

## LETTER OF OFFER

### THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is being sent to you as a shareholder(s)/beneficial owner(s) of Fino PayTech Limited (“Company”) on the Record date (i.e. August 26, 2022). For any clarification/help on the subject, you are advised to contact the Registrar, Adroit Corporate Services Private Limited or the Company Secretary of the Company.

<p style="text-align: center;"><b>Fino PayTech Limited</b> <b>Corporate Identity Number (CIN):</b> U72900MH2006PLC162656 <b>Registered Address:</b> Mindspace Juinagar, 9<sup>th</sup> Floor, Plot No Gen 2/1/F, Tower 1, TTC Industrial Area, MIDC Shirwane, Juinagar, Navi Mumbai - 400 706 <b>Tel:</b> +91 22 7137 7000 <b>E-mail:</b> <a href="mailto:ravindra.gupta@finopaytech.com">ravindra.gupta@finopaytech.com</a>; <b>Website:</b> <a href="http://www.finopaytech.com">www.finopaytech.com</a> <b>Contact Person:</b> Mr. Ravindra Gupta, Company Secretary</p>	
<b>OFFER FOR BUY-BACK</b>	
<p>Offer to Buy-back up to 58,29,408 (Fifty Eight Lakhs Twenty Nine Thousand Four Hundred Eight) fully paid-up equity and preference shares of the Company of face value of ₹ 10/- (Rupees Ten Only) each (“<b>Equity and Preference Shares</b>”), representing 4.38% of total number of equity and preference shares of the Company from all the eligible shareholders / beneficial owners of equity and preference shares of the Company on a proportionate basis, through the Tender Offer mechanism at a price of Rs. 214.43/- (Two Hundred and Fourteen Rupees and Forty Three paise Only) per share (“<b>Buy-back Price</b>”) consisting of face value of Rs. 10/- each including at a premium of Rs. 204.43 (Two Hundred and Four Rupees and Forty Three Paise Only) for an aggregate amount upto Rs. 1,24,99,99,959/- (Rupees One Hundred and Twenty Four Crores Ninety Nine Lakhs Ninety Nine Thousand Nine Hundred and Fifty Nine Only) constituting 21.92% of the total paid up share capital and free reserves as per the audited standalone financial statements of the Company for the financial year ended March 31, 2022.</p>	
<ol style="list-style-type: none"><li>1. The Buy-back is being undertaken pursuant to the provisions of Articles of Association of the Company, Sections 68 to 70 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) as amended and Rule 17 of Companies (Share Capital and Debentures) Rules, 2014 as amended.</li><li>2. This Letter of Offer is being sent to all the eligible shareholders / beneficial owners holding Equity and Preference Shares of the Company as on the Record Date i.e. August 26, 2022 ( “Eligible Shareholders”)</li><li>3. The procedure for tendering the Equity and Preference shares under the offer is set out in Paragraph 16 of this Letter of Offer. The Tender Form is enclosed together with this Letter of Offer.</li><li>4. Eligible shareholders who wish to offer their shares should submit the offer form along with the necessary documents by hand delivery during the business hours, i.e., 10.00 AM to 5.00 PM, Monday to Friday (Except Public Holiday) or by Registered Post/ Speed Post, courier at their own risk and cost, to the Registrar, i.e. Adroit Corporate Services Private Limited or at Registered Office of the Company on or before October 17, 2022 close of the business hours.</li><li>5. As required, a copy of this Letter of Offer has been submitted to the ROC. It is to be distinctly understood that submission of this Letter of Offer to the Registrar of Companies should not in any way be deemed or construed to mean that the same has been cleared or approved by Registrar of Companies.</li><li>6. The Company affirms that the disclosures made in this Letter of Offer are in conformity with the Companies Act, 2013, as amended and Rule 17 of Companies (Share Capital and Debentures) Rules, 2014 as amended.</li></ol>	
<b>Company</b>	<b>Registrar to the Company</b>
<p><b>Fino PayTech Limited</b> Mindspace Juinagar, 9<sup>th</sup> Floor, Plot No. Gen 2/1/F, Tower 1, TTC Industrial Area, MIDC Shirwane, Juinagar, Navi Mumbai – 400706, Maharashtra, India. <b>Tel:</b> +91- 22 7137 7000 <b>E-mail:</b> <a href="mailto:ravindra.gupta@finopaytech.com">ravindra.gupta@finopaytech.com</a>; <b>Website:</b> <a href="http://www.finopaytech.com">www.finopaytech.com</a>; <b>Contact Person:</b> Mr. Ravindra Gupta</p>	<p><b>Adroit Corporate Services Private Limited</b> 19/20, Jaferbhoy Industrial Estate, 1<sup>st</sup> floor, Plot No. 639, Makwana Road, Marol Naka, Marol, Andheri (East), Mumbai – 400 059, Maharashtra, India. <b>Tel.:</b> +91-22-4227 0400 <b>E-mail:</b> <a href="mailto:info@adroitcorporate.com">info@adroitcorporate.com</a> <b>Website:</b> <a href="http://www.adroitcorporate.com">www.adroitcorporate.com</a> <b>Contact Person:</b> Mrs. Divya Nadar</p>
<b>BUY-BACK PROGRAMME</b>	
Buy-back Opens on Friday, September 30, 2022	Buy-back Closes on Monday, October 17, 2022

## 1. DETAILS OF THE OFFER

- 1.1 The Buy-back has been authorized by a resolution passed by the Board of Directors on August 26, 2022.
- 1.2 The Company intends to Buy-back upto 58,29,408 (Fifty Eight Lakhs Twenty Nine Thousand Four Hundred and Eight) Equity and Preference shares (representing 4.38% of total number of equity and preference shares of the Company) of face value of ₹ 10/- (Rupees Ten) each at a price of Rs. 214.43/- (Two Hundred and Fourteen Rupees and Forty Three paise Only) including premium of Rs. 204.43 (Two Hundred and Four Rupees and Forty Three Paise Only) per equity and preference shares with the total aggregate amount to be utilized not to exceed Rs. 1,24,99,99,959/- (Rupees One Hundred and Twenty Four Crores Ninety Nine Lakhs Ninety Nine Thousand Nine Hundred and Fifty Nine Only), which is within the limit prescribed under Section 68(2)(c), that is 21.92% of the Company's total paid up share capital and free reserves as per the audited standalone financial statements of the Company for the financial year ended March 31, 2022

## 2. AUTHORITY FOR THE BUY-BACK

- 2.1 This Buy-back is being undertaken in accordance with the provisions of Articles of Association of the Company, Sections 68 to 70 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014. The present offer for Buy-back of equity and preference shares of the Company from the shareholders has been duly authorized by:-
- a) Resolution of the Board of Directors (the "Board") passed at its meeting held on Friday, August 26, 2022.
  - b) Special Resolution passed by the Shareholders of the Company in an Annual General Meeting (AGM) held on Friday, September 23, 2022.

## 3. THE CLASS OF SECURITIES INTENDED TO BE PURCHASED UNDER THE BUY-BACK

- a. Fully paid-up Equity shares of Rs.10/- each.
- b. Fully paid-up Series A Preference shares of Rs. 10/- each
- c. Fully paid-up Series B Preference shares of Rs. 10/- each
- d. Fully paid-up Series C Preference shares of Rs. 10/- each

## 4. TIME TABLE FOR THE BUY BACK OFFER

The time table for the Buy Back Offer is as follows:

Sr. No.	Activity	Day	Date
1.	Date of Board Meeting approving the proposal of the Buy-back	Friday	August 26, 2022
2.	Record Date for determining the Buy-back entitlement and the names of Eligible Shareholders	Friday	August 26, 2022
3.	Dispatch of Letter of Offer ("on or before")	Thursday	September 29, 2022
4.	Opening of the Buy-back	Friday	September 30, 2022
5.	Closure of the Buy-back	Monday	October 17, 2022
6.	Last date of receipt of completed Tender Forms and otherspecified documents by the Registrar	Monday	October 17, 2022
7.	Last date of verification of Tender Forms by the Registrar ("on or before")	Thursday	October 27, 2022
8.	Last date of Payment to Eligible Shareholders whose offer has been accepted ("on or before")	Wednesday	November 02, 2022
9.	Last date of extinguishment of Equity and Preference Shares ("on or before")	Wednesday	November 09, 2022

## **5. OBJECTIVE OF THE BUY BACK OFFER**

The Buy-back is being proposed by the Board of Directors of the Company in line with the Company's desire to enhance overall shareholder's return and value by returning surplus cash to the existing shareholders holding equity and preference share(s). The Company has accumulated sufficient free reserves, securities premium and satisfactory liquidity reflected in the audited Financial Statements as at March 31, 2022. The proposed Buy-back is expected to lead to reduction of the outstanding equity and preference shares, which may lead to increase in earnings per share and return on equity of the Company in the future, thereby creating long term shareholder value for the continuing shareholders. The proposed Buy-back is also a reflection of confidence of the management in future growth prospects of the Company. In view of the Company being an unlisted public limited company, the Buy-back is also an efficient, fair and transparent mechanism for shareholders looking for an exit opportunity.

