-	-
5.	Reason for shortfall	N.A	N.A
6.	Nature of CSR Activities	i) Healthcare ii) Primary Education & Skill Development	i) Healthcare ii) Primary Education iii) Eradicating Hunger iv) Protection of Environment v) Employment enhancing vocal skill: Apprentice Training.

37. Earnings per Equity Share (EPS)

Basic and diluted earnings per share are computed in accordance with Accounting Standard 20 - Earnings per Share.

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit after tax by weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

Potential equity shares under ESOP II 2024 have been considered for the calculation of Dilutive EPS since the average market price of the shares is more than the exercise price of the options.

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Basic earnings per share		
Weighted average number of equity shares	8,32,14,617	8,32,14,302
Net profit after tax attributable for equity shareholders (₹ in Crore)	92.53	86.22
Basic Earnings per Share	11.12	10.36
Diluted earnings per share		
Weighted average number of equity shares (including dilutive potential equity shares)	8,35,37,849	8,32,65,061
Net profit after tax attributable for equity shareholders (₹ in Crore)	92.53	86.22
Diluted Earnings per share (F.V. ₹ 10 each)	11.08	10.36

Schedule 18 - Notes Forming Part of Financial Statements

for the year ended 31 March 2025

38. Contingent Liabilities

Description of nature of contingent liabilities is set out below:

i) Claims against the Bank not acknowledged as debts:

These represent claims filed against the Bank in the normal course of business relating to various legal cases currently in progress.

ii) Liability for partly paid investments:

The Bank has made investment in Treasury Bills for maintaining the SLR requirement. Such Treasury Bills are fully paid and therefore the Bank does not have any liability for partly paid investments

iii) Guarantees given on behalf of Constituents, Acceptances, Endorsement and other obligations:

There are Bank guarantees lien marked on fixed deposits amounting to ₹1.96 Crore.

iv) Other Contingent items :

- (a) There are numerous interpretative issues relating to the Supreme Court (SC) judgment dated February 28, 2019, relating to components/allowances paid that need to be taken into account while computing an employer's contribution of provident fund under the EPF Act. The Bank has recorded a contingent liability of ₹3.68 Crore with respect to these matters.
- (b) HDFC Bank Limited (Applicant) has filed a petition before the Debt Recovery Tribunal – II at Mumbai ("Debt Recovery Tribunal") against Fino Payments Bank (in the erstwhile name of the Bank i.e. Fino Fintech Foundation) and Fino PayTech Limited on September 9, 2014. The Bank acted as a business correspondent to the Applicant for rendering banking services on the Applicant's behalf, under the Memorandum of Understanding dated August 28, 2009, between the Applicant and Government of Haryana for implementation of scheme for electronic disbursement of various government entitlements. The Applicant has alleged certain irregularities by the Bank in its role as a business correspondent and has claimed that an amount of ₹1.86 Crore, including damages, is owed by the Bank to the Applicant. According to the DRT Filing Department the claim is not maintainable before DRT since the amount involved in the matter does not qualify as a Debt under the definition of "Debt" as per DRT regulations hence shall be out of the purview of DRT. The Bank has not recorded contingent liability in respect of the above litigation and objected the petition on the same ground and argued the matter in favour of the objection by the DRT filing Department.
- (c) The Bank has direct tax and indirect tax litigations of earlier year's wherein the Bank expects favourable judgments based on the merits of the case and past precedents. The Bank has disclosed the quantum of litigations in its financial statements under Schedule 12 (7)(a) forming part of financial statements under Income Tax & GST.

v) Contractual Obligations and Commitments

The following table sets forth a summary of our contractual obligations :

(₹ in Crore)		
Particulars	As at March 31, 2025	As at March 31, 2024
Estimated amount of contracts remaining to be executed on capital account and not provided for	19.08	5.46

39. Litigations

A lien has been marked on a Bank account for ₹11.92 Crore by the CID in relation to an investigation of an incident reported by one of the undertakings of Karnataka Government. The Bank has filed an application before Hon'ble Court at Bengaluru on March 28, 2025 for removal of the lien so marked and expects the lien to be removed based on the merits of the case and legal opinion.

Schedule 18 - Notes Forming Part of Financial Statements

for the year ended 31 March 2025

40. Fixed Assets - Software

The following table sets forth, for the periods indicated, the movement in software acquired by the Bank, excluding Capital WIP, as included in fixed assets:

(₹ in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
At cost at the beginning of the year April 01	71.49	54.22
Additions during the year	26.51	17.27
Deductions during the year	-	-
Accumulated depreciation up to March 31	53.20	41.65
Net block as at March 31	44.79	29.84

41. Micro and Small Industries

Under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 which came into force from October 02, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises.

S. No	Particulars	For the year ended 31, 2025		For the year ended 31, 2024	
		Principal	Interest	Principal	Interest
1	The principal amount and the interest due thereon remaining unpaid to any supplier *	0.04	-	-	-
2	The amount of interest paid by the buyer in terms of Section 16, along with the amount of the payment made to the supplier beyond the due date*	8.81	-	-	-
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under MSMED Act, 2006	-	-	-	-
4	The amount of interest accrued and remaining unpaid	-	-	-	-
5	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 disallowed as a deductible expenditure under Section 23	-	-	-	-

* The Bank has obtained an Interest Waiver Certificate from MSME supplier wherever there is a delay in payment. Hence, the Bank is not liable to pay interest.

The above is based on the information available with the Bank which has been relied upon by the auditors.

42. Deposits

As per the Operating Guidelines for Payments Banks, Payments Banks can accept only savings and current deposits. The aggregate limit per customer has been extended to ₹2,00,000 from April 07, 2021 by RBI as against the previous limit of ₹1,00,000. Payments Banks are permitted for making arrangements with any other Scheduled Commercial Bank / SFB (Small Finance Bank), for amounts in excess of the prescribed limits, to be swept into an account opened for the customer at that bank, with the prior written consent of the customer.

The above limit shall apply to customer deposits and not to any security / earnest money deposit the Bank may collect from any of its service providers in the ordinary course of business.

The Bank has made sweep out arrangements with Suryoday SFB in order to ensure adherence to RBI guidelines.

Schedule 18 - Notes Forming Part of Financial Statements

for the year ended 31 March 2025

43. Operational lease

The Bank has taken certain premises on operating lease. The agreements entered into provide for renewal and rent escalation. Particulars of future minimum lease payments in respect of the same are as mentioned below:

(₹ in Crore)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Not later than one year	12.56	10.80
Later than one year and not later than five years	25.67	28.55
Later than five years	5.92	6.64
Total	44.15	45.99
Lease payment recognized in Statement of Profit and Loss for the year*	14.25	12.28

*Expenses incurred on operating lease is accounted in the year in which expenses is incurred by the Bank.

44. Employee Stock Option Plan ("ESOP")

The Bank has two Employee Stock Option Plans, ESOP I 2021 ('Plan') & ESOP II 2024 ('Plan') in force for a total grant of 24,47,820 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. The Bank measures compensation cost relating to the employee stock options using the fair value method. The fair value of stock options is estimated on the date of grant using the Black-Scholes model with the following assumptions:

Grant Date	19-Jul-21	11-Jan-24
No of Options	13,65,410	10,82,410
Exercise Price	342.89	223.95
Fair value of option on grant date	176.02	142.39
Vesting Conditions	33% of the options at the end of years' 1, 2 and 3 respectively	33% of the options at the end of years' 1, 2 and 3 respectively
No of shares exercised	-	4,100
Expected Volatility	26.65%-33.19%	20.68%-27.38%
Risk Free Interest rates	4.80%-5.68%	7.01%-7.05%

45. Other Expenditure

The following table sets forth, for the periods indicated, the details of Other Expenditure (exceeding 1% of total income):

(₹ in Crore)

Particulars	For the year ended March 31, 2025
Business Correspondents & Merchant Commission	916.60
NPCI Switching Fees & Interchange Expenses	152.37
Consultancy Charges	55.81
License Subscription Charges & Support Fees	30.22

(₹ in Crore)

Particulars	For the year ended March 31, 2024
Business Correspondents & Merchant Commission	710.50
NPCI Switching Fees & Interchange Expenses	133.36
Consultancy Charges	49.13
License Subscription Charges & Support Fees	18.35
Debit Card Kits	17.03

Schedule 18 - Notes Forming Part of Financial Statements

for the year ended 31 March 2025

46. Other Income

- a. The following table sets forth, for the periods indicated, the details of Commission, Exchange & Brokerage (exceeding 1% of total income) :

(₹ in Crore)	
Particulars	For the year ended March 31, 2025
UPI Payin Services	370.68
Domestic Money Transfer Services	338.02
Account Subscription Fees	276.98
Cash Management Services	156.30
Corporate Business Correspondent Banking	120.06
AePS Interchange	115.67
SMS Alert Charges	56.02
MATM Interchange	20.42

The following table sets forth, for the periods indicated, the details of Commission, Exchange & Brokerage (exceeding 1% of total income):

(₹ in Crore)	
Particulars	For the year ended March 31, 2024
Domestic Money Transfer Services	454.36
Account Subscription Fees	210.17
Cash Management Services	141.91
Corporate Business Correspondent Banking	127.24
AePS Interchange	110.36
UPI Payin Services	58.79
MATM Interchange	31.19
SMS Alert Charges	28.70

- b. The following table sets forth, for the periods indicated, the details of Miscellaneous Income (exceeding 1% of total income):

(₹ in Crore)	
Particulars	For the year ended March 31, 2025
Merchant Onboarding Fees	44.23
Debit Card Issuance & Annual Fees	37.86

(₹ in Crore)	
Particulars	For the year ended March 31, 2024
Merchant Onboarding Fees	37.50
Debit Card Issuance & Annual Fees	24.00

47. Other Assets & Other Liabilities

- (a) The following table sets forth, for the periods indicated, the details of Other Assets – Others (exceeding 1% of total assets):