In view of the above, the Board decided to allocate a sum of Rs. 1,24,99,99,959/- (Rupees One Hundred and Twenty Four Crores Ninety Nine Lakhs Ninety Nine Thousand Nine Hundred and Fifty Nine Only) excluding any expenses incurred or to be incurred for the Buy-back like filing fees, other taxes (such as, stamp duty and goods and service tax, if any), any consultants fees, and other incidental and related expenses, etc., for the Buy-back. After considering several factors and benefits to the shareholders holding equity and preference shares of the Company, the Board decided to recommend Buyback of not exceeding 58,29,408 equity and preference shares of face value of Rs. 10 each at a price of Rs. 214.43 (Rupees Two Hundred and Fourteen and Forty Three Paise Only) per share at a premium of Rs. 204.43 per share.

Buy-back is a more efficient form of returning surplus cash to the members holding shares of the Company, inter-alia, for the following reasons:

- The Buy-back will help the Company to return surplus cash to its members holding equity and preference shares broadly in proportion to their shareholding, thereby, enhancing the overall return to members;
- The Buy-back may help in improving return on equity, by reduction in the equity and preference base, thereby leading to long term increase in shareholders' value;
- The Buy-back gives an option to the members holding equity and preference shares of the Company, who can choose to participate and get cash in lieu of equity and preference shares to be accepted under the Buyback offer or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post the Buy-back offer, without additional investment; and
- Optimizes the capital structure.

## **6. MANAGEMENT DISCUSSION AND ANALYSIS ON LIKELY IMPACT OF BUY-BACK ON THE COMPANY**

**6.1** The Buy-back is not likely to cause any material impact on the profitability of the Company.

**6.2** There will not be any changes in the management structure, consequent to offer for Buy-back.

**6.3** As there are debts due to be payable by the Company, requirement of Debt Equity Ratio is applicable and is not more than 2:1.

## **7. BUY-BACK PRICE AND THE BASIS OF ARRIVING AT THE BUY-BACK PRICE**

The Equity and Preference Shares are proposed to be bought back at a price of Rs. 214.43 (Rupees Two Hundred and Fourteen and Forty Three paise Only) per equity and preference share of face value of Rs. 10/- per share including premium of Rs. 204.43 per share.

The maximum Buy-back price has been arrived on the basis of best reasonable judgment of the value of the equity and preference shares on the basis of company's business and assets as provided by SEBI Registered Merchant Banker M/s. Dalmia Securities Private Limited, the Merchant Banker after considering quantitative and qualitative factors such as:

- i. the net worth of the Company
- ii. fair value of investment

## 8. SOURCES OF FUNDS FOR THE BUY-BACK OFFER AND COSTS THEREOF

The offer for Buy-back is for a maximum of 58,29,408 Equity and Preference shares of Rs. 10/- each out of the total number of 13,32,38,371 equity as well as preference shares of face value of Rs. 10/- each, i.e. not exceeding 25% of the aggregate of paid-up capital and free reserves of the Company as on March 31, 2022.

The Equity as well as Preference shares are being bought back at Rs. 214.43 per share including premium of Rs. 204.43 per share of face value of Rs. 10/- each. The amount to be utilized for Buy-back would be limited to 25% of the paid-up capital and free reserves as per the standalone audited accounts for the period ended March 31, 2022.

As the Maximum amount to be utilized in the Buy-back is Rs. 1,24,99,99,959/- (Rupees One Hundred and Twenty Four Crores Ninety Nine Lakhs Ninety Nine Thousand Nine Hundred Fifty Nine Only), the same is being paid out of the surplus cash.

## 9. CAPITAL STRUCTURE AND SHAREHOLDING PATTERN (PRE AND POST BUY-BACK OFFER)

### 9.1 The capital structure of the Company:

Particulars	Amount (Rs.)
<b>Authorised Share Capital</b>	
12,00,00,000 Equity Shares of Rs.10/- each	120,00,00,000
5,00,00,000 Fully Compulsorily Convertible Preference Shares of Rs.10 each	50,00,00,000
<b>Total</b>	<b>170,00,00,000</b>
<b>Issued and Subscribed Capital</b>	
10,94,07,156 Equity Shares of Rs.10/- each	1,09,40,71,560
2,38,31,215 Preference Shares of Rs. 10/- each	23,83,12,150
<b>Paid up share capital</b>	
10,94,07,156 Equity Shares of Rs.10/- each	1,09,40,71,560
2,38,31,215 Preference Shares of Rs. 10/- each	23,83,12,150

### 9.2 The shareholding pattern of the Company (a) Pre Buy-back as on March 31, 2022:

Name of the Shareholders	No. of Equity Shares	No. of Preference Shares	Total Shares	% of Shareholding
International Finance Corporation	6,569,567	3,104,350	9,673,917	7.26
HAV 3 Holdings (Mauritius) Limited	7,456,993	6,797,990	14,254,983	10.70
Intel Capital Corporation	4,433,449	2,660,564	7,094,013	5.32
Blackstone GPV Capital Partners (Mauritius) VI-B FDI Limited	7,512,207	11,268,311	18,780,518	14.10
ICICI Bank Ltd.	9,919,118	-	9,919,118	7.44
ICICI Lombard General Insurance Company Limited	6,789,194	-	6,789,194	5.10
ICICI Prudential Life Insurance Company Limited	11,328,854	-	11,328,854	8.50
Bharat Petroleum Corporation Limited	29,271,759	-	29,271,759	21.97
Life Insurance Corporation of India	2,250,000	-	2,250,000	1.69

Indian Bank	2,250,000	-	2,250,000	1.69
Union Bank of India	4,500,000	-	4,500,000	3.38
Exide Life Insurance Company Limited	2,832,213	-	2,832,213	2.13
Individuals/ Public	14,060,851	-	14,060,851	10.55
Fino Trusteeship Services Limited	232,951	-	232,951	0.17
<b>Total</b>	<b>10,94,07,156</b>	<b>2,38,31,215</b>	<b>13,32,38,371</b>	<b>100.00</b>

**9.3** The capital structure including details of outstanding convertible instruments, if any, post Buy-back; (Assuming entire offer is tendered for)

<b>Post Buyback Capital Structure (in Rs.)</b>		
	<b>Equity Share Capital</b>	<b>Preference Share Capital</b>
Authorized Capital	Rs. 1,20,00,00,000/- (12,00,00,000 Equity Shares of Rs. 10/-each.)	Rs. 50,00,00,000/- (5,00,00,000 Fully Compulsorily Convertible Preference Shares of Rs. 10/-each.)
Paid up Capital	Rs. 1,04,62,04,050/-	Rs. 22,78,85,580/-

**9.4** Intention of Promoters to Offer their shares for Buy Back:

There are no promoters in the Company.

**9.5** The aggregate shareholding of the directors and key managerial personnel as on the date of the Board Meeting i.e., August 26, 2022.

Mr. Sudeep Gupta	Whole-time Director	2 (Two) Shares
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**9.6** The aggregate number of equity / preference shares purchased or sold by Promoters or Key Managerial Personnel during a period of 12 months preceding date of the Board meeting at which the Buy-back was approved and from that date till the date of notice convening the Annual General Meeting. – No transactions during above mentioned period.

## **10. BRIEF INFORMATION ABOUT THE COMPANY**

**FINO PAYTECH LIMITED** was incorporated on June 15, 2006 under the Companies Act, 1956 and has its registered office at Mindspace Juinagar, 9<sup>th</sup> Floor, Plot No. Gen 2/1/F, Tower 1, TTC Industrial Area, MIDC Shirwane, Juinagar, Navi Mumbai - 400706.