(₹ in Crore)	
Particulars	For the year ended March 31, 2025
Advances towards Servers, Devices, Kits	114.65
Debtors	57.94
Inventory of Debit Card Kits	52.21

Schedule 18 - Notes Forming Part of Financial Statements

for the year ended 31 March 2025

47. Other Assets & Other Liabilities (Contd.)

(₹ in Crore)

Particulars	For the year ended March 31, 2024
Advances towards Servers, Devices, Kits	108.96
Debtors	80.75
Inventory of Debit Card Kits	68.14

- (b) The following table sets forth, for the periods indicated, the details of Other Liabilities & Provisions – Others (including provisions) (exceeding 1% of total assets):

(₹ in Crore)

Particulars	For the year ended March 31, 2025
Earnest Money Deposit (BC Pool Account)	285.32
Settlement Obligations	143.43

(₹ in Crore)

Particulars	For the year ended March 31, 2024
Earnest Money Deposit (BC Pool Account)	301.24
Settlement Obligations	51.56

48. Social Security Code

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

49. Payment of DICGC Insurance Premium

(₹ in Crore)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Payment of DICGC Insurance Premium [#]	2.28	1.55
Arrears in payment of DICGC Premium	-	-

[#]Excluding Goods and Service Tax

50. Implementation of IFRS converged Indian Accounting Standards (Ind AS)

In January 2016, the Ministry of Corporate Affairs issued the roadmap for implementation of new Indian Accounting Standards (Ind AS), converged with International Financial Reporting Standards (IFRS), for scheduled commercial banks, insurance companies and non-banking financial companies (NBFCs). However, currently the implementation of Ind AS for banks has been deferred by RBI till further notice pending the consideration of some recommended legislative amendments by the Government of India.

Further, Fino PayTech Limited, our parent company, prepares its financial statements in accordance with Ind AS and such statements include our financial statements prepared in accordance with Ind AS for the limited purpose of inclusion in the parent company's consolidated financial statements. In view of the same, the Bank is in an advanced stage of preparedness for implementation of Ind AS, as and when these are made applicable to the banks.

Schedule 18 - Notes Forming Part of Financial Statements

for the year ended 31 March 2025

51. Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014

Fino Payments Bank Limited is engaged in providing various types of financial services such as current and savings accounts, remittances, business correspondent, mobile banking, bill payments and third party financial products distribution to the rural, poor, underserved and unserved classes to help them be economically self-reliant.

Other than the transactions described above, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Bank (Ultimate Beneficiaries). The Bank has also not received any fund from any parties (Funding Party) with the understanding that the Bank shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

52. Marketing & Distribution

The following table sets forth, for the periods indicated, income received from marketing and distribution function.

(₹ in Crore)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Income received in respect of marketing and distribution [#]	3.34	0.77

[#]includes referral fees from distribution of third party loans.

53. Disclosures regarding Priority Sector Lending Certificates (PSLCs)

As per Operating Guidelines for Payments Banks, Payments Banks are not permitted to lend to any person including their Directors. The Bank has not purchased or sold any PSLCs during the year ended March 31, 2025 and March 31, 2024 and accordingly, the disclosure requirements with respect to PSLC are not applicable.

54. Disclosure of facilities granted to Directors and their relatives

The Bank has not extended any fund or non-fund facilities to Directors, their relatives, companies or funds in which they are interested.

55. Fees paid to Statutory Auditors

The total fees (excluding taxes) incurred by the Bank for the services rendered by the statutory auditors are as below:

(₹ in Crore)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Audit Fees (including Statutory Certifications)	0.66	0.60
Reimbursement of expenses	0.01	0.01

56. Application for transition into Small Finance Bank

The Bank has applied for a licence to seek approval from the RBI for transition into a Small Finance Bank via application dated December 11, 2023. The application has been submitted in accordance with the Guidelines for 'on tap' Licensing of Small Finance Banks in the Private Sector ('Guidelines') dated December 5, 2019.

Schedule 18 - Notes Forming Part of Financial Statements

for the year ended 31 March 2025

57. The Board of Directors have not recommended any dividend for the financial year 2024-25.

58. There is no amount required to be transferred to Investor Education and Protection Fund by the Bank. (Previous year: Nil)

59. Figures of the previous year have been re-grouped to conform to the current year's presentation.

As per our report of even date attached

For A P Sanzgiri & Co
Chartered Accountants

Abhijit Sanzgiri
Partner
Membership No: 043230

Place : Navi Mumbai
Date : April 28, 2025

For and on behalf of the Board of Directors
Fino Payments Bank Limited

Rajat Kumar Jain
*Part-time Chairman &
Independent Director*
DIN - 00046053

Ketan Merchant
Chief Financial Officer

Place : Navi Mumbai
Date : April 28, 2025

Deena Mehta
Independent Director
DIN - 00168992

Basavraj Loni
Company Secretary & VP - Legal

Membership No - A23095

Rishi Gupta
*Managing Director &
Chief Executive Officer*
DIN - 01433190

Notes

Notes

FINO ASSETS: PEOPLE



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