The Company's main business activities and operations involve:

1. To conceive, design, develop, implement, own, set up, run, administer and manage network operations information technology operations, technology data, management information, analysis, development and accounting information, configuration and asset management, back up and recovery network operations, information infrastructure in the rural and urban areas, user training, data bases management, disaster recovery, planning and execution.
2. To carry on the business of developing, improving, designing, marketing, selling and licensing software, intelligent hardware and program products of any and all description and to render technical assistance and services including maintenance in connection with the use, purchase, sale, import, export, lease, distribute, license, design, manufacture of any apparatus, appliance, system, component, electronic and electromechanical products and systems and program products.
3. To carry on business of customer identification, customer acquisition, customer data collection, customer management, customer servicing and to disseminate, supply, furnish provide, sell, give, send, part with, dispose of, public information, knowledge, data, details and the like relating to the customers, using the systems, apparatus and components, for any person or persons (whether individuals, firms, companies, bodies corporate, Government, State,

Sovereign, public body or authority, supreme, local or otherwise or other entities) including providing consultancy services related to the preparation and maintenance of accounting, statistical, scientific, mathematical and other information and reports, data processing, programming, collecting, storing, processing, transmitting information and data of every kind and description, systems analysis, and machine services for solving or aiding commercial, industrial, scientific and research problems as also on all matters and problems relating to their administration, organisation, finance, management, personnel, commencement or expansion of industry and business (including production, purchases, sales, marketing, advertisement, publicity, personnel, export and import) and for all other related business.

- 3A.** To carry on the business as Broker and/or Corporate Insurance Agent of Insurance companies in all branches of insurance, implement and run systems in the field of insurance policy administration, insurance claims management, insurance agency management, user management, insurance administration, insurance accounting and all other related business.
- 3B.** To engage in the business of cash management services including cash carry and delivery, cash management, payment processing to include cash collection at branches/ merchant points (appointed agents) or at client locations, and related services to customers/merchants for merchandise, various utilities services and business applications, as may be permitted and subject to such regulatory approvals as may be required, and to carry systems study, analysis, design, development of software systems, hardware and related activities for the implementation of above mentioned activities.

The Board of Directors of the Company consists of:

Sr. No	Name of Director	DIN	Category of Director	Effective date
1	Ashok Kasaragod Kini	00812946	Chairman & Independent Director	20/08/2020
2	Marcus Peter Strutt Thompson	02163280	Nominee Director	25/01/2022
3	Ramakrishna Gupta Vetsa	08188547	Nominee Director	28/05/2019
4	Sudeep Gupta	07899859	Whole-time Director	14/11/2018

## 11. FINANCIAL INFORMATION ABOUT THE COMPANY:

The salient features of the financial information of the Company as extracted from the audited standalone financial statements for the last three financial year ended March 31, 2022 and March 31, 2021 and March 31, 2020 are set out below:

Particulars	31 <sup>st</sup> March, 2022 (In Rupees)	31 <sup>st</sup> March, 2021 (In Rupees)	31 <sup>st</sup> March, 2020 (In Rupees)
Total Income/(Loss)	841,63,55,778	22,33,85,739	64,14,21,158
Profit/Loss after Tax	523,63,85,569	(15,48,62,127)	8,05,98,373
Equity Share Capital	109,40,71,560	99,62,81,110	98,90,76,110
Preference Share capital	23,83,12,150	23,83,12,150	23,83,12,150
Reserves and Surplus in Profit & Loss account	3,78,59,86,740	(1,45,26,77,991)	(1,29,23,59,828)
Fixed Assets	3,97,00,918	4,31,90,000	4,97,14,901
-Current Assets	761,95,35,281	32,77,25,561	46,61,67,045
-Current Liabilities	34,61,37,023	82,53,61,806	91,04,68,117
Net Worth	11,83,58,39,422	5,74,66,15,545	5,87,16,12,004
Total Debt	71,29,274	71,16,614	4,73,08,970



## **12. DETAILS OF STATUTORY APPROVALS**

The Special Resolution passed by the Shareholders of the Company in Annual General Meeting (AGM) held on Friday, September 23, 2022, for the Buy-back of equity and preference shares of the Company.

### **TIME LIMIT FOR THE COMPLETION OF BUYBACK**

The entire process is planned to be completed on or before November 30, 2022, but at any time will not extend beyond twelve months from the shareholders meeting. The completion of Buy Back shall be on the destruction of the relevant share certificates representing the shares under buyback.

## **13. NOTE ON TAXATION:**

### **13.1. GENERAL**

The Indian tax year runs from April 1 to March 31. The charge of Indian income tax depends upon the residential status of the taxpayer during a tax year. A person who is a tax resident of India is liable to taxation in India on his worldwide income, subject to certain prescribed tax exemptions provided under the Income Tax Act 1961 ("ITA"). A person who is treated as a non-resident for Indian tax purposes is generally liable to tax in India only on his/ her Indian sourced income or income received by such person in India. Vide Finance Act, 2020, certain non-resident individuals are deemed to be resident in India upon triggering of certain conditions. Deemed residents would be liable to pay tax in India only on their Indian sourced income or income from business or professional controlled in India. In case of shares of a Company, the source of income from shares would depend on the 'situs' of the shares. As per judicial precedents, generally the "situs" of the shares is where company is "incorporated" and where its shares can be transferred. Accordingly, since the Company is incorporated in India, the "situs" of the shares of the Company would be in India and any gains arising to a non-resident on transfer of such shares should be taxable in India under the ITA subject to any specific exemption in this regard. Further, the non-resident can avail the beneficial tax treatment prescribed under the relevant Double Tax Avoidance Agreement ("DTAA") as modified by the Multilateral Instrument ("MLI"), if the same is applicable to the relevant DTAA between India and the respective country of which the said non-resident shareholder is tax resident subject to satisfaction of the relevant conditions including non-applicability of General Anti-Avoidance Rule ("GAAR") and providing and maintaining necessary information and documents as prescribed under the ITA as well as satisfying the relevant conditions under the respective DTAA including anti-abuse measures under the MLI, if applicable. The summary of direct tax implications on buyback of shares of unlisted companies is set out below. The residential status of an assessee would be determined in terms of Section 6 of the ITA.

### **13.2. CLASSIFICATION OF SHAREHOLDERS**

Section 6 of the ITA, determines the residential status of an assessee. Accordingly, shareholders can be classified broadly in categories as mentioned below:

A. Resident Shareholders being:

- Individuals, Hindu Undivided Family (HUF), Association of Persons (AOP) and Body of Individuals (BOI), Firm, LLP
- Others (corporate bodies):
  - Company
  - Other than Company

B. Deemed Resident Shareholder – an individual being a citizen of India who is not liable to taxed in any other country or territory by reason of domicile, residence or any other criteria of similar nature and has total income other than foreign sourced income exceeding Rs. 15 lakh during the tax year.

C. Non-Resident Shareholders being:

- Non-Resident Indians (NRIs)
- Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)
- Others:
  - Company
  - Other than Company

### **13.3. INCOME TAX PROVISIONS RELATING TO TAX ON DISTRIBUTED INCOME OF DOMESTIC COMPANY FOR BUY-BACK OF SHARES**

a. As per Section 115QA of the ITA, in addition to the income-tax chargeable in respect of the total income of a domestic company for any assessment year, any amount of distributed income by the company on buy-back of shares from a shareholder shall be charged to tax and such company shall be liable to pay additional income-tax @ 20% on the distributed income, plus surcharge @ 12% plus Health & Education Cess @ 4% on the “distributed income”.

Buy-back as explained in the provision means purchase by a company of its own shares in accordance with the provisions of any law for the time being in force relating to companies.

Distributed income is defined in explanation to Section 115QA(1) to include consideration paid by the company on buyback of Shares as reduced by the amount which was received by the company on issue of such shares, determined in the manner specified in Rule 40BB of the Income Tax Rules, 1962.

b. The tax on the distributed income by the company shall be treated as the final payment of tax in respect of the said income and no further credit thereof shall be claimed by the company or by any other person in respect of the amount of tax so paid.

c. No deduction under any other provision of this Act shall be allowed to the company or a shareholder in respect of the income which has been charged to tax.

d. Section 10(34A) of the ITA provided for exemption to a shareholder in respect of income arising from buyback of shares.

Thus, the tax implications to the following categories of shareholders are as under:

#### **A. Resident Shareholders or Deemed Resident Shareholders**

Income arising to the shareholder on account of buy-back of shares as referred to in section 115QA of the ITA is exempt from tax under the provisions of the section 10(34A) of the ITA.

#### **B. Non-Resident Shareholders**

While the income arising to the shareholder on account of buy back of shares as referred to in section 115QA of the ITA is exempt from tax under the provisions of the section 10(34A) in the hands of a Non-resident as well, the same may be subject to tax in the country of residence of the shareholder as per the provisions of the tax laws of that country. The credit of tax may or may not be allowed to such Non- resident shareholder to be claimed in the country of residence in respect of the buy-back tax paid by the company in view of Sec 115QA of the ITA. Non-resident shareholders need to consult their tax advisors with regard to availability of such a tax credit in their home country.

Since Sec 115QA overrules the entire Income Tax Act, the provisions of Sec 46A i.e. capital gain on purchase by company of its own shares or securities, shall not apply in respect of buy back of shares.

### **13.4. TAX DEDUCTION AT SOURCE (“TDS”)**

Since there is no provision regarding the TDS in case of Buyback, Company is not required to deduct any tax at source on consideration payable to Resident Shareholders. Further, given that the consequential income would be exempt from tax in the hands of shareholders under Section 10(34A) of the ITA, the same would not be subject to TDS for Non - Resident Shareholders as well.

**THE ABOVE NOTE ON TAXATION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND DOES NOT PURPORT TO BE A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF SHARES. THIS NOTE IS NEITHER BINDING ON ANY REGULATORS NOR CAN THERE BE ANY ASSURANCE THAT THEY WILL NOT TAKE A POSITION CONTRARY TO THE COMMENTS MENTIONED HEREIN. THERE CAN BE NO**



**LIABILITY ON THE COMPANY IF ANY ACTION IS TAKEN BY THE SHAREHOLDER SOLELY BASED ON THIS TAX SUMMARY. THEREFORE, SHAREHOLDERS CANNOT RELY ON.**

**THIS ADVICE AND THE SUMMARY TAX IMPLICATIONS RELATING TO THE TREATMENT OF INCOME TAX IN THE CASE OF BUYBACK OF SHARES OF DOMESTIC COMPANY.**

**THE SUMMARY OF THE TAX CONSIDERATIONS AS ABOVE IS BASED ON THE CURRENT PROVISIONS OF THE TAX LAWS OF INDIA, WHICH ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS.**

**IN VIEW OF THE SPECIFIC NATURE OF TAX CONSEQUENCES, SHAREHOLDERS WHO ARE NOT TAX RESIDENTS OF INDIA ARE REQUIRED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE CONSIDERING THE PROVISIONS OF THE RELEVANT COUNTRY OR STATE TAX LAW AND PROVISIONS OF DTAA WHERE APPLICABLE.**

#### **14. PAYMENT TO THE SHAREHOLDERS**

The Company shall within seven days from the completion of verification on letter of offer, make payment of consideration through NEFT/RTGS or any other means of electronic transfer in favour of those shareholders whose offer has been accepted or credit the shares in the demat account of the shareholders forthwith in case of rejected shares.

#### **15. DETAILS OF THE REGISTRAR TO THE BUY-BACK**

The eligible shareholders holding shares in dematerialized or in physical form who wish to avail and accept this offer may submit the duly signed Tender Offer Form along with the other requisite document(s), as mentioned in the Letter of Offer either in person or through registered post/speed post or by Courier to the Registrar to the buyback, so that it reaches to the said address before the closure of the Buyback. The Company has appointed Adroit Corporate Services Private Limited as the Registrar to the Buyback and in case of any query, the shareholders may contact the Registrar to the Buyback on any day, except Saturday, Sunday and public holidays between 10:00 a.m. to 5:00 p.m. at the following address:

**Adroit Corporate Services Private Limited:**

19/20, Jaferbhoy Industrial Estate,  
1<sup>st</sup> floor, Plot No. 639, Makwana Road, Marol Naka, Marol,  
Andheri (East), Mumbai – 400 059, Maharashtra, India.

**Tel.:** +91-22-4227 0400

**E-mail:** [info@adroitcorporate.com](mailto:info@adroitcorporate.com)

**Website:** [www.adroitcorporate.com](http://www.adroitcorporate.com)

**SEBI Registration No.:** INR000002227

**CIN:** U67190MH1994PTC079160

**Contact Person:** Mrs. Divya Nadar

## 16. PROCESS AND METHODOLOGY FOR BUY-BACK PROGRAMME

- 16.1** The Letter of Offer for buy-back of shares is available to all the Eligible Shareholders of the Company.
- 16.2** The Letter of Offer and Offer Form will be dispatched/mailed to the Eligible Shareholders. The Letter of Offer shall be sent through electronic means to Eligible Shareholder(s) who have registered their email ids with the depositories / the Company, and for those Eligible Shareholder(s) who have not registered their email ids with the depositories / the Company, the Letter of Offer shall be dispatched in physical form by registered post / speed post / courier. Further, on receipt of request from any Eligible Shareholder to receive a copy of Letter of Offer in physical form, the same shall be provided.
- 16.3** The Company will not accept any Equity and Preference Shares offered for Buy-back which are under any restraint order of a court or other competent authority for transfer / sale of such Shares.
- 16.4** The Eligible Shareholders holding shares in physical form who wish to avail and accept this offer may submit the duly signed Tender Offer Form to the Registrar to the buy-back by October 17, 2022, i.e. the buy-back offer closing date either in person or through registered post or by Courier along with original share certificate(s), valid share transfer form(s)/Form SH-4 duly filled (i.e. share certificate number, distinctive number, number of shares held) signed by the transferors and duly witnessed at the appropriate place authorizing the transfer in favour of the Company, self-attested copy of PAN card(s), any other relevant documents such as power of attorney, corporate authorization (including board resolution/specimen signature), notarized copy of death certificate and succession certificate or probated will.

In case one or more of the Joint Holders is deceased, the Offer must be signed by all the surviving holder(s) and submitted along with the certified true copy of Death Certificate(s). If the sole holder is deceased, the Offer must be signed by the Legal Representative(s) of the deceased and submitted along with the Certified or Attested True Copies of Probate/ Letter of Administration/ Succession Certificate, while tendering the Shares for buyback

In case of Eligible Shareholders holding and tendering equity and/or preference shares in dematerialized form, submission of tender offer form is not required and the Eligible Shareholders may directly tender such shares in the Escrow Demat Account opened by the Company for the purpose of collection of shares tendered under this buy-back and the details of said account are as follows:

**Demat Account Name:** Fino PayTech Limited Buyback Escrow Account  
**DP ID:** IN301330  
**Client ID:** 41197262  
**DP Name:** Stockholding Corporation of India Limited

- 16.5** The Eligible Shareholders who have tendered their shares in the Buyback shall also provide all relevant documents, which are necessary to ensure transferability of the Demat/ Physical shares in respect of the tender form to be sent. Such documents may include (but not be limited to):
- In case the shares are being offered on the basis of Power of Attorney, a copy of the same duly certified by the Notary Public/ Gazette Officer if and as applicable should be enclosed.
  - Authority/Board Resolution/Trust Deed/Bye Laws from Government Companies, Body Corporate, Trust, Societies respectively, if and as applicable.
- 16.6** In the event the aggregate number of shares tendered by the Eligible Shareholders are more than the total number of shares to be bought-back by the company, the acceptances per shareholder shall be made as per Rule 17 of the Rules i.e., acceptance per equity and preference shareholder shall be on a proportionate basis out of total shares tendered being bought back.

**16.7** Any computation of entitled Equity & Preference Shares using the actual Buyback percentage may provide a slightly different number due to rounding off. The actual Buyback Entitlement is 4.3751720741167% for all the Eligible Shareholders.

**16.8** Fractional Entitlement:

If the Buyback Entitlement, after applying the above mentioned percentage to the Equity and Preference Shares held on Record Date, is not a round number (i.e. not in the multiple of 1 (one) Equity and Preference Share) then the fractional entitlement shall be ignored for computation of Buyback Entitlement to tender Equity & Preference Shares in the Buyback Offer, for Eligible Shareholders.

On account of ignoring the fractional entitlement, those Eligible Shareholders who hold 22 or less Equity and Preference Shares as on Record Date will be dispatched a Tender Form with zero entitlement. Such Eligible Shareholders are entitled to tender Additional Equity and Preference Shares as part of the Buyback Offer. The Company shall make best efforts subject to aforesaid provisions in accepting Equity and Preference Shares tendered by the Eligible Shareholders to the extent possible and permissible.

**16.9** Consideration will be paid through NEFT / RTGS or any other electronic means of transfer in favour of the shareholders whose tender has been accepted by the Company.

**16.10** Where the Buy-back offer is rejected, intimation of the same will be sent by the Company at the email address of the shareholder and the shares shall be credited, if any, in the demat account of the shareholder forthwith.

## **17. GENERAL INFORMATION**

**17.1** Non-receipt of this Letter of Offer due to accidental omission to dispatch the same, to any person to whom the offer is made, shall not invalidate the offer in any way. , An Eligible Shareholder may participate in the Buyback by downloading the Tender Form from the website of the Company (i.e., [www.finopaytech.com](http://www.finopaytech.com)) or the Registrar to the Buyback at [www.adroitcorporate.com](http://www.adroitcorporate.com) or by providing their application in writing on plain paper, signed by Eligible Shareholder or all Eligible Shareholders (in case Shares are in joint name) to the Registrar to the Buyback or by email on the email addresses given in this Letter of Offer and deposit the demat instruction slip into the Demat Escrow Account of the Company given herein before on or before the closure of Offer i.e. October 17, 2022.

**17.2** The Eligible Shareholders to whom this Letter of Offer is being sent are free to offer their shareholding to the Company in whole or in part.

**17.3** All documents sent by the Eligible Shareholders will be at their own risk. Eligible Shareholders of the Company are advised to safeguard adequately their interest in this regard.

## **18. CONFIRMATION BY THE BOARD OF DIRECTORS**

**18.1** The Board of Directors confirms that there are no defaults made or subsisting in the repayment of deposits or interest payment thereon, redemption of debentures or payment of interest thereon or redemption of preference shares or payment of dividend due to any shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banking company.

**18.2** The Board of Directors confirms that it has made a full enquiry into the affairs and prospects of the company and that they have formed the opinion-

- (i) that immediately following the date of the Board Meeting i.e., August 26, 2022, there shall be no grounds on which the company could be found unable to pay its debts;
- (ii) that as regards the Company's prospects for the year immediately following the date of the Board Meeting i.e., August 26, 2022, and having regard to the Board's intentions with respect to the management of the company's business during that year and to the amount and character of the financial resources which will in Board's view, be available to the Company during that year, the Company shall be able to meet its

liabilities as and when they fall due and shall not be rendered insolvent within a period of one year from the date of Board Meeting; and

- (iii) that the directors have taken into account the liabilities (including prospective and contingent liabilities), as if the company were being wound up under the provisions of the Companies Act, 2013.

## **19. DECLARATION BY DIRECTORS**

**19.1** The Directors of the Company declare that:

- i. all the Equity and Preference Shares which the Company proposes to buy-back are fully paid up;
- ii. the Company shall not make further issue of same kind of shares or other securities including allotment of new shares or other specified securities within a period of six months from completion of buy-back, except by way of a bonus issue or in discharge of subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into Equity Shares;
- iii. the Company shall not directly or indirectly purchase its own Equity and Preference Shares through any subsidiary company including its own subsidiary companies or through any investment company or group of investment companies;
- iv. the Company has not completed a buy-back of any of its securities during the period of one year reckoned from the date of the closure of the preceding offer of buy-back, if any;
- v. there are no defaults made or subsisting in the repayment of deposits or interest payment thereon, redemption of debentures or payment of interest thereon or redemption of preference shares or payment of dividend due to any shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banking company;
- vi. the ratio of the aggregate of secured and unsecured debts owned by the Company after the Buy-back shall not exceed the ratio (2:1) as prescribed under Section 68 of the Act;
- vii. the Company shall not utilize any money borrowed from Banks or Financial Institution for the purpose of Buy-Back;
- viii. the Company has been in compliance with Sections 92, 123, 127 and 129 of the Act;
- ix. the company shall not withdraw the Buy-back offer once it has announced the Buy-back offer to the shareholders.
- x. a sum equal to the nominal value of the shares so purchased shall be transferred to the capital redemption reserve account and details of such transfer shall be disclosed in the balance sheet

**19.2** There is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Companies Act, 2013, as on date.

## **20. Statutory Auditors Report**

**The text of the report dated August 26, 2022 received from the statutory auditor of the Company ("Auditor's Report") addressed to the Board of Directors of the Company is reproduced below:**

To,  
The Board of Directors  
**Fino PayTech Limited**  
MindSPACE Juinagar, 9th Floor,  
Plot No. Gen 2/1/F, Tower 1,  
TTC Industrial Area, MIDC Shirwane,  
Juinagar, Navi Mumbai - 400706

**Sub: Statutory Auditor's Report to the Board of Directors in respect of proposed buy-back of the equity shares by Fino PayTech Limited ("the Company") in terms of clause (n) of sub-rule (1) of Rule 17 of Companies (Share capital and Debentures) Rules, 2014.**

We have performed the following procedures agreed with you vide engagement letter dated August 19, 2022, in connection with the proposal of FINO PayTech Limited ('Company') to buy-back its existing fully paid up equity and preference shares in pursuance of the provisions of Section 68 and Section 70 of the Companies Act, 2013 ('the Act') read with Rule 17 of Companies (Share Capital and Debentures) Rules 2014 ('the Rules'), approved by the Board of Directors of the Company at the Board Meeting held on August 26, 2022. The accompanying Statement of determination of permissible capital payment towards Buy-back of Rs. 12,500 lakhs ('the Statement') is set out in Annexure A which we have initialed for identification purpose only.

Our engagement was undertaken in accordance with the Standard on Related Services (SRS) 4400, "Engagements to Perform Agreed-upon Procedures regarding Financial Information," issued by the Institute of Chartered Accountants of India.

We have been provided with the following documents:

- i. Articles of Association of the Company;
- ii. Computation of permissible capital payment towards Buy-back of Rs. 12,500 lakhs ("the Statement") as set out in Annexure A considering Section 68 of the Act;
- iii. Audit report and the audited financial statements for the year ended March 31, 2022;
- iv. Resolution passed in the meeting of the Board of Directors for Buy back dated August 26, 2022; and
- v. Affidavit in respect of Director's declarations for the purpose of buy back and solvency of the Company; and
- vi. Written representations from the management of the Company.

The procedures summarized below are performed solely to assist you in confirming the affairs and prospects of the Company for the proposed buyback of shares:

- i. Inquired into the Company's state of affairs as at March 31, 2022
- ii. With respect to the amount of permissible capital payment for the securities, verified whether the same is within the limits as specified under Section 68 of the Act;
- iii. Ensured that the audited accounts on the basis of which calculation with reference to buy back is done is not more than six months old from the date of the offer document; and
- iv. Obtained a confirmation from the Board of Directors that the Company, having regard to its state of affairs, shall not be rendered insolvent within a period of one year from that date as per the provisions of sub-rule 17(m) to the Rules.

Based on the procedures performed as stated above, and according to the information, explanations provided by the Company, we report that:

1. We are informed that the Company proposes to buy-back its existing equity and preference shares to the extent of Rs. 12,500 lakhs at a price not exceeding Rs. 214.43 per share, as represented by the Management. The amount of permissible capital payment not exceeding Rs. 29,368 lakhs towards buy-back of its existing equity and preference shares of the Company has been properly determined in accordance with provisions of Section 68 of the Companies Act, 2013 and is not exceeding 25% of the total paid-up capital and free reserves of the Company as on March 31, 2022 (Refer the Statement in Annexure A);
2. The Board of Directors at their meeting held on August 26, 2022 have formed its opinion, as per the provisions of sub-rule 17(m) to the Rules on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the date of the special resolution to be passed by the Shareholders at their meeting to be held for the purposes of the buy-back; and
3. The audited accounts on the basis of which calculation with reference to buy back is done is not more than six months old from the date of the offer document.

The above procedures do not constitute either an audit or a review made in accordance with the Generally Accepted Auditing Standards in India.

Had we performed additional procedures or an audit of the financial statements provided to us in accordance with the generally accepted auditing standards in India, other matters might have come to our attention that would have been reported to you.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Our report is solely issued for the use of the Company in connection with the proposed buyback of existing equity and preference shares of the Company. This report may not be useful for any other purpose. M S K C & Associates shall not be liable to the Company or any other concerned, for any claims, liabilities or expenses relating to this assignment. This report relates only to the accounts and items specified above.

**For M S K C & Associates**  
**Chartered Accountants**  
**ICAI Firm Registration Number: 001595S**

**Sd/-**  
**Padmashree Crasto**  
**Partner**  
**Membership No. 117156**  
**UDIN: 22117156AQAJIC4966**

**Mumbai**  
**August 26, 2022**

#### **Annexure A**

#### **Statement of permissible capital payment towards Buy-Back**

**Statement of determination of the amount of permissible capital payment towards Buy back of existing equity and preference shares (“including premium”) as at March 31, 2022 in accordance with Section 68 (2) of the Companies Act, 2013**

<b>(Rs. In Lakhs)</b>		
<b>Particulars</b>		<b>Amount</b>
<b><u>Share Capital</u></b>		
<b>Issued, subscribed and fully paid up shares</b>		
<b>10,94,07,156 Equity shares of Rs. 10/- each, fully paid up</b>		<b>10,941</b>
<b>2,38,31,215 Preference shares of Rs. 10/- each, fully paid up</b>		<b>2,383</b>
<b>Total</b>	<b>A</b>	<b>13,324</b>
<b><u>Reserves</u></b>		
<b>Securities Premium</b>		<b>66,290</b>
<b>Retained Earnings</b>		<b>37,860</b>
<b>Total</b>	<b>B</b>	<b>1,04,150</b>
<b>Total</b>	<b>(A+B)</b>	<b>1,17,474</b>
<b>Maximum amount Permissible for the Buyback of shares i.e. (25 % of the total paid up capital and free reserves as at March 31, 2022) in accordance with proviso to Section 68(2)(c) of the Companies Act, 2013</b>		<b>29,368</b>
<b>Proposed Buy Back offer size as approved by Board of Directors of the Company</b>		<b>12,500</b>

**Note:**

1. The Proposed buy-back of its existing fully paid up equity and preference shares by the Company are within the permissible limits as stated in provision 2(c) of section 68 of the Companies Act, 2013.
2. The Board of Directors of the Company in their meeting held on August 26, 2022 have approved the proposed buy back of the above stated Company's existing fully paid up Equity and Preference shares.
3. The above stated numbers are as per Audited Financial Statements as at March 31, 2022.
4. Subsequent to year end as at March 31, 2022, the Company has paid an interim dividend of Rs. 37.71/-per share to its equity and preference shareholder amounting to Rs. 50,244 lakhs. The Buy Back amount approved by the Board (subject to shareholders' approval) of Rs. 12,500 lakhs, will be 21.92% of the aggregate of fully paid up Capital and Free Reserves (after adjusting the above mentioned dividend).



## **21. Documents for Inspection:**

Copies of the following documents will be available for inspection at the registered office of the company at Mindspace Juinagar, 9<sup>th</sup> Floor, Plot No. Gen 2/1/F, Tower 1, TTC Industrial Area, MIDC Shirwane, Juinagar, Navi Mumbai - 400706 on all working days (Monday to Friday) from 10:30 a.m. to 5:30 p.m. during the offer period.

- 21.1** Certificate of Incorporation of the Company and fresh certificate of incorporation issued by Registrar of Companies, Maharashtra on change in name of the Company.
- 21.2** Memorandum and Articles of Association of the company.
- 21.3** Annual reports of the Company for the last three financial years viz. March 31, 2022, 2021 and 2020 .
- 21.4** Copy of the Resolution passed by the Board of Directors in relation to Buy-back at its meeting held on August 26, 2022 .
- 21.5** Auditor's certificate dated August 26, 2022 in terms of sub clause (n) of Rule 17(1) of the Companies (Share Capital and Debentures) Rules, 2014
- 21.6** Declaration of Solvency and an affidavit as per Form SH-9
- 21.7** Valuation Report dated August 26, 2022 issued by SEBI registered Merchant Banker M/s. Dalmia Securities Private Limited..

**For and on behalf of the board of directors of**

**Fino PayTech Limited**

Sd/-  
**Ashok Kini**  
**Independent Director**  
**(DIN: 00812946)**

Sd/-  
**Sudeep Gupta**  
**Whole -time Director**  
**(DIN: 07899859)**

**Date: September 23, 2022**

**Date: September 23, 2022**

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**Form No. SH-4 Securities  
Transfer Form**

**[Pursuant to section 56 of the Companies Act, 2013 and sub-rule (1) of rule 11 of the Companies (Share Capital and Debentures) Rules 2014]**

Date of execution \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

**FOR THE CONSIDERATION** stated below the “Transferor(s)” named do hereby transfer to the “Transferee(s)” named the securities specified below subject to the conditions on which the said securities are now held by the Transferor(s) and the Transferee(s) do hereby agree to accept and hold the said securities subject to the conditions

CIN: U72900MH2006PLC162656

Name of the company (in full): **FINO PAYTECH LIMITED**

Name of the Stock Exchange where the company is listed, (if any): N.A.

**DESCRIPTION OF SECURITIES:**

Kind/ Class of securities (1)	Nominal value of each unit of security (2)	Amount called up per unit of security (3)	Amount paid up per unit of security (4)
Equity Shares	₹ 10.00	₹ 10.00	₹ 10.00
Preference Shares (“Series A”)	₹ 10.00	₹ 10.00	₹ 10.00
Preference Shares (“Series B”)	₹ 10.00	₹ 10.00	₹ 10.00
Preference Shares (“Series C”)	₹ 10.00	₹ 10.00	₹ 10.00

No. of securities being transferred			Consideration received (₹)			
In figures	In words		In words			In figures
Distinctive Number	From					
	To					
Corresponding Certificate Nos.						

Transferors’ Particulars			
<b>Registered Folio Number:</b>			
Name(s) in full		PAN (attach copy of PAN Card)	Signature(s)
1.			
2.			
3.			

I, hereby confirm that the transferor has signed before me. Signature

of the Witness: .....

Name of the Witness: .....

Address of the Witness: .....

.....

..... Pincode: .....

### Transferee's Particulars

Name in full	Father's/ mother's/ Spouse name	Address & E-mail id	Occupat ion	Existing folioNo., if any	Signature
(1)	(2)	(3)	(4)	(5)	(6)
Fino PayTech Limited	N.A.	Mindspace Juinagar, 9 <sup>th</sup> Floor, Plot No. Gen 2/1/F, Tower 1, TTC Industrial Area, MIDC Shirwane, Juinagar, Navi Mumbai – 400706 Email: <a href="mailto:ravindra.gupta@finopaytech.com">ravindra.gupta@finopaytech.com</a>	Business	N.A.	

**Folio No. of Transferee**

**Specimen Signature of Transferee**

.....

1. ....

2.....

3.....

Value of stamp affixed: ₹.....

(Rupees .....)

Transferee is not required to obtain the Government approval under the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to transfer of shares; or

Transferee is required to obtain the Government approval under the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to transfer of shares and the same has been obtained and is enclosed herewith.

**Enclosures:**

(1) Certificate of shares.

(2) If no certificate is issued, Letter of allotment.

(3) Copy of PAN Card of all the Transferors (For all listed Cos.) (4)

Others, specify.....

**Stamps:**

**For office use only**

Checked by.....

Signature tallied by.....

Entered in the Register of Transfer on ..... vide Transfer No.....

Approval Date.....

Power of attorney/Probate/Death Certificate/Letter of Administration Registered on .....

at ..... No.....

**TENDER FORM FOR ELIGIBLE SHAREHOLDERS HOLDING SHARES IN PHYSICAL FORM  
FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT (FOA) FINO PAYTECH LIMITED**

Date:

<b>BUY-BACK OPENS ON:</b>		<b>Friday, September 30, 2022</b>
<b>BUY-BACK CLOSES ON:</b>		<b>Monday, October 17, 2022</b>
<b>For Registrar / collection centre use</b>		
Inward No.	Date	Stamp
<b>Status (please tick appropriate box)</b>		
<input type="checkbox"/>	Individual	<input type="checkbox"/> FII/FPI
<input type="checkbox"/>	Foreign Co.	<input type="checkbox"/> NRI/OCB
<input type="checkbox"/>	Body Corporate	<input type="checkbox"/> Bank / FI
<input type="checkbox"/>	VCF	<input type="checkbox"/> Partnership/LLP
<input type="checkbox"/>		<input type="checkbox"/> Insurance Co.
<input type="checkbox"/>		<input type="checkbox"/> FVCI
<input type="checkbox"/>		<input type="checkbox"/> Pension / PF
<input type="checkbox"/>		<input type="checkbox"/> Others (specify)
<b>India Tax Residency Status: Please tick appropriate box</b>		
<input type="checkbox"/>	<b>Resident in India</b>	<input type="checkbox"/> <b>Non-Resident in India</b>
<input type="checkbox"/>		<input type="checkbox"/> <b>Resident of</b>
<b>(Shareholder to fill the country of residence)</b>		

To,  
Adroit Corporate Services Private Limited,  
**Unit: Fino PayTech Limited Buy-back 2022**  
19/20, Jaferbhoy Industrial Estate, 1st floor, Plot No. 639,  
Makwana Road, Marol Naka, Marol Andheri (East),  
Mumbai – 400 059, Maharashtra, India.

Dear Sir/Madam,

**Subject:** Letter of Offer dated August 26, 2022 in relation to Buy-back Offer of up to 58,29,408 fully paid-up Equity and Preference Shares of Fino PayTech Limited, ("Company") at a price of Rs. 214.43/- (Two Hundred and Fourteen Rupees and Forty Three paise Only) including premium of Rs. 204.43 (Two Hundred and Four Rupees and Forty Three Paise Only) per equity and preference shares.

- I / We, have read and understood the Letter of Offer dated September 23, 2022, hereby tender / offer my / our Equity Shares/Preference Shares in response to the Buy-back Offer on the terms and conditions set out below and in the Letter of Offer.
- I / We authorise the Company to Buy-back the Equity Shares/Preference Shares offered by me/us (as mentioned below) and to issue instruction(s) to the Registrar to the Buy- back to extinguish the Equity Shares.
- I / We hereby warrant that the Equity Shares/ Preference Shares comprised in this tender / offer are offered for Buy-back by me / us are free from all liens, equitable interest, charges and encumbrance.
- I / We declare that there are no restraints / injunctions or other order(s) of any nature which limits / restricts in any manner my / our right to tender Equity Shares/ Preference Shares for Buy-back and that I / we am / are legally entitled to tender the Equity Shares/ Preference Shares for Buy-back.
- I / we agree that the Company will pay the Buy-back Price only after due verification of the validity of the documents and that the consideration may be paid to the first named shareholder.
- I / We undertake to return to the Company any Buy-back consideration that may be wrongfully received by me / us.
- I / We agree that the Company is not obliged to accept any Equity Shares/ Preference Shares tendered/offered for Buy-back where loss of share certificates has been notified to the Company.
- I / We authorize the Company to split the share certificate and issue new consolidated share certificate for the unaccepted Equity/Preference Shares in case the Equity Shares/Preference Shares accepted by the Company are less than the Equity Shares/ Preference Shares tendered in the Buy-back.
- I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my / our tender / offer and agree to abide by any decision that may be taken by the Company to give effect to the Buy-back in accordance with the Act.
- Details of Equity Shares/Preference Shares held and tendered / offered for Buy-back:

	In Figures	In Words
Number of Equity Shares/Preference held as on Record Date i.e., August 26, 2022		
Number of Equity Shares/ Preference Shares offered for Buy-back		

Tear along this line

**Acknowledgement Slip: FINO PAYTECH LIMITED BUY-BACK 2022**  
(To be filled by the Equity/Preference Shareholder) (Subject to verification)

<b>Folio No.</b>			
<b>Received from Mr./ Ms./Mrs.</b>			
<b>Form of Acceptance-cum-Acknowledgement:</b>			
<b>No. of Equity/Preference Shares offered for Buy-back (In figures)</b>		<b>(In words)</b>	
<b>Registrar</b>			

*Please quote Folio No. for all future correspondence*

11. Details of Share Certificate(s) enclosed: \_\_\_\_\_ Total No. of Share Certificates Submitted: \_\_\_\_\_

Sr. No.	Folio No.	Share Certificate No.	Distinctive No(s)		No. of Shares
			From	To	
<b>Total</b>					

*In case the number of folios and share certificates enclosed exceed 3 nos., Please attach a separate sheet giving details in the same format as above.*

12. Details of the bank account of the sole or first Shareholder to be incorporated (to be mandatorily filled):

Name of the Bank	Branch and City	Account Number (indicate type of account)

13. Details of other Documents (Please ✓ as appropriate, if applicable) enclosed:

	Power of Attorney		Corporate Authorizations
	Succession Certificate		Self-attested copy of PAN Card
	Death Certificate		Others (please specify)
	DIS		

14. Equity Shareholders/Preference Shareholders Details:

Particulars	First/Sole Holder	Joint Holder 1 (if any)	Joint Holder 2(if any)	Joint Holder 3 (if any)
Full name(s) of the shareholder				
Signature(s)*				
PAN No.				
Address of the Sole/First Equity Shareholder				
Telephone No. of the Sole/First Equity Shareholder		Email ID of Sole/First Equity Shareholder		

*\*Corporate must affix rubber stamp and sign under valid authority. The relevant corporate authorization should be enclosed with the application form submitted.*

15. Applicable for all Non-resident shareholders –

- I/ We undertake to pay income taxes in India on any income arising on such Buy-back and taxable in accordance with the prevailing income tax laws in India. I/ We also undertake to indemnify the Company against any income tax liability on any income earned on such Buy-back of shares by me/ us.
- I/ We, being a Non-Resident Shareholder, agree to obtain and submit all necessary approvals, if any and to the extent required from the concerned authorities including approvals from the RBI under FEMA and the rules and regulations framed there under, for tendering Equity Shares/Preference Shares in the Buyback, and also undertake to comply with the reporting requirements, if applicable, under the FEMA and any other rules, regulations and guidelines, in regard to remittance of funds outside India.

### **INSTRUCTIONS**

**This Form of Acceptance has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Form of Acceptance.**

- This Buy-back will open on Friday, September 30, 2022 and close on Monday, October 17, 2022.
- Eligible Shareholders who wish to tender their Shares in response to this Buy-Back should deliver the following documents so as to reach before the close of business hours to the Registrar (as mentioned in the Letter of Offer) on or before Monday, October 17, 2022 by 05.00 P.M. (i) The relevant Form of Acceptance duly signed (by all Eligible Shareholders in case shares are in joint names) in the same order in which they hold the Equity/Preference Shares; (ii) Original Equity/Preference Share certificates; (iii) Self attested copy of the Permanent Account Number (PAN Card); (iv) Transfer deed (Form SH-4) duly signed (by all Eligible Shareholders in case Shares are held jointly) in the same order in which they hold the Equity/Preference Shares.
- Eligible Shareholders should also provide all relevant documents in addition to the above documents, which include but are not limited to: (i) Duly attested power of attorney registered with the Registrar, if any person other than the Eligible Shareholder has signed the relevant Tender Form; (ii) Duly attested death certificate / succession certificate in case any Eligible Shareholder is deceased; and (iii) Necessary corporate authorisations, such as Board Resolutions etc., in case of companies.
- All documents sent by the shareholder broker/ custodian will be at their own risk and the shareholder broker/ custodian is advised to adequately safeguard their interests in this regard.
- For the procedure to be followed by Equity Shareholders and Preference Shareholders for tendering in the Buy-back Offer, please refer to paragraph 16 of the Letter of Offer.
- All documents as mentioned above, shall be enclosed with the valid Tender Form, otherwise the Equity Shares and Preference Shares tendered will be liable for rejection.
- By agreeing to participate in the Buy-back the Non-resident Shareholders give the Company the unconditional and irrevocable authority and power to make, sign, execute, deliver, acknowledge and perform all applications to file regulatory reporting, if required, including FC-TRS form, if necessary and undertake to provide assistance to the Company for such regulatory reporting, if required by the Company.
- Non-Resident Shareholders must obtain all approvals required to tender the Equity Shares and Preference Shares held by them in this Buy-back (including without limitation the approval from the RBI).

*All capitalised items not defined herein shall have the meaning ascribed to them in the Letter of Offer.*

Tear along this line

ALL FUTURE CORRESPONDENCE IN CONNECTION WITH THIS BUY-BACK, IF ANY, SHOULD BE ADDRESSED TO REGISTRAR TO THE BUY-BACK AT THE FOLLOWING ADDRESS QUOTING YOUR FOLIO NO.:

Investor Service Centre  
Adroit Corporate Services Private Limited  
Unit: Fino PayTech Limited Buy-back 2022  
19/20, Jaferbhoy Industrial Estate, 1st floor, Plot No. 639, Makwana Road, Marol Naka, Marol,  
Andheri (East), Mumbai – 400 059, Maharashtra, India.  
Tel. No.: +91-22-4227 0400 Email: [info@adroitcorporate.com](mailto:info@adroitcorporate.com)  
Website: [www.adroitcorporate.com](http://www.adroitcorporate.com) Contact Person: Mrs. Diviya Nadar



**TENDER FORM FOR ELIGIBLE SHAREHOLDERS HOLDING SHARES IN DEMATERIALISED FORM  
FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT (FOA) FINO PAYTECH LIMITED**

Date:

<b>BUY-BACK OPENS ON:</b>		<b>Friday, September 30, 2022</b>
<b>BUY-BACK CLOSSES ON:</b>		<b>Monday, October 17, 2022</b>
<b>For Registrar / collection centre use</b>		
Inward No.	Date	Stamp
<b>Status (please tick appropriate box)</b>		
<input type="checkbox"/> Individual	<input type="checkbox"/> FII/FPI	<input type="checkbox"/> Insurance Co.
<input type="checkbox"/> Foreign Co.	<input type="checkbox"/> NRI/OCB	<input type="checkbox"/> FVCI
<input type="checkbox"/> Body Corporate	<input type="checkbox"/> Bank / FI	<input type="checkbox"/> Pension / PF
<input type="checkbox"/> VCF	<input type="checkbox"/> Partnership/LLP	<input type="checkbox"/> Others (specify)
<b>India Tax Residency Status: Please tick appropriate box</b>		
<input type="checkbox"/> Resident in India	<input type="checkbox"/> Non-Resident in India	<input type="checkbox"/> Resident of  (Shareholder to fill the country of residence)

To

Adroit Corporate Services Private Limited,  
Unit: **Fino PayTech Limited Buy-back 2022**  
19/20, Jaferbhoy Industrial Estate,  
1<sup>st</sup> Floor, Plot No. 639, Makwana Road, Marol Naka, Marol,  
Andheri (East), Mumbai – 400 059, Maharashtra, India.

Dear Sir/Madam,

**Subject:** Letter of Offer dated September 23, 2022 in relation to Buy-back Offer of up to 58,29,408 fully paid-up Equity Shares and Preference Shares of Fino PayTech Limited, (“**Company**”) at a price of Rs. 214.43/- (Two Hundred and Fourteen Rupees and Forty Three paise Only) including premium of Rs. 204.43 (Two Hundred and Four Rupees and Forty Three Paise Only) per equity and preference shares.

- I / We, have read and understood the Letter of Offer dated September 23, 2022, hereby tender / offer my / our Equity Shares and /Preference Shares in response to the Buy-back Offer on the terms and conditions set out below and in the Letter of Offer.
- I am /We are tendering Equity Shares / Preference Shares at the offered price of Rs. 214.43 per share and enclose the photocopy of the Delivery instruction in “off-market” mode duly acknowledged by my/our Depository participant (“DP”) in respect of my/our shares as detailed below:

DP Names	DP ID	Client ID	Name of Beneficiary	No. of Shares

- I/We have executed an off-market transaction for crediting the shares to the special depository account as per detailed below:

- via a delivery instruction from my account in CDSL
- via an inter-depository delivery instruction from account with NSDL

<b>Depository Name</b>	National Securities Depository Limited
<b>Account Name</b>	Fino PayTech Limited
<b>Depository Participant(“DP”) Name</b>	Stockholding Corporation of India Limited
<b>DP ID number</b>	IN301330
<b>Beneficiary Account Number</b>	41197262
<b>ISIN Equity</b>	INE511I01011
<b>ISIN Preference (“Series A”)</b>	INE511I03017
<b>ISIN Preference (“Series B”)</b>	INE511I03025
<b>ISIN Preference (“Series C”)</b>	INE511I03033
<b>Market</b>	Off Market

- Shareholders should ensure that the equity shares/preference shares are credited in the aforementioned account, prior to the closure of the tendering Period.
- I/We note and understand that the shares would lie in the special depository account till the completion of the formalities relating to the Buy-back Offer as mentioned in the Letter of Offer. I/We also note and understand that the consideration will be paid only to that Shareholder who have validly tendered their shares in this Offer, in accordance with the terms of the Letter of Offer.

**Enclosure (Please tick as appropriate, if applicable)**

- Photocopy or counterfoil of the delivery instruction in “off market” mode duly acknowledged by the Shareholders DP, in favour of the special depository account.
- Duly attested Power of Attorney. If any person apart from the shareholder, has signed the acceptance form or transfer deed(s).
- Corporate authorization in case of companies along with Board Resolution and Specimen Signatures of Authorized Signatories.
- Duly attested Death Certificate and succession Certificate (in case of single shareholder) in case the original shareholder has expired.
- RBI or any other regulatory body approval required to tender Shares in the offer by NRIs and OCBs, as applicable
- Others (please specify):
  - I/ we confirm that the equity/preference shares of FPL, which are being tendered herewith by me/us under the offer, are free from liens, charges and encumbrances of any kind whatsoever. I/We are not debarred from dealing in shares.
  - I /we also note and understand that the Company will pay the purchase consideration only after verification of the documents and signatures.
  - I/We authorize the Company to send by speed Post/Registered Post/courier or through electronic mode as may be applicable at my/our risk, crossed account payee cheques /demand draft /pay order or electronic transfer of funds, in full and final settlement of the amount due to me/us and /or other documents or papers or correspondence to the sole /first holder at the address mentioned above.
  - In case I/We tendered my shares in dematerialized form. I/We authorise the Company to use my details regarding my address and bank account details are obtained from my depository participants for the purpose of mailing the aforementioned instruments.
  - I/We authorize the Company to accept the shares so offered which it may decide to accept the shares in terms of the letter of Offer and I/We further authorize the Company to credit shares in my account in respect of which the offer is not found valid /not accepted without specifying the reason thereof.
  - The Permanent Account No. (PAN) Allotted under the income Tax Act 1961 is as under.

PAN	First/Sole Holder	Joint Holder 1	Joint Holder 2

**Bank Details**

So as to avoid fraudulent encashment in transit, the shareholder(s) should provide details of bank account of the first/sole shareholder and the consideration cheque or demand draft will be drawn accordingly. For shares that are tendered in demat form, the bank account details as obtained from the beneficiary position download to be provided by the depositories will be considered and the consideration payment will be issued with said bank particulars.

Payment mode for physical share certificate holders. Please indicate the preferred mode of receiving the payment consideration. (Please tick)

- Electronic Mode
- Physical Mode

Shareholders who opt for receiving consideration through DC/NEFT/RTGS/NECS are requested to enclose a photocopy of a cancelled cheque along with the form of Acceptance.

Particulars Required	Details
Bank Name	
Complete Address of the Bank	
Account Type (CA/SB/NRE/NRO/Others-Please Mention)	
Account Number	
9 Digit MICR Code	
IFSC Code (for RTGS/NEFT/NECS transfers)	

Yours faithfully,  
Signed and delivered.

Signed and delivered	Full Name(s) of the Shareholder	Signature
First/Sole Holder		
Joint Holder 1		
Joint Holder 2		

Note: In case of joint holdings all must sign. In case of body corporate, the company seal should be affixed.

Place:

Date: