niyogin

August 20, 2021

To
Corporate Relationship Department
BSE Limited
P. J. Towers, 25th Floor,
Dalal Street, Fort, Mumbai - 400 001
BSE Scrip Code: 538772

Dear Sir/Madam,

Subject: Notice of the 33rd Annual General Meeting and submission of Annual Report for the financial year 2020-21

This is in furtherance to our letter dated May 19, 2021 and August 05, 2021 wherein we had informed that the 33rd Annual General Meeting (the 'AGM') of the Members of the Company will be held on Friday, September 17, 2021 at 4:30 p.m. IST through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') in compliance with the General Circular numbers 14/2020, 17/2020, 20/2020 and 02/2021 issued by the Ministry of Corporate Affairs and Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 issued by the Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as the 'Circulars').

The schedule of remote e-voting facility is set out as under (both days inclusive):

Event	Day, Date and Time
Cut-off date for e-voting	Friday, September 10, 2021
Commencement of remote e-voting	Tuesday, September 14, 2021 (9:00 a.m. IST)
End of remote e-voting	Thursday, September 16, 2021 (5:00 p.m. IST)

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company along with the Notice of the AGM for the financial year 2020-21, which is also being sent through electronic mode, only to those Members whose email addresses are registered with the Company/ Depository Participant(s) in accordance with aforesaid Circulars. The same is also being made available on the Company's website at www.niyogin.com.

Kindly take the same on your records.

Thanking You,
For Niyogin Fintech Limited

NIYOGIN FINTECH LIMITED

Neha Agarwal

Neha Agarwal
Company Secretary & Compliance Officer
ACS 41425

Encl: a/a

Notice of the 33rd Annual General Meeting

NOTICE is hereby given that the Thirty Third (33rd) Annual General Meeting ('**AGM**') of the Members of **Niyogin Fintech Limited** will be held on Friday, September 17, 2021 at 4:30 p.m. (IST) through video conferencing ("**VC**")/ Other Audio-Visual Means ("**OAVM**") to transact the following businesses:

ORDINARY BUSINESS

1. To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2021 along with the reports of the Board of Directors and the Auditors thereon;

2. To appoint a Director in place of Mr. Makarand Patankar (DIN: 01584128), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

3. To approve appointment of M/s. Pijush Gupta & Co, Chartered Accountants, (Firm Registration No: 309015E), as the Statutory Auditors of the Company to fill in the casual vacancy:

To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of section 139(8) of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force) and all other applicable laws, if any, M/s. Pijush Gupta & Co, Chartered Accountants, (Firm Registration No: 309015E) who have confirmed their eligibility to be appointed as Auditors, in terms of provisions of Section 141 of the Act, and Rule 4 of the Rules, be and are hereby appointed as the Statutory Auditors of the Company to fill the casual vacancy caused due to the resignation of M/s MSKA & Associates, Chartered Accountants (Firm Registration No. 105047W) and to hold the office until the conclusion of the 33rd Annual General Meeting of the Company held for the financial year ending on March 31, 2021, on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to taxes and re-imbursement of out of pocket expenses incurred by them in connection with the audit of accounts of the Company.

RESOLVED FURTHER THAT any of the Director or Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds and things which may be deemed necessary and expedient to give effect to this resolution."

4. To approve appointment of M/s. Pijush Gupta & Co, Chartered Accountants, (Firm Registration No: 309015E) as the Statutory Auditor of the Company for a period of 5 years:

To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** subject to the provisions of section 139 and 142 and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modification(s) or re-enactment thereof, for the time being in force and the Articles of Association of the Company and on recommendation of the Audit Committee, M/s. Pijush Gupta & Co, Chartered Accountants, (Firm Registration No: 309015E), be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting for a period of 5 years till the conclusion of the Thirty Eight Annual General Meeting, at such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to taxes and re-imbursement of out of pocket expenses incurred by them in connection with the audit of accounts of the Company, from time to time;

RESOLVED FURTHER THAT any of the Director or Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds and things which may be deemed necessary and expedient to give effect to this resolution."

5. To appoint Mr. Gaurav Makarand Patankar (DIN: 02640421) as the Director (Non-Executive Non-Independent) of the Company:

To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification or re-enactment thereof for the time being in force) read with the Articles of Association of the Company, Mr. Gaurav Makarand Patankar (DIN: 02640421), who was appointed as an Additional Director of the Company with effect from November 10, 2020 and who holds office till the date of this Annual General Meeting in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby appointed as a Director (Non-Executive Non-Independent) of the Company, liable to retire by rotation;

RESOLVED FURTHER THAT any of the Director or Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds and things which may be deemed necessary and expedient to give effect to this resolution."

6. To appoint Mr. Noorallah Charania (DIN: 08812239) as a Whole-Time Director of the Company:

To consider and, if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) and the Articles of Association of the Company, Mr. Noorallah Charania (DIN: 08812239), who was appointed as an Additional Director of the Company w.e.f November 10, 2020 and who holds office till the date of the Annual General Meeting in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is

hereby appointed as a Whole-Time Director of the Company, not liable to retire by rotation;

RESOLVED FURTHER THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V of the Companies Act, 2013 (including any statutory modification or re-enactment thereof), and Articles of Association of the Company and upon the recommendation of the Nomination and Remuneration Committee, consent of members be and is hereby accorded to appoint Mr. Noorallah Charania (DIN: 08812239) as the Whole-Time Director of the Company and to hold office for a period of two years with effect from November 10, 2020, on the terms and conditions of appointment including payment of remuneration, as detailed in the Explanatory Statement annexed herewith;

RESOLVED FURTHER THAT the terms of remuneration as set out in the Explanatory Statement of this resolution shall be deemed to form part hereof and in the event of any inadequacy or absence of profits in any financial year(s), the aforementioned remuneration approved herein be continued to be paid as minimum remuneration to Mr. Charania for his entire term;

RESOLVED FURTHER THAT the Board of Directors of the Company or Nomination & Remuneration Committee or any other Committee thereof, be and are hereby severally authorized, from time to time, to take all such steps as may be necessary to determine or revise, or to alter and vary the terms and conditions of appointment, and settle any questions or difficulties that may arise in connection with, or incidental to give effect to the above resolution and/or give such directions as may be necessary, proper or expedient, to give effect to the above resolution including the amount of remuneration, perquisites, stock options and/or other benefits, as may be agreed with Mr. Charania without being required to seek any further consent or approval of the members and the members shall be deemed to have given their approval thereto expressly by the authority of this resolution;

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee of Directors) be and are hereby severally authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Key Managerial Personnel to give effect to the aforesaid resolution."

7. To re-appoint Mr. Kapil Kapoor (DIN: 00178966) as an Independent Director of the Company:

To consider and, if thought fit, to pass with or without modification, the following resolution as a **Special Resolution:**

"RESOLVED THAT, in accordance with the provisions of Sections 149, 150, 152, 197 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and any other applicable provisions of the Companies Act, 2013 ('Act') and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company, Mr. Kapil Kapoor (DIN: 00178966), Independent Director of the Company who holds office of Independent Director upto December 04, 2021, and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act and who is eligible for re-appointment for a second term under the provisions of the Act and rules made thereunder and Listing Regulations and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director pursuant to Section 160 of the Act, be and is hereby re-appointed as an Independent Director of the Company for a period of five consecutive years from December 05, 2021 and that he shall not be liable to retire by rotation and that he shall be paid sitting fees and reimbursed expenses for attending Board and committee meetings, as may be permissible under law from time to time;

RESOLVED FURTHER THAT any Director or Key Managerial Personnel of the Company, be and are hereby severally authorized to do all such things, deeds, matters and acts as may be required to give effect to this resolution and to do all things incidental and ancillary thereto."

8. To approve material related party transactions with Iserveu Technology Private Limited:

To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of the Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and the Company's policy on Related Party Transaction(s), approval of the members be and is hereby accorded to the Board of Directors (hereinafter referred to as the "Board" and shall include duly constituted Committee(s) thereof) to ratify/ approve all existing contracts / arrangements/ agreements and to enter into contract(s)/transaction(s) with Iserveu Technology Private Limited, a subsidiary and hence a related party within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the Listing Regulations, the aggregate amount/value of all such arrangements/transactions/contracts that are/maybe entered into by the Company with Iserveu Technology Private Limited and remaining outstanding at any one point in time shall not exceed ₹ 60,00,00,000/- (Rupees Sixty Crores Only) during any one financial year as detailed in the explanatory statement, for a period of three years from April 01, 2021, provided

that the said contract(s)/ arrangement(s)/transaction(s) shall be carried out at arm's length basis and in the ordinary course of business of the Company;

RESOLVED FURTHER THAT the Board be and is hereby severally authorized to do and perform all such acts, deeds, matters and things, as may be necessary, including finalizing the terms and conditions, signing/ execution/ negotiation /renegotiation/ modification/ ratification/ amendments to or termination thereof, of the subsisting arrangements/ transactions/ contracts or any future arrangements/ transactions/ contracts and to make or receive/ pay monies or to perform all other obligations in terms of such arrangements/transaction/ contracts, filing of necessary forms/ documents with the appropriate authorities and to execute all such deeds, documents, agreements, addendums, letters, instruments and writings as it may in its sole and absolute discretion deem necessary, desirable or expedient to give effect to this Resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution;

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Director(s), Chief Executive Officer, Chief Financial Officer, Company Secretary or any other Officer(s) / Authorized Representative(s) of the Company, to do all such acts and take such steps, as may be considered necessary or expedient, to give effect to the aforesaid resolution(s);

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolutions be and hereby approved, ratified and confirmed in all respects."

By the Order of the Board
For **Niyogin Fintech Limited**

Neha Agarwal
Company Secretary & Compliance Officer
(ACS 41425)

Registered Office (w.e.f. January 01, 2020)
MIG 944, Ground Floor, TNHB Colony, 1st Main Road
Velachery, Chennai,
Tamil Nadu- 600042
CIN: L65910TN1988PLC131102
Website: www.niyogin.com
E-mail: niyogin.compliance@niyogin.in

Place: Mumbai
Date: August 05, 2021

Notes:

1. In view of the continuing restrictions on the movement of persons at several places in the country due to COVID-19 pandemic, the Ministry of Corporate Affairs ('**MCA**') has vide General Circular No. 14/2020 dated April 8, 2020, General Circular No.17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020 and General Circular No. 02/2021 dated January 13, 2021 (hereinafter collectively referred to as '**MCA circulars**') read with various circulars issued by Securities and Exchange Board of India ('**SEBI**') allowed the companies to conduct the AGM through Video Conferencing ('**VC**') or Other Audio Visual Means ('**OAVM**') during the calendar year 2021. Accordingly, the AGM of the Company is being held through VC / OAVM (hereinafter called as '**e-AGM**') and in this connection the Company has availed the services of National Securities Depository Limited ('**NSDL**') for providing the VC and e-voting facility.

2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS E-AGM IS BEING HELD THROUGH VC / OAVM, PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THE E-AGM AND HENCE THE PROXY FORM AND ATTENDANCE SLIP ARE NOT ANNEXED HERETO.

3. The deemed venue for the 33rd e-AGM shall be the registered office of the Company.

4. Statement pursuant to Section 102(1) of the Companies Act, 2013 ('**Act**') forms part of this Notice.

5. Brief details of the directors who are seeking appointment / re-appointment at this Meeting are annexed hereto as per the requirements of regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('**Listing Regulations**') and as per provisions of the Act.

6. The facility of joining the e-AGM through VC/OAVM will be opened 15 minutes before and will be open upto 15 minutes after the scheduled start time of the e-AGM, i.e. from 4:15 p.m. (IST) to 4:45 p.m. (IST) and will be available for 1,000 members on a first-come first-served basis. This rule would however not apply to participation of members holding 2% or more shareholding, promoters, institutional investors, directors, key and senior managerial personnel, auditors, etc.

7. Institutional Investors, who are members of the Company are encouraged to attend and vote at the 33rd e-AGM of the Company.

8. SEBI has mandated the submission of Permanent Account Number (PAN) by every person dealing in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or Link Intime.

9. As per Regulation 40 of Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. Further, SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated December 2, 2020 had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members may contact the Company's RTA i.e. Link Intime for assistance in this regard.

10. In terms of section 101 and 136 of the Act, read together with the Rules made thereunder, the listed companies may send the notice of Annual General Meeting and the Annual Report, including Financial Statements, Board Report etc. by electronic mode. In compliance with the MCA circulars the Annual Report for the financial year 2020-21 alongwith the Notice of the AGM of the Company inter alia indicating the process and manner of e-voting is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website www.niyogin.com, websites of the Stock Exchange, i.e., BSE Limited at www.bseindia.com, website of Company's Registrar and Transfer Agent, Link Intime Private Limited ("Link Intime") at www.linkintime.co.in and also on the website of NSDL at https://www.evoting.nsdl.com.

11. To receive shareholders' communications through electronic means, including Annual Reports and Notices, members are requested to kindly register/ update their e-mail address with their respective depository participant, where shares are held in electronic form. Where shares are held in physical form, members are advised to register their e-mail address with Link Intime.

Further, those members who have not registered their e-mail addresses and mobile nos. and in consequence could not be served the Annual Report and Notice of e-AGM, may temporarily get themselves registered with Link Intime. Members are requested to support our commitment to environmental protection by choosing to receive the Company's communication through e-mail going forward.

12. With a view to helping us serve the members better, members who hold shares in identical names and in the same order of names in more than one folio are requested to write to the Company to consolidate their holdings in one folio.

13. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the 33rd e-AGM.

14. For ease of conduct, members who would like to ask questions/ express their views on the items of the businesses to be transacted at the meeting can send in their questions/comments atleast 7 days before the e-AGM to the Company at niyogin.compliance@niyogin.in mentioning their name, demat account no./Folio no., e-mail Id, mobile number etc. The queries may be raised precisely and in brief to enable the Company to answer the same suitably depending on the availability of time at the meeting.

15. Pursuant to section 72 of the Act, members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 with the Company's share transfer agent. In respect of shares held in electronic/demat form, the members may please contact their respective depository participant.

16. In terms of section 124(5) of the Act, dividend amount for the year ended March 31, 2014 remaining unclaimed for a period of 7 years shall become due for transfer in August 2021 to the Investor Education and Protection Fund (IEPF) established by the Central Government. Further, in terms of section 124(6) of the Act, in case of such shareholders whose dividends are unpaid for a continuous period of 7 years, the corresponding shares shall be transferred to the IEPF demat account. Members who have not claimed dividends in respect of the financial years from 2013-14 onwards are requested to approach the Company/ Link Intime India Private Limited, Registrar and Share Transfer Agent for claiming the same as early as possible, to avoid transfer of the relevant shares to the IEPF demat account.

17. For more details on shareholders' matters, please refer to the chapter on General Shareholder Information included in the Annual Report.

18. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.

19. In case a person has become a member of the Company after dispatch of AGM Notice, but on or before the cut-off date for e-voting, i.e., Friday, September 10, 2021, such person may obtain the User ID and Password from Link Intime. Alternatively, member may send signed copy of the request letter providing the e-mail address, mobile number, self-attested PAN copy along with client master copy (in case of electronic folio)/copy of share certificate (in case of physical folio) via e-mail to Link Intime for obtaining the Annual Report and Notice of e-AGM.

20. The Board of Directors have appointed Mr. Mitesh J. Shah, Proprietor of M/s. Mitesh J. Shah & Associates, Practising Company Secretaries (FCS 10070 & CP No: 12891), as the Scrutinizer for the e-voting process and voting at e-AGM in a fair and transparent manner.

21. The Chairman shall formally propose to the members participating through VC/OAVM facility to vote on the resolutions as set out in the Notice of the 33rd e-AGM and announce the start of the casting of vote through the e-voting system of NSDL.

22. The Scrutinizer shall, immediately after the conclusion of voting at the e-AGM, first count the votes cast at the meeting, thereafter unblock the votes through e-voting in the presence of at least two witnesses, not in the employment of the Company and make a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman of the Company, who shall countersign the same.

23. The results declared along with the Scrutinizers Report shall be placed at the Company's website www.niyogin.com immediately after the results are declared by the Company and simultaneously communicated to the BSE.

24. The attendance of the Members attending the 28th e-AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

25. Subject to receipt of requisite number of votes, the resolutions proposed in the Notice shall be deemed to be passed on the date of the AGM, i.e. Friday, September 17, 2021.

26. The Company has been maintaining, inter alia, the following statutory registers at its registered office at Chennai, Tamil Nadu - 600042

i) Register of contracts or arrangements in which directors are interested under section 189 of the Act.

ii) Register of directors and key managerial personnel and their shareholding under section 170 of the Act.

In accordance with the MCA circulars, the said registers will be made accessible for inspection and shall remain open and be accessible to any member during the continuance of the meeting. The members can write to us on niyogin.compliance@niyogin.in for the inspection of the records. The same will be replied by the Company suitably.

27. Members seeking any information with regard to the accounts or all documents referred to in the accompanying Notice and the Explanatory Statements shall be available for inspection through electronic mode, by sending request to the Company at niyogin.compliance@niyogin.in on or before September 16, 2021. The same will be replied by the Company suitably.

28. Certificate from Statutory Auditors of the Company certifying that the ESOP Schemes of the Company are being implemented in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014 forms part of the Annual report.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING THE E-AGM ARE AS UNDER:

I. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations and in terms of the SEBI vide circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide to its Members, facility to exercise their right to vote on resolutions proposed to be considered at the ensuing AGM by electronic means and the business may be transacted through e-voting services. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the e-AGM will be provided by NSDL.

II. The remote e-voting will be provided by NSDL which will commence from September 14, 2021 (9:00 a.m. IST) and end on September 16, 2021 (5:00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of September 10, 2021 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members who have cast their vote by remote e-voting prior to the AGM may also participate the AGM through VC/OAVM but shall not be entitled to cast their vote again. The facility for voting during the AGM will also be made available. Members present in the AGM through VC/ OAVM

and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

III. The details of the process and manner for remote e-voting and voting during the AGM are explained below:

Step 1: Access to NSDL e-voting system at https://www.evoting.nsdl.com/

Step 2: Cast your vote electronically on NSDL e-voting system.

Step 1: Access to NSDL e-voting system

A. Login method for e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of the SEBI circular dated December 9, 2020, on e-voting facility provided by listed companies and as part of increasing the efficiency of the voting process, e-voting process has been enabled to all individual shareholders holding securities in demat mode to vote through their demat account maintained with depositories and depository participants. Shareholders are advised to update their mobile number and email id in their demat accounts in order to access e-voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	**If you are already registered for NSDL IDeAS facility,** 1. Please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. 2. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. 3. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. 4. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page. 5. Click on options available against company name or e-voting service provider - NSDL and you will be re-directed to NSDL e-voting website for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting. **If the user is not registered for IDeAS e-Services,** 1. The option to register is available at https://eservices.nsdl.com. 2. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp **E-voting website of NSDL:** 1. After successfully registered on IDeAS, visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. 2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. 3. A new screen will open. You will have to enter your User ID (i.e. your 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. 4. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on options available against company name or e-voting service provider - NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting. 5. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on App Store Google Play

Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi/Easiest can login through their user ID and password. The option to reach the e-voting page will be made available without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on 'New System Myeasi'. 2. After successful login on Easi/Easiest, the user will also be able to see the e-voting Menu. The Menu will have links of e-voting service provider ('ESP') i.e. NSDL portal. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-voting page by providing demat account number and PAN from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered mobile number and email as recorded in the demat account. After successful authentication, the user will be provided links for the respective ESP i.e. NSDL where the e-voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	1. You can also login using the login credentials of your demat account through your depository participant registered with NSDL/CDSL for the e-voting facility. 2. Once logged in, you will be able to see the e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL depository site after successful authentication, wherein you can see e-voting feature. 3. Click on the options available against company name or e-voting service provider-NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting.

Important Note: Members who are unable to retrieve User ID/Password are advised to use "Forget User ID" and "Forget Password" option available on the abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call on the toll free no.: 1800 1020 990 or 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact on 022-23058738 or 022-23058542-43

B. Login method for e-voting and joining virtual meeting shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders/ Member' section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https:// eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12********** then your user ID is 12**********
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual Shareholders are given below:

(a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

(b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

(c) How to retrieve your '**initial password**'?

(i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the "initial password" or have forgotten your password:

(a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

(b) "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

(c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

(d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open

Step 2: Cast your vote electronically and join General Meeting on NSDL e-voting system.

How to cast your vote electronically and join General Meeting on NSDL e-voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on 'VC/OAVM' link placed under "Join General Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of email ids for e-voting for the resolutions set out in this notice:

(1) In case shares are held in physical mode, please provide Folio No., name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card).

(2) In case shares are held in demat mode, please provide DP ID and Client ID (16-digit DP ID + CLIENT ID or 16-digit beneficiary ID), name of shareholder, client master or copy of consolidated account statement, PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card).

(3) If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at

step 1 (A) i.e. Login method for e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

(4) Alternatively, shareholders may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to mitesh@mjshah.com with a copy marked to niyogin.compliance@niyogin.in and evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990/1800 224 430 or send a request at evoting@nsdl.co.in. In case of any grievances connected with facility for E-voting, please contact Ms. Pallavi Mhatre, Manager at evoting@nsdl.co.in

IV. THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:

1. The procedure for e-Voting on the day of the e-AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the e-AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the e-AGM.

4. In case of any grievances connected with facility for e-voting on the day of AGM, please contact Ms. Pallavi Mhatre, Manager, at email id: evoting@nsdl.co.in.

V. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-voting system. Members may access by following the steps mentioned above for Access to NSDL e-voting system. After successful login, you can see the link of "VC/OAVM link" placed under "Join General Meeting" menu against the company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through desktop/ laptops for better experience. Further, Members will be required to allow camera and use internet with high-speed to avoid any disturbance during the meeting.

3. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

4. Members who need assistance before or during the AGM, can contact NSDL at evoting@nsdl.co.in or call on toll free no.: 1800 1020 990 /1800 224 430 or contact Mr Amit Vishal, Senior Manager – NSDL or Ms Pallavi Mhatre, Manager – NSDL at evoting@nsdl.co.in.

5. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at Niyogin.compliance@niyogin.in between September 13, 2021 (9:00 a.m. IST) to September 15, 2021 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

VI. Other Instructions:

1. You can also update your mobile number and email ID in the user profile details of the folio which may be used for sending future communication(s).

2. The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date of September 10, 2021.

3. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is sent through e-mail and holding shares as of the cut-off date i.e. September 10, 2021, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/ Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. September 10, 2021 may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".

4. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories, as on the cut-off date shall only be entitled to avail the facility of remote e-voting or casting vote through e-voting during the AGM.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ("ACT")

ITEM NO. 3 & 4:

The recently released RBI guidelines dated April 27, 2021 [Ref. No.DoS.CO.ARG/SEC.01/08.91.001/2021-22] for appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) ['**RBI Circular**'], amongst other limitations, places a limit on the number of Statutory audit by an audit firm in a year to four commercial banks, eight UCBs and eight NBFCs irrespective of the asset size. Considering the compliance of the aforesaid RBI Circular, the incumbent statutory auditor of the Company, M/s. MSKA & Associates, Chartered Accountants (Firm Registration No: 105047W) are ineligible to continue as Statutory Auditor of the Company since they have reached the maximum limit for the number of audits to be undertaken in the current year.

M/s. MSKA & Associates, Chartered Accountants (Firm Registration No: 105047W) were appointed as the Statutory Auditors of the Company in the Annual General Meeting of the Company held on September 17, 2021 for a term of five years to hold office from the FY 2021 till FY 2025. However, we wish to inform you that M/s. MSKA & Associates, Chartered Accountants, (Firm Registration No: 105047W), have expressed their ineligibility to continue as statutory auditors of the Company and have submitted their resignation letter dated August 05, 2021 as Statutory Auditors of the Company considering the applicability of the recently released RBI Circular and thereby resulting into a casual vacancy in the office of Statutory Auditors of the company.

Pursuant to the provisions of Section 139(8) of the Act, read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force) and all other applicable laws, if any, casual vacancy caused by the resignation of Auditors can be filled by the Board subject to the approval of the members within three months of the recommendation of the Board. Therefore, as per the recommendation of the Audit Committee, the Board proposes and recommends that M/s. Pijush Gupta & Co., Chartered Accountants, (Firm Registration No: 309015E) be appointed as the Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s MSKA & Associates, Chartered Accountants and shall hold office up to the conclusion of this Annual General Meeting of the Company.

Further, the Board also recommends re-appointment of M/s. Pijush Gupta & Co., Chartered Accountants, (Firm Registration No: 309015E) as the statutory auditor of the Company pursuant to the provisions of Section 139 and 142 of the Act to hold office from the conclusion of this Annual General Meeting for a period of 5 years till the conclusion of the Thirty-Eight Annual General Meeting of the Company, on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to taxes and re-imbursement of out of pocket expenses incurred by them in connection with the audit of accounts of the Company.

Details in relation to and credentials of the statutory auditor(s) proposed to be appointed as per Regulation 36(5) of Listing Regulations

M/s Pijush Gupta & Co., Chartered Accountants was established in the year 1989 by Mr. Pijush Kumar Gupta, who was then a Partner at the pioneering Indian arm of Deloitte International (Deloitte Haskins + Sells) for 7 years. The firm's head office as registered with ICAI is at Gurugram, Sector 53, located on Golf Course Road in DLF 5 area. The firm has branch offices at Kolkata and Kota and associate offices at Navi Mumbai, Hyderabad and Jamshedpur. The Firm provides a range of services which include Audit & Assurance, Taxation, Accounting and Risk Advisory. The Firm's Audit & Assurance practice has significant experience in auditing financial services clients including banks.

Proposed fees in connection with the audit of the accounts of the Company and other statutory requirements for FY 2022: ₹ 18,00,000/- plus applicable taxes and reimbursement of out of pocket expenses, on actuals, incurred by them in connection with the audit of the accounts of the Company for the FY 2022. There is no material change in the fee payable to the proposed statutory auditor from that paid to the outgoing statutory auditor.

M/s. Pijush Gupta & Co., Chartered Accountants, (Firm Registration No: 309015E), have conveyed their consent to be appointed as the Statutory Auditors of the Company along with the requisite confirmation that, their appointment, if made by the members, would be within the limits prescribed under the Companies Act, 2013.

Considering the vast experience and requisite skill set, the Board commends the Ordinary Resolution set out in Item No. 3 & 4 of this Notice for approval by the members.

None of the Directors, Key Managerial Persons or their relatives, are in any way, except to the extent of their shareholding in the Company, concerned or interested, financially or otherwise, in the said Ordinary Resolutions set out at Item No. 3 & 4 of this Notice.

ITEM NO. 5:

The Board, based on recommendation of the Nomination and Remuneration Committee had appointed Mr. Gaurav Makarand Patankar (DIN: 02640421) as an Additional Director of the Company effective November 10, 2020, as per the provisions of Section 161 of the Act, and Rules framed thereunder read with the Articles of Association of the Company. He holds office upto the date of this Annual General Meeting.

Mr. Patankar has given his consent to act as a Director of the Company. Also, as per confirmation received from him, he is not disqualified from being appointed as a Director in terms of Section 164 of the Act.

The Company has also received a notice in writing under Section 160 of the Act from a Member proposing the candidature of Mr. Patankar for the office of Director (Non-Executive Non-Independent) of the Company.

Mr. Patankar, the Co-Founder of niyogin, is an institutional investor and impact entrepreneur focused on emerging markets and alternatives. He is a firm believer that the democratization and digitization of the Indian SME sector is the single biggest transformational opportunity within the Indian markets and Niyogin's ecosystem approach to SME can deliver a meaningful impact to this evolution. Over his 22 year career, he has led investment and research teams at large institutional platforms such as Bloomberg, Bank Of America, BNY Mellon, Lockheed Martin, Citi, Millennium Partners and M&T Bank. Prior to his investment career, he has co-founded Information Interface India Private Limited (Promoter of Niyogin).

He holds a Ph.D. in Social and Political Sciences, an M.B.A. in Finance and Strategy and a Bachelor's degree in Electronics and Telecommunications Engineering.

The additional details of Mr. Patankar as required under Regulation 36(3) of the Listing Regulations and the Secretarial Standards issued by the Institute of Company Secretaries of India are set out in the Annexure forming part of this Notice. He does not hold any shares in the Company.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Mr. Patankar as the Director of the Company.

None of the Directors/ Key Managerial Personnel of the Company and their relatives except Mr. Makarand Patankar and the appointee are concerned or interested in the resolution.

The Board recommends the Ordinary Resolution at Item No. 5 of the Notice for approval of the shareholders of the Company.

ITEM NO. 6:

Based on the performance evaluation and contributions made by Mr. Noorallah Charania (DIN: DIN 08812239), the Nomination and Remuneration Committee at its meeting held on November 10, 2020 had approved & recommended the appointment of Mr. Charania as the Whole-Time Director of the Company on the remuneration as stated below, subject to the approval of the Board of Directors and Shareholders. The Board of Directors at its meeting held on November 10, 2020 had appointed Mr. Noorallah Charania as an Additional Director of the Company with effect from November 10, 2020 on the terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee of the Board and in accordance with the provisions of Section 161 of the Act read with Articles of Association of the Company. Pursuant to Section 161 of the Act, the above Director holds office only up to the date of ensuing Annual General Meeting of the Company.

The Company has received a notice from a Member signifying his intention to propose the candidature of Mr. Noorallah Charania for the office of Director of the Company under Section 160 of the Act.

Remuneration Terms comprising of the following:

a) Gross Salary: FY 2021: ₹ 41,36,568/- per annum and FY 2022: ₹ 46,61,048/- which shall be subject to annual increment, as given below, subject to the approval of the Nomination and Remuneration Committee and the Board of Directors.

b) Perquisites, allowances and benefits: Medical Reimbursement, House Rent Allowance, Education Allowance, Leave Travel Concession / allowance, Provident Fund, Pension Fund & Superannuation Fund, Gratuity, Stock Options, provision of car with driver, personal accident insurance cover, Telephone/ Broadband, etc. – as per Rules of the Company and subject to applicable tax laws. For the purpose of Gratuity, Provident Fund, Pension Fund, Superannuation and other like benefits, if any, the service of Mr. Charania will be considered as continuous service from the date of his joining the Company.

   Annual increase not to exceed 20% of the aggregate of salary, perquisites, allowances and benefits i.e. aggregate of clauses (a) and (b) of the Terms of Remuneration as mentioned above. However, the stock options shall be additionally granted as per the policies/ schemes of the Company.

   The perquisite arising from exercise of the stock options by Mr. Charania pursuant to any employee stock option scheme, approved / which may be approved by the Board of Directors and the members during his tenure as director shall be part of the Minimum Remuneration referred below. Further, the perquisite arising from the exercise of the stock options, as mentioned above, shall be in addition to the amount of perquisites mentioned in clause (b) of the Remuneration Terms.

   Mr. Noorallah Charania has been granted 2,11,193 stock options till date under the Company's existing stock option schemes as approved by the Board of Directors and the members. As on the date of this notice, he has exercised 15,000 stock options and 1,22,657 stock options are unvested.

c) Minimum Remuneration

   In the event of inadequacy of profits calculated as per Section 198 of the Act in any financial year(s) during the tenure of Mr. Charania as a Whole-Time Director, Mr. Charania, shall be entitled to a minimum remuneration comprising of salary, perquisites, allowances and benefits and perquisite arising from the exercise of the stock options as mentioned above, for a period of two years i.e., from November 10, 2020 to November 09, 2022.

d) General

   - Mr. Charania shall not be paid any sitting fee for attending meeting of the Board or Committee(s) thereof.
   - The Whole-time Director shall discharge such functions as are delegated to him by the Board of Directors and/or Chairman and/or Managing Director.
   - The appointment is terminable by either party giving the other three (3) months' notice in writing.

Mr. Charania satisfies all the conditions as set out in section 196(3) of the Act and the applicable Schedule for being eligible for his appointment. This explanatory statement may be considered as the requisite abstract under section 190 of the Act setting out the terms and conditions of the appointment.

Past remuneration:

Financial years	Gross Salary inclusive of incentive, if any Amount (in ₹)
2020-21	41,36,568/-
2019-20	43,36,568/-

None of the Directors, Key Managerial Personnel and their relatives except Mr. Noorallah Charania himself and his relatives may be deemed to be concerned or interested in the resolutions.

The Board commends the special resolution set out in item no. 6 for approval by shareholders of the Company.

Statement containing additional information as required pursuant to clause (iv) of Schedule V of the Act with respect to Item No. 6:

I. General Information:

1. Nature of Industry: Non – Banking Financial Company

2. Date or expected date of commencement of commercial production: Not Applicable as the Company is an existing company.

3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable as the Company is an existing company.

4. Financial performance based on given indicators:

(₹ In Lacs)

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Total Income	2,599.62	2,762.55	5,063.06	2,804.82
Total Expenditure	3,230.99	5,079.90	5,775.75	5,257.78
Profit/(Loss) before Tax	(631.36)	(2,317.36)	(712.69)	(2,452.96)
Less: Provision for taxation				
Current Tax	-	-	56.50	-
Deferred Tax Asset	-	-	(39.60)	(13.14)
Net Profit/(Loss) after Tax	(631.36)	(2,317.36)	(729.59)	(2,439.82)

5. Foreign investments or collaborations, if any: The Company is listed on BSE Limited. The details of the foreign holding in the Company is available in the shareholding details section on www.bse.com and www.niyogin.com. The Company does not have any Foreign Collaborations.

II. Information about the Director:

Background details, Recognition/ Awards, Job Profile and Suitability to the role, Past Remuneration and Remuneration proposed	As mentioned in Explanatory Statement under item 6
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	Considering the significant expertise of the director in his respective area and acknowledging the responsibilities shouldered by him, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar level counterpart(s) in other companies to encourage good professional with a sound career record.
Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any	Mr. Charania does not have any pecuniary relationship with the Company other than the remuneration he received as Whole-Time Director of the Company. He is also not related to any director/managerial personnel of the Company.

III. Other Information:

1. Reasons of loss or inadequate profits: The Company's operations in FY 2020 and FY 2021 were impacted due to significant economic uncertainty arising out of COVID-19 pandemic. Owing to above factors, despite the best efforts of the Management, the financial performance of the Company was not as per the expectation primarily due to pandemic, the Company had inadequate profits for the financial year ended March 31, 2020 and March 31, 2021.

2. Steps taken or proposed to be taken for improvement: The key priorities for FY 2022 will mainly revolve around gaining market access, expanding the network, and network monetization. The Company is also focused on (a) platform capabilities and building market access; (b) building the talent pool (c) looking out for M&A opportunities.

3. Expected increase in productivity and profits in measurable terms: The Company has taken various initiatives to maintain its leadership, improve market share and financial performance. It has been aggressively pursuing and implementing its strategies to improve financial performance. The Company shall continue to expand their scale across key markets to take the fastest lane to relevant opportunity, maximize our portfolio, reach out to more customers and strengthen their margins.

ITEM NO. 7:

Mr. Kapil Kapoor was appointed as an Independent Director of the Company pursuant to Section 149 of the Act, read with Companies (Appointment and Qualification of Directors) Rules, 2014, by the shareholders via postal ballot on January 20, 2017 to hold office up to December 04, 2021 (first term), as per the explanation to Section 149(10) and 149(11) of the Act.

The Nomination & Remuneration Committee at its meeting held on August 05, 2021 after taking into account the performance of Mr. Kapoor during the first term of five years and considering the substantial contribution made by him during his tenure as an Independent Director since his appointment, has recommended to the Board that continued association of the said Director as an Independent Director would be in the interest of the Company. Based on the above, the Nomination & Remuneration Committee and the Board has recommended the re-appointment of Mr. Kapil Kapoor on the Board of the Company, to hold office for the second term of five consecutive years commencing from December 05, 2021 upto December 04, 2026, without being liable to retire by rotation. The Company has received a notice pursuant to Section 160 of the Act from a Member signifying his intention to propose the candidature of Mr. Kapil Kapoor for the office of Independent Director, to be re-appointed under the provisions of Section 149(10) of the Act.

Mr. Kapoor has given a declaration to the Board that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the Listing Regulations. In terms of proviso to sub-section (5) of Section 152 of the Act, the Board of Directors is of the opinion that Mr. Kapil Kapoor, fulfils the conditions specified in the Act for appointment as an Independent Director.

Mr. Kapil Kapoor is not disqualified from being appointed as Director in terms of Section 164 of the Act as amended from time to time.

A copy of the draft letter for the appointment of Mr. Kapoor as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the registered office of the Company during normal business hours on any working day and the same has also been uploaded on the Company website www.niyogin.com.

The other details including the shareholding, names of companies and the committees in which he is a member are published elsewhere in the Annual Report.

None of the Directors, Key Managerial Personnel and their relatives except Mr. Kapil Kapoor himself and his relatives may be deemed to be concerned or interested in the resolution.

The Board commends the special resolution set out in item no. 7 for approval by shareholders of the Company.

ITEM NO. 8:

Pursuant to Section 188 of the Act, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Company is required to obtain consent of the Board and prior approval of the members by resolution in case certain Related Party Transactions exceed such sum as is specified in the rules. The aforesaid provisions are not applicable in respect transactions entered into by the Company in the ordinary course of business on an arm's length basis.

However, pursuant to Regulation 23(4) of the Listing Regulations, approval of the shareholders through Ordinary Resolution is required for all 'material' related party transactions (RPT) even if they are entered into in the ordinary course of business on an arm's length basis. For this purpose, a RPT will be considered 'material' if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company and hence, the approval of the Members will be required for the same.

Members are aware that the Company had acquired 51.00% stake in Iserveu Technology Private Limited ('Iserveu') in FY 2021. Accordingly, Iserveu is a subsidiary of the Company and thus is a related party within the meaning of Section 2(76) of the Act. In the ordinary course of business, the Company enters into various contracts/ transactions/ arrangements with Iserveu for payment or receipt of marketing support Fees/Commission / Service fees/Referral/Arranger Fee / Reimbursement of Expenses, avail or provide services, etc. on arm's length basis and the aggregate value of transactions to be entered is envisaged as ₹ 10,00,00,000/- (Rupees Ten Crores only). Further, the Company is also having substantial business plans for granting loans/Inter-Corporate Deposits/ Guarantee taken/ To be taken of approximately ₹ 50,00,00,000/- (Rupees Fifty Crores only), which will be in the ordinary course of business and on arm's length basis. The aforesaid arrangements/ contracts/ transactions will benefit Iserveu, which is a material subsidiary of the Company and is in the best interest of the Company.

In the view of the aforesaid, as the transactions with Iserveu will exceed the prescribed material threshold limits, the approval of the members of the Company is sought by way of an ordinary resolution for the aforesaid related party transactions/ arrangements/ contracts entered/ to be entered with Iserveu, in one or more tranches, within a period of three years from April 01, 2021.

Sr. No.	Nature of Transaction	Estimated Annual value of contracts and Services (In crores)
1.	Payment or receipt of marketing support Fees/Commission / Service fees/Referral/ Arranger Fee / Reimbursement of Expenses, avail or provide services, etc. and such other transactions as may be approved by Audit Committee and Board.	10
2.	Granting Loans/Inter-Corporate Deposits/ Guarantee taken/ To be taken	50
	Total	**60**

The aforesaid related party transactions entered/to be entered into by the Company with Iserveu do not fall under the purview of Section 188 of the Act being in the ordinary course of business and at arms' length. However, the same are covered under the provisions of Regulation 23 of the Listing Regulations and accordingly the approval of the members is sought by way of an ordinary resolution.

The Audit Committee and Board have approved the aforesaid Related Party Transactions at their respective meetings held on August 05, 2021 in terms of Regulation 23 of the Listing Regulations and noted that these transactions are in the Ordinary Course of Business and are at arm's length basis.

It is pertinent to note that no related party shall vote to approve this resolution(s) whether the entity is a related party to the particular transaction or not.

Pursuant to Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, particulars of the transaction(s) etc. are as under:

Name of the Related Party	**Iserveu Technology Private Limited ('Iserveu')**		
Name of the Director(s) or Key Managerial Personnel ("KMP") who is related, if any;	(i) Mr. Amit Rajpal (ii) Mr. Tashwinder Singh (iii) Mr. Rumit Dugar		
Nature of relationship	(i) Mr. Amit Rajpal, Promoter & Chairman of the Company is also on the Board of Iserveu. (ii) Mr. Tashwinder Singh, Chief Executive Officer of the Company is also on the Board of Iserveu. (iii) Mr. Rumit Dugar, Chief Financial Officer of the Company is also on the Board of Iserveu. However, none of the Directors of the Company holds any shareholding in Iserveu.		
Nature, Material Terms, particulars of the contract or arrangements; and Monetary Value	**Sr. No.**	**Nature of Transaction**	**Amount (in crores)**
	1.	Payment or receipt of marketing support Fees/Commission / Service fees/Referral/Arranger Fee / Reimbursement of Expenses, avail or provide services, etc. and such other transactions as may be approved by Audit Committee and Board.	10
	2.	Granting Loans/Inter-Corporate Deposits/ Guarantee taken/ To be taken	50
		Total	**60**
Whether the transactions have been approved by Audit Committee and the Board of Directors	Yes. The Audit Committee and Board of Directors of the Company have approved the transactions at their respective meeting held on August 05, 2021		
Any other information relevant or important for the members to take a decision on the proposed resolution.	Transactions are in the ordinary course of business and at arm's length basis.		

None of the Directors, Key Managerial Persons or their relatives, are in any way, except to the extent of their shareholding in the Company, concerned or interested, financially or otherwise, in the said Ordinary Resolution set out at Item No. 8 of this Notice.

The Board expects growth in the business of Company and the material subsidiary and so is of the opinion that the aforesaid related party transaction is in the best interests of the Company and accordingly recommends the Ordinary Resolution set out as Item No. 8 of the Notice for the approval of the members of the Company.

Annexure to Notice

Additional information of director for appointment / re-appointment as required under Secretarial Standards and Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Name of Director	Mr. Makarand Patankar	Mr. Gaurav Patankar	Mr. Kapil Kapoor	Mr. Noorallah Charania
Date of Birth	February 12, 1952	October 21, 1977	August 06, 1964	February 08, 1976
Age	69 years	44 years	57 years	45 years
Qualification	BSE, MBA (Marketing & Finance)	Ph.D. in Social and Political Sciences, an M.B.A. in Finance and Strategy and a Bachelor's degree in Electronics and Telecommunications Engineering.	Bachelor of Arts degree in Economics from the University of Delhi and a Post Graduate Diploma in Management (PGDM) from the Indian Institute of Management (IIM), Ahmedabad.	MBA from Annamalai University with a CAIIB from the Indian Institute of Banking and Finance.
Experience	He has over 40 years of experience in financial services, logistics and pharmaceuticals industries. He was a Founder Member of M/s. Information Interface India Private Limited.	Over his 22-year career, he has led investment and research teams at large institutional platforms such as Bloomberg, Bank of America, BNY Mellon, Lockheed Martin, Citi, Millennium Partners and M&T Bank. Prior to his investment career, he co-founded M/s. Information Interface India Private Limited (Promoter of Niyogin).	He is currently the Chairman and Non-Executive Director of Info Edge India Ltd. (naukri.com). He is also a founder and trustee of Ashoka University. He was the Chief Operating Officer at Timex Group USA until 2013 and was Managing Director of publicly held Timex Group India Limited. He started his professional career in 1987 with Nestle India Limited and later worked with Bausch & Lomb. He subsequently went on to manage the overseas marketing territories of Russia, Ukraine and East Africa in addition to the SAARC region.	He has over 24 years of experience in Operations, Internal Control Audits, Risk Management, Credit Management, Documentation Handling & Treasury Management (Foreign Exchange). He has held senior positions in various financial organizations such as Aditya Birla Group, RBS and HDFC Bank.
Nature of expertise in specific functional areas	Financial Services, Logistics and Pharmaceuticals Industries	Financial Services	Financial Services	Financial Services
Terms and Conditions of Re-appointment	Mr. Makarand Patankar will be re-appointed on the same terms and conditions as they were approved by the Members at their Annual General Meeting held on September 17, 2019	As per the Explanatory Statement	Mr. Kapil Kapoor will be re-appointed for a second term of 5 years w.e.f. December 05, 2021	As per the Explanatory Statement
Details of Remuneration sought to be paid	₹ 1 per month	NIL	Sitting Fees only	As per the Explanatory Statement
Details of Remuneration last paid	Rupees two lakh and fifty thousand per month till April 2020 and Rupees one per month w.e.f. May, 2020.	NIL	For details of remuneration, please refer to the Corporate Governance Report	As per the Explanatory Statement

Date of first appointment in the Board	December 05, 2016	November 10, 2020	December 05, 2016	November 10, 2020
Shareholding in the Company	4561	NIL	490052	NIL
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Father of Mr. Gaurav Makarand Patankar	Son of Mr. Makarand Patankar, Whole-Time Director of the Company	None	None
Number of meetings of the Board attended during the year	4/6	1/1	6/6	1/1
Number of Memberships in Committees (including this Company)	Provided in the Report on Corporate Governance			
Directorships held in other companies in India				

None of the directors being appointed/re-appointed above is disqualified from being appointed/re-appointed as such. Each of them has provided their consent in regard to the appointment/re-appointment.

By the Order of the Board
For **Niyogin Fintech Limited**

Neha Agarwal
Company Secretary & Compliance Officer
(ACS 41425)

Registered Office (w.e.f. January 01, 2020)
MIG 944, Ground Floor, TNHB Colony, 1st Main Road
Velachery, Chennai,
Tamil Nadu- 600042
CIN: L65910TN1988PLC131102
Website: www.niyogin.com
E-mail: niyogin.compliance@niyogin.in

Place: Mumbai
Date: August 05, 2021

niyogin

2020/21
ANNUAL REPORT



BUILDING DIFFERENT

MAKING DIFFERENCE

NIYOGIN FINTECH LIMITED

BUILDING DIFFERENT
MAKING DIFFERENCE

IN KEEPING WITH OUR VISION OF EMPOWERING INDIA, WE HAVE EMPOWERED MILLIONS OF ASPIRING INDIVIDUALS AND SMALL BUSINESSES TO TRANSFORM THEIR DREAMS INTO REALITIES THROUGH AN ECOSYSTEM OF PRODUCTS, PARTNERSHIPS, AND AN EXCEPTIONAL CUSTOMER EXPERIENCE - ALL POWERED BY TECHNOLOGY.

At Niyogin, our existence is a natural extension of being a facilitator for a new and empowered tomorrow by building a leading "Neobank" platform infrastructure company.

We build products differently, with a customer-centric approach, one that is dedicated to service MSMEs and 800 Mn+ rural Indians. Technology is the means through which we solve problems. Thus, we have created a holistic platform delivering solutions for credit, financial inclusion, investments, and SAAS services, working in conjunction with a partner-led model that gives us affordable access to millions of potential customers.

We understand that traditionally development has been exclusionary – the 'haves' dominate resources while the 'have-nots' try to make ends meet. But, we realize that this is not the natural order. Only when the systems are inclusionary can there be maximum benefit for maximum number of people. That is why we innovate, keeping in mind the needs of the traditionally excluded.

Our business canvas is socially inclusive and one that is designed to deliver products and services for all. **To this effect, we've developed a financial platform that empowers and allows our partners to generate income and provide service/product access to customers across India.** Our value proposition is constantly expanding. While at present it encompasses financial services and banking services access, soon enough it will grow to include other non-financial services as well.

Our platform build is unique not only in its design but also in its approach – as it drives income augmentation for small businesses and brings best-in-class products and services to the customers. This is what sets us apart, truly empowering India.



Revenue

(FY21)

₹ 506.3 Mn

Gross Transaction Value

(RURAL TECH, FY21)

₹ 57,581 Mn

Assets Under Management

(URBAN TECH, FY21)

₹ 9,837 Mn



MAKING DIFFERENCE

We empower local rural retailers (read MSMEs) and drive financial inclusion among rural individuals through our digital payment solutions.

Read more on page 08

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Forward Message

This document contains statements about expected future events, financial and operating results of Niyogin Fintech Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results, and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications, and risk factors referred to in the management's discussion and analysis of Niyogin Fintech Limited's Annual Report, FY2021.

ABOUT US

DIFFERENTIATED OFFERINGS. IMPACT DRIVEN SOLUTIONS.

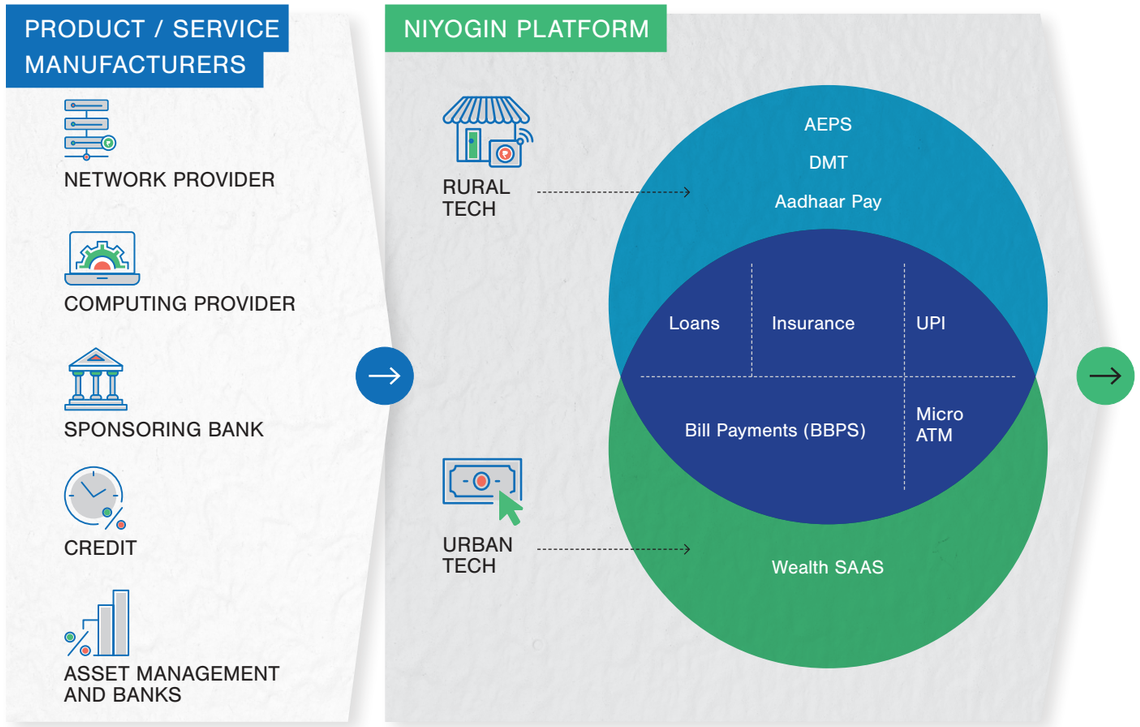
We are India's unique early-stage public listed fintech company committed to delivering impact-centric solutions and building the "Neobank" platform infrastructure to power MSMEs through a partnership-led model.

COMPANY OVERVIEW

Sanskrit for "empowerment" Niyogin was incorporated with a deep understanding of real daily problems of small businesses. The vision of Niyogin is to have a substantial impact on the lives of small businesses by giving them solutions that leverage the power of digital technology and the confidence of an integrated network of partners.

With a technology-first approach, Niyogin is a holistic platform embracing the entire rural to developing urban MSME landscape providing financial inclusion, credit, investments, and SAAS services on the foundation of a unique partner led phygital distribution network.

NIYOGIN AT A GLANCE



Our Mission

Our mission is to give small businesses access to a holistic support system that is cost-efficient through innovative technology and a committed network of partners.

Our Vision

Our vision is to be the country's best small business centric organization, empowering customers through an ecosystem of products, partnerships, technology and exceptional customer experience.

Our Core Values

The energy of youth and the experience of age have come together to form Niyogin and its strong set of values.

Trust

Trust is at the foundation of what we do and this reflects across all our interactions, be it with employees, customers or partners.

Innovation

We are always thinking ahead and beyond the usual. Questioning existing practices and continuously striving to improve.

Flexibility

We understand how dynamic our environment is - Change, truly being the only constant. Open to ideas, we readily adapt to emerging business scenarios today.

Agility

Nimble and responsive, we pride ourselves on making quick decisions and translating them into a competitive advantage.

Customer Centricity

We put ourselves in the shoes of our customers to delight them from the moment they come on board. Empathy is not just a noun for us, it is a philosophy.

Transparency

Openness and honesty is a value we treasure. We take feedback in our stride, good or bad and are seriously committed to transparency with all stakeholders.

JOURNEY & EVOLUTION

EVOLVING WITH ASPIRATIONAL INDIA

Our journey, albeit brief, is one of continual growth and evolution as we strive to become a better version of ourselves. Niyogin is always thinking ahead to adapt to changing realities and emerging needs, with innovation, flexibility, and agility serving as some of our core values.

2017

HOW DID NIYOGIN COME INTO EXISTENCE?



- Information Interface India Private Limited (promoter of Niyogin) acquired M3 Global Finance - a BSE listed NBFC, and renamed the Company to Niyogin Fintech Limited.
- After a change in ownership and management, the Company raised capital of ₹ 2,348 Mn from institutional investors to drive its growth as a fintech company.

2018

PARTNER-LED, CREDIT FOCUSED APPROACH



- Initiated business with the Credit segment offering small ticket unsecured business loans (UBL)
- Focus on market access through a network of financial intermediaries

2019

AMPLIFICATION INTO A TECH-CENTRIC PLATFORM

- Acquired 50.01% in Moneyfront, a digital platform, adding Wealth to its Urban Tech product stack

2020

- Acquired 51.00% in iServeU, a US$500 Mn GTV platform adding 5 products under a new segment – Rural Tech
- SaaS based B2B product went live under Wealth (Urban Tech)

2021 AND AHEAD

- Achieved cash breakeven
- Rural Tech crosses 130K touchpoints
- Initiated iServeU credit segment

COMING 3 YEARS

Evolve into a premier Banking as a Service (BaaS) platform offering a “Neobank” product stack.

KEY PERFORMANCE INDICATORS

REACHING USERS FAR AND WIDE

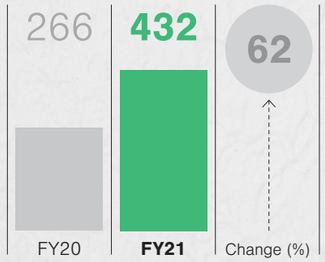
Our business model has been built to deliver platform infrastructure play at scale and cannot be measured using traditional yardsticks. Simply put, our stakeholders should assess the scale and reach of our platforms, as well as the resulting revenues, which are a mix of fee and transaction-based variables.

EXTENSIVE SCALE OF PLATFORMS..

RURAL PLATFORM

PARTNERS

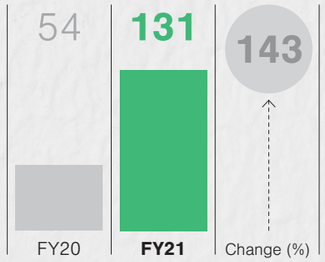
(In numbers)



Consistent increase in rural tech partners..

BC AGENTS (RETAILERS)

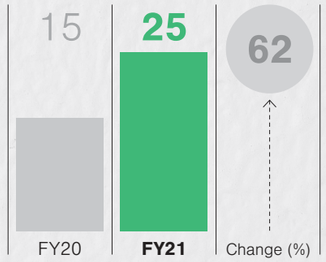
(In '000)



..leading to manifold growth in retailers..

TRANSACTION VOLUMES

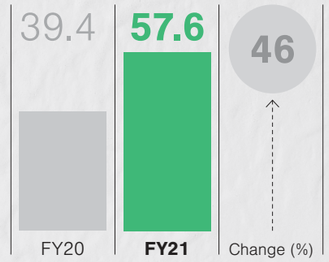
(In Mn)



..fueling transaction volumes..

TRANSACTION GTV

(In ₹ Bn)

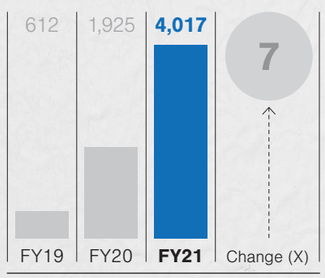


..and rise in value

URBAN PLATFORM

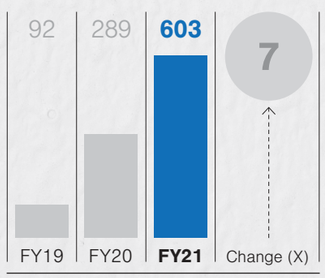
NIYOGIN PARTNERS

(In numbers)



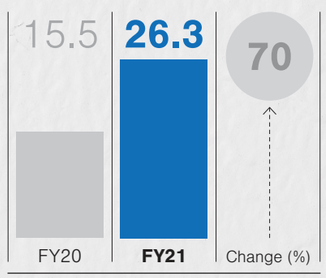
MARKET ACCESS (MSME REACH)

(In '000)



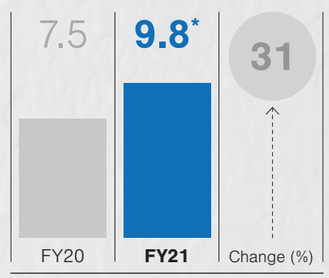
WEALTH TECH THROUGHPUT

(In Bn)



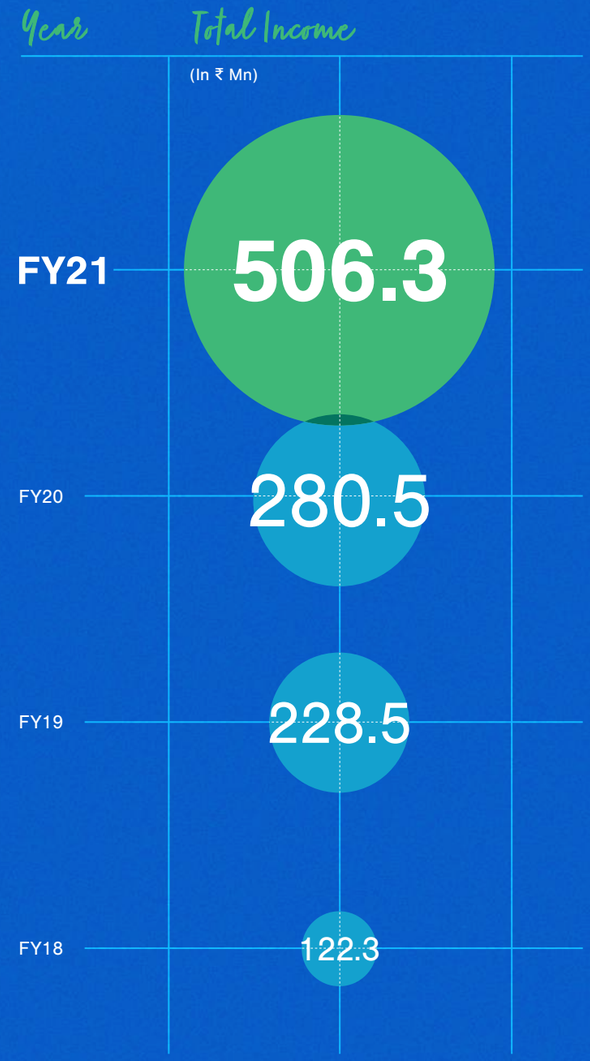
WEALTH TECH AUM

(In ₹ Bn)



Note - * Short-term impact due to wealth customers' draw down for tax payment, the AUM as on April 30, 2021 stands at ₹ 11,099.5 Mn

..RESULTING IN HIGHER REVENUES



Note - Standalone figures for FY18 & FY19, Consolidated figures considered for FY20 and FY21 post Moneyfront and iServeU acquisition.

CHAIRMAN'S LETTER TO SHAREHOLDERS

DELIVERING ON OUR GROWTH AMBITIONS



Our key priorities in FY2022 would be achieving critical scale in Rural and Urban India as we expand the product stack to monetize our large and growing distribution network.

AMIT RAJPAL

NON-EXECUTIVE CHAIRMAN AND CO-FOUNDER

Our ultimate vision is to create a Neobank where we build an open-source modular platform that functions as the base technology/fulfillment layer. This platform then allows both distribution and product partners to plug into Niyogin to create a modern financial institution that moves away from the current "proprietary" approach, thereby creating a digital ecosystem that is a win-win-win (customers, partners, and platform) and meets the financial and non-financial needs of MSMEs.

Dear Shareholders,

FY2021 has been a watershed year globally and in India, as the pandemic exposed the fragilities of the existing infrastructure especially for those who have limited means to begin with. This has proven to be the catalyst to accelerate change and make way for a "new world order" especially as it relates to the digitization of financial inclusion where conventional delivery models have achieved limited success. The Indian Government, for a long time, has been in an endeavor to modernize and digitize the delivery of financial products at the last mile to drive financial inclusion, both these factors now create an environment where we move into hyper-drive and India is now ready for a "Digital Leap" in financial inclusion.

We are now beginning to see the results where during the toughest times of the pandemic that digitalization has accelerated, especially in rural India which is coming off a manual starting point implying a huge run way ahead. Besides digital commerce, many companies have realized the role of technology to attain sustainable growth as well. And, although MSMEs understand the benefits of using digital tools to enhance efficiency, most of them lack the knowledge and the funds for investing in such technologies.

We believe the only way to revive the Indian economy and help achieve the US$5 Trillion GDP target would be to empower the underserved in every way possible to create growth from a "bottom up" process rather than rely on trickle down economics, which doesn't really work for people at the bottom of the pyramid. This is exactly what our company stands for - Niyogin's vision is to create a digital platform that is a one-stop solution to meet the financial and non-financial needs of MSMEs. We now operate a tech-centric partner-led model in rural and urban India that gives us cost-efficient market access and powers several MSME partners to augment their income. We empower local rural retailers (read: MSMEs) and drive financial inclusion among rural individuals through our digital payment solutions. Incrementally, we operate a credit light model on the urban front, where we collaborate with lending partners to provide off-balance sheet credit access to MSMEs.

Our ultimate vision, if we are successful, is to create a Neo-Bank where we are the base technology/fulfillment layer and we run an open source, modular platform which allows both distribution and product partners to plug in to Niyogin to create a modern financial institution which moves away from the current "proprietary" approach and creates an ecosystem which is a win-win-win (customers, partners and platform) and allows us to serve the opportunity described above in a scalable format.

A majority of our target customer base are the MSMEs, who traditionally have operated in an informal setup without any regulations. However, with GST and other regulatory initiatives, the Indian business ecosystem is fast moving towards a more structured and formal business environment. This creates a large demand among MSMEs to digitize their business model and remain relevant in these changing times. Additionally, the Government's aim to drive financial inclusion has been difficult to achieve due to the limitations of the banks and their Business Correspondent (BC) model. This leaves a large number of the rural population underserved when it comes to availing of basic banking services. Both these aspects create a large product gap opportunity that we have captured while still at a nascent stage, in VC parlance, the TAM (Target Addressable Market) sitting in front of us is huge.

Results of the iServeU acquisition

143%

Y-O-Y INCREMENT IN OUR RURAL RETAIL PARTNER BASE

FY2021 was a pivotal year for our company as we significantly expanded the scope of our business by acquiring iServeU (iSU) which gives us access to the rural communities as a digital financial inclusion payments platform. This is a very exciting proposition for Niyogin and validates our decision for an early public markets listing as it enables us to consummate strategic deals by leveraging our stock. This is a unique strength of Niyogin as a fintech platform and we continue to assess strategic leads actively. We have also continued to build the management team and appointed Tashwinder Singh to lead Niyogin as the CEO. He comes with more than 26 years of leadership and experience in both strategic and operational roles. I believe the current management is now well-equipped to turn our vision into reality and guide Niyogin as it embarks on a transformational journey. Equipped with the new leadership, we pivoted from a credit-centric model to a technology platform-centric model.

Our performance has been remarkable as we surpassed our current year guidance on distribution points. Owing to the iServeU acquisition, our rural retail partner base witnessed a substantial increase of 143% YoY, giving us access to 25k villages and 16k pin-codes. Niyogin now has its presence in 200+ cities. We continue to increase our distribution network through partner tie-ups and simultaneously drive financial inclusion by bringing local retailers into the fold. Our key priorities in FY2022 would be achieving critical scale in Rural and Urban India as we expand the product stack to monetize our large and growing distribution network.

Our FY2021 results are detailed in this annual report, along with the sector trends, our business model, and execution. I thank each one of the stakeholders who continue to contribute towards building a best-in-class MSME-centric fintech platform. I believe the pandemic has ushered in a change in the way people adopt technology. This transformation will only accelerate and become digital-centric in the coming years, thereby throwing up numerous opportunities ahead of us.

Thank you for your support, and we look forward to your continuous engagement in our journey to be India's premier fintech organization.

Thank you.

AMIT RAJPAL

NON-EXECUTIVE CHAIRMAN AND CO-FOUNDER

Niyogin Fintech Limited

QUESTION & ANSWER

FIRE-SIDE CHAT WITH THE CEO



We are providing hyperlocal services by bringing the bank to the people instead of them having to go to the bank.

TASHWINDER SINGH
CHIEF EXECUTIVE OFFICER

Picture Niyogin akin to a Visa/Mastercard as opposed to a bank's credit card. Our approach is to sit above the distribution segment with a tech platform and power the ecosystem either as a full platform, API, or SDK. This partner-led tech model gives us cost-efficient market access to reduce customer acquisition costs significantly and creates moats as we broaden the product stack while rapidly scaling with a transaction-led revenue model.

Q1. The Fintech space is constantly evolving with new players entering the market and some very large players offering overlapping services. So, what gives Niyogin the right to win in the face of such competition?

A1. While several points differentiate us from our counterparts, I would like to touch upon the two most important issues. First is the problem that we are solving, and second is our open tech platform-led approach.

First, our approach is customer-centric, focusing on powering underserved Micro, Small, and Medium Enterprises (MSMEs) and 800mn+ rural Indians. The customer-centric approach drives our product propositions which range across financial services, including banking services access, and may expand to other non-financial services product areas over time.

Second is our open tech platform approach. This is to effectively build a full-stack, API, and SDK capable financial services infrastructure platform that powers all distribution/customer facing businesses. This allows us to power local MSMEs and other enterprise platforms to do more with their current distribution infrastructure. An example is a difference between the credit card (bank) providers vs. Visa/Master card to explain this distinction better. Our approach is to sit above the distribution segment, similar to a Visa/Mastercard, and power the ecosystem with a tech platform available as a full platform, API, or SDK. This partner-led model that gives us cost-efficient market access to reduce customer acquisition cost significantly creates moats as we broaden the product stack and scale rapidly with a transaction-led revenue model.

Q2. We understand that all your business segments are predicated on your partnership model with financial intermediaries and their network and also the BC partners in the rural area. Given partner-led distribution is the focal point of what you are attempting, what is your go-to-market strategy to build out distribution?

A2. Our business model is predicated on creating a platform that allows partners, enterprises and MSMEs to hook on to our platform to expand their product portfolio. The partner addition go-to-market strategy has to be seen in this context across our Urban-Tech and Rural-Tech businesses. In Urban tech, we are powering financial intermediaries with an aggregator platform to expand their product stack. We have over 4000+ partners. The bulk of our partner onboarding is now referral-led along with digital initiatives. In Rural India, our partners are local community BCs and large enterprises with wide retailer access and footprint. The partner onboarding here is driven by our dedicated business development team for enterprise partners while digital marketing and organic referral flow for local community BCs.

Q3. What are the other drivers behind your M&A activities?

A3. We've always been very clear that we as a company are willing to grow organically and inorganically to capture unfolding opportunities in the segments we operate. Our primary goal is to empower the MSME ecosystem, and we look for synergistic opportunities to help us achieve our objective. The Moneyfront acquisition brought with it the wealth piece and expanded our product stack, while the iServeU acquisition brought rural market access and a large product stack to serve rural India. So, one would notice a pattern in our past M&A activities, which brings me to my point that there are two main drivers when we look at M&As – to expand our product stack or market reach & scale. We continue to evaluate inorganic opportunities actively.

Q4. The recent acquisition of the iServeU business acted as a major turning point for Niyogin's penetration in Rural India. However, awareness & credibility play a key role in convincing rural individuals to do transactions involving money. How is Niyogin planning to bridge this gap, build credibility and compete with the informal sector going forward?

A4. As I explained, we operate on a partner-led model in Rural India. We don't compete with the informal sector but empower them and formalize them. Our Rural-Tech business doesn't reach out to the rural individuals directly. Instead, our platform powers the local BC/enterprise partners, who monetize their retailers /storefronts on the platform and act as touchpoints to serve rural individuals. We are providing hyperlocal services by bringing the bank to the people instead of them having to go to the bank. Rather than setting up our staffed manned touchpoints, we provide the tech platform to these local storefronts trusted at the village level by rural individuals. Our objective is to bring the technology and best-in-class product access to the local retailer and let them drive the last-mile delivery in an assisted model. Therefore, by increasing accessibility, our focus is to solve the problem of delivering financial inclusion to the last mile among the millions of rural individuals.

Q5. Continuing on similar lines, how do you see your product stack evolving to solve India's underbanked population?

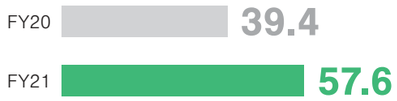
A5. Firstly, we would like to congratulate the government for driving various inclusion initiatives, especially the J-A-M trinity, which has allowed millions of Indians to come into the banking fold with the Jan Dhan Accounts. However, we still see customer experience and service delivery is a big white space in rural India. The large geographical footprint and low transaction size compound this service delivery problem from an economic standpoint. Thus, we believe that there is room to create a platform-led financial inclusion infrastructure play. We are aggressively scaling our reach with our unique partner infrastructure model and, in parallel, working to expand the product stack across all banking services to deliver a fully assisted "neobank" experience.

QUESTION & ANSWER

FIRE-SIDE CHAT WITH THE CEO

RURAL TECH GTV

(In ₹ Bn)



Q6. How do you think about credit in the MSME segment, and how are you serving the underserved segment with a non-traditional approach?

A6. Currently, the MSME segment is hobbled by high costs for delivery of financial services, lack of credit history, asset quality issues, and low collateral. This has led to very low credit delivery by traditional financial institutions. We have learned from our own experience that it is important for firms to have robust user-generated or transaction data of the customers for high-quality credit delivery. It is hard to make standalone credit-led customer acquisition with no live view of the business by the lenders. Therefore, our approach to credit is to again create modular lending technology infrastructure and work with partners and our own rural-tech business where we are generating unique customer transaction data and have a view of the customer business activity.

Q7. What was the impact of COVID-19 on the Company, and has this accelerated the adoption of your platform, or have they been a dampener on your operations?

A7. We saw increased digital adoption across the board. There was a short-term impact of a decrease in DMT volumes due to migration of the unorganized workforce. Both of the above form a substantial portion of our Rural Tech business. We saw an increase in our GTV by 46% to ₹ 57.6 billion in FY2021. In the long term, we expect AEPS, DMT, and Micro ATM to regain their pre-COVID pace once a large section of the population is vaccinated. The non-essential MSME ecosystem has been significantly impacted. However, there also we saw high digital adoption rates. MSMEs are expected to recover over the next two years strongly, and we expect small businesses' digital volumes to be a high multiple of such growth rates.

Q8. Can you explain the Company's revenue model across the two segments/verticals that you operate in?

A8. Our business model is to deliver platform infrastructure play at scale. Thus, our revenue model will be fee and transaction-based. As a matter of detail, on the Rural Tech front, we have a diversified revenue stream ranging from transaction volume fee, devices, interest income and commissions on cross-sells. On the Urban Tech front, our revenue model is fee/ commission led. The revenue model is given in detail as part of the Management Discussion & Analysis Report.

Q9. How are you building organizational talent?

A9. We place a strong emphasis on hiring the best talent and keeping the employee turnover low. We have offices in Mumbai, Bhubaneswar, and Bengaluru. Our remuneration corresponds well with the performance ensuring that employees' personal goals are well-aligned with the organisational goals. We further take initiatives to build high performing teams and induct leadership at all levels. We offer work on cutting-edge technology that allow us to attract talent, and our active ESOP program drives shareholder-employee alignment and retention.

Our shareholders can track us on mile markers such as our market access (distribution points), product stack expansion, and growth in our fee income business.

Q10. At a personal level, what prompted you to look at leading Niyogin after having spent stints at large corporations like Citibank and KKR?

A10. The opportunity to create an impact in people's lives and create a legacy was the main driver for me to join Niyogin. The Fintech space has come a long way since 2015, with India becoming one of the fastest-growing Fintech markets. The sector has seen some interesting developments and has also been catalysed by the government's push towards a digital and cashless economy. Having worked in the banking and finance sector for many years, here was an opportunity to marry the business aspect with some exciting developments in technology to be part of an ecosystem that will change the way the world has transacted. Furthermore, what attracted me to Niyogin was that the Company was addressing the next 800mn people who were always underserved by virtue of being in the rural and remote areas, and making a change in their livelihoods was an added attraction to join Niyogin.

Q11. What is your vision for Niyogin, say 3 years from now?

A11. For the medium term, our vision for Niyogin is to be India's premier Banking as a Service (BaaS) platform and offer a "Neobank" product stack. Our shareholders can track us on mile markers such as our market access (distribution points), product stack expansion, and growth in our fee income business.

BOARD OF DIRECTORS AND MANAGEMENT

GOOD GOVERNANCE IN ACTION

KEY

- A Audit Committee
- S Stakeholders' Relationship Committee
- R Risk Management Committee
- C Corporate Social Responsibility Committee
- N Nomination and Remuneration Committee



AMIT RAJPAL

NON-EXECUTIVE CHAIRMAN, CO-FOUNDER

Amit is Non-Executive Chairman & Co-Founder at Niyogin and an expert in the area of financial services investing. He believes that the best business models are built by effectively leveraging under-utilized resources to add value to under-serviced customers. This is, in part, what drove him to start Niyogin.

He is currently CEO of Marshall Wace Asia based out of Hong Kong. Marshall Wace is one of the largest hedge fund managers globally in the equities space. Before this, Amit worked at Morgan Stanley for 11 years as part of the FIG research group, leading the consistently highly ranked Asian bank's research franchise and was also responsible for leading the Global bank's Research team – his talent was recognized early by Morgan Stanley who promoted him to Managing Director (MD) at the age of 30, one of the youngest MD's in the history of the firm.

Amit completed his MBA (equivalent) from IIM Calcutta. He is also a qualified Cost and Works Accountant (ICWA) and completed his B.Com from the University of Mumbai. He tries to keep fit by playing tennis and is passionate about the game.



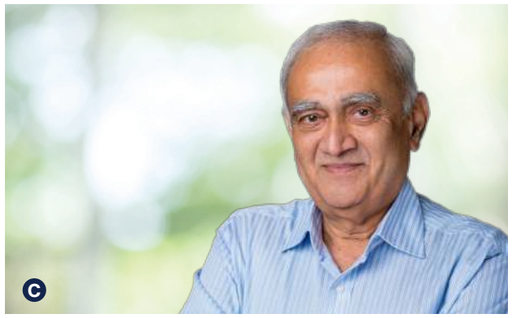
GAURAV PATANKAR

NON-EXECUTIVE DIRECTOR, CO-FOUNDER

Gaurav is a Co-Founder of Niyogin and is an institutional investor and impact entrepreneur focused on emerging markets and alternatives. Gaurav is a firm believer that the democratization and digitization of the Indian SME sector is the single biggest transformational opportunity within the Indian markets and Niyogin's ecosystem approach to SME can deliver a meaningful impact to this evolution.

Over his 22 year career, Gaurav has led investment and research teams at large institutional platforms such as Bloomberg, Bank Of America, BNY Mellon, Lockheed Martin, Citi, Millennium Partners and M&T Bank. Prior to his investment career, Gaurav co-founded Information Interface India Private Limited (Promoter of Niyogin).

He holds a Ph.D. in Social and Political Sciences, an M.B.A. in Finance and Strategy and a Bachelor's degree in Electronics and Telecommunications Engineering.



MAKARAND PATANKAR

PROMOTER DIRECTOR

Makarand brings with him over 40 years of multinational experience in Strategic and Financial roles within industry verticals of Financial Services, Pharmaceutical, Healthcare, and Retail in organisations such as Glaxo, TATA & TNT.

He also has a wealth of experience around Network Management, having pioneered the development of the 3i network across the country. He now facilitates the alignment of the company's strategic vision, business expansion, and delivery mechanisms.

Over the years, Makarand has structured and successfully executed several IPOs, EOU-Buy-Backs, Carve-out M&A and other deals. He is amongst the most respected thought leaders in the area of financial logistics in India and leads several community programs and philanthropic initiatives.



NOORALLAH CHARANIA

WHOLE-TIME DIRECTOR

Noorallah leads operations for niyogin. What brought him to niyogin was the drive to deliver innovative and technology-based, world class operations by flawlessly executing the business strategy. In his role here, he seeks customer excellence through trustworthy and reliable operations while proactively managing risk.

He has over 24 years of experience in Operations, Internal Control Audits, Risk Management, Credit Management, Documentation Handling & Treasury Management (Foreign Exchange). He has held senior positions in various financial organizations such as Aditya Birla Group, RBS and HDFC Bank.

He holds an MBA from Annamalai University with a CAIIB from the Indian Institute of Banking and Finance.

BOARD OF DIRECTORS AND MANAGEMENT

GOOD GOVERNANCE IN ACTION

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- (A) Audit Committee
- (S) Stakeholders' Relationship Committee
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- (C) Corporate Social Responsibility Committee
- (N) Nomination and Remuneration Committee



SUTAPA BANERJEE

INDEPENDENT DIRECTOR

Sutapa has over 30 years of professional experience and has spent 24 years in the financial services industry across 2 large multinational banks and a boutique Indian Investment bank where she built and headed several businesses. She has received accolades both within the country and internationally including being amongst the 'Top 20 Global Rising Stars of Wealth Management' (Institutional Investor Group in 2007). As CEO she led Ambit Private Wealth to 'Best Private Bank in India in the 2013 AsiaMoney polls. In 2012, she was shortlisted in the '50 most Powerful Women' by Fortune India.

Currently she serves as an Independent Director on several boards of companies including JSW Group, Zomato Limited, Mannapuram Finance, Godrej Properties, Axis Capital, Camlin Fine Sciences Limited. As a Visiting Faculty with IIM Ahmedabad she created and taught an elective on Behavioural biases in decision making and its impact on corporate practices with a focus on gender - a first for any business school anywhere. She is also an adjunct faculty with IICA – the Government think tank under the Ministry of Corporate Affairs. In addition she works as a Decision Coach for senior leaders.

She is a gold medalist in Economics from the XLRI School of Management in India, and an Economics honours graduate from Presidency College Kolkata. She is also an advanced leadership fellow at Harvard University.



SUBHASRI SRIRAM

INDEPENDENT DIRECTOR

Subhasri has over 26 years of professional experience, including 19 years in the Shriram Group's Financial Services businesses. She has previously served as Executive Director & CFO of Shriram City Union Finance Limited.

She has handled many critical assignments related to implementing new organizational structures, improving business processes, raising several rounds of equity from marquee investors across the globe and in raising external commercial borrowings. She has won the "Best Performing CFO in the NBFC Sector" for 2013 at the 8th edition of the awards instituted by a leading business television channel CNBC TV18 and in 2016, she was also chosen as one of the most influential CFOs in India by CIMA.

She currently serves on the Board of Directors of TVS Electronics Limited, Shriram group of companies, etc.

She is a fellow member of the Institute of Cost and Management Accountants of India and Institute of Company Secretaries of India.



ERIC WETLAUFER

INDEPENDENT DIRECTOR

Eric has over 35 years of professional experience and believes in the power of strong corporate governance and strategy.

As a seasoned institutional investor, Eric most recently was responsible for leading the CPP Investment Board's Public Market Investments department, a multi-strategy platform of 220 portfolio managers analysts and traders investing globally over C$180 billion in publicly-traded assets and related derivatives for Canadian beneficiaries.

He currently serves as a Managing Director in TwinRiver Capital and on the Board of Directors of the TMX Group, IMCO and Enterra Solutions.

He earned a B.A. from Wesleyan University, Middletown, Connecticut and am a Chartered Financial Analyst. He is also a certified member of the Canadian Institute of Corporate Directors has achieved the ESG Competent Boards Certificate.



KAPIL KAPOOR

INDEPENDENT DIRECTOR

Kapil started his professional career in 1987 with Nestle India Limited. He was also a part of the management team of Bausch & Lomb serving in Russia, Ukraine, East Africa and SAARC region. He re-located to Thailand on becoming the Country Manager of Bausch & Lomb and subsequently got promoted as the commercial director in 1998 with regional responsibility for South East Asia.

He currently serves as the Chairman and Non-Executive Director of Info Edge (India) Limited (naukri.com), and is also on the Board of Trustees of the International Foundation for Research and Education (Ashoka University).

Prior to joining Info Edge, he has also held the position of Global Chief Operating Officer for Timex Group USA, Inc. from Oct 2009 until May 2013. He was also Chairman and Managing director of the publicly held Timex Group India Limited from October 2000 onwards.

He has a Bachelor of Arts degree in Economics from the University of Delhi and a Post Graduate Diploma in Management (PGDM) from the Indian Institute of Management (IIM), Ahmedabad.

BOARD OF DIRECTORS AND MANAGEMENT

MANAGEMENT TEAM



TASHWINDER SINGH
CHIEF EXECUTIVE OFFICER



RUMIT DUGAR
CHIEF FINANCIAL OFFICER & STRATEGY



NEHA AGARWAL
COMPANY SECRETARY & COMPLIANCE OFFICER



PARAG CHOPDE
CHIEF RISK OFFICER



DEBIPRASAD SARANGI
CHIEF EXECUTIVE OFFICER, RURAL TECH



HIMANSHU RAJPAL
CHIEF BUSINESS OFFICER



MOHIT GANG
CHIEF EXECUTIVE OFFICER, WEALTH TECH



RAVI PRATAP SINGH
CHIEF TECHNOLOGY & PRODUCT OFFICER



NOORALLAH CHARANIA
CHIEF OPERATING OFFICER

MANAGEMENT DISCUSSION & ANALYSIS REPORT

For FY2021-22, the Indian economy is expected to show strong growth supported by fiscal and monetary measures of RBI and Government, respectively. The RBI has projected an impressive 9.5% growth rate for India in FY2021-22, one of the highest among the major economies.



MACROECONOMIC SCENARIO

In 2020, the global economy contracted by 3.5% due to the COVID-19 pandemic. The global economy is expected to expand by 5.6% in 2021, the strongest post-recession growth rate in over 80 years. This recovery mainly reflects sharp rebounds in some advanced economies like the United States, expecting an accelerated rebound in the second half of 2021 due to substantial fiscal support and vaccination progress. Therefore, controlling the pandemic globally will demand equitable vaccine distribution, especially in low-income economies.

Global financial conditions have tightened amid a rise in inflation pressures and an increase in US bond yields. However, the stance has largely remained accommodative among central banks reflected in the extraordinary policies being rolled out. This recovery in global activity and high commodity prices are creating inflation pressures, especially in EMDEs (Emerging Markets and Developing Economies) facing currency depreciation.

Certain risks that could hamper the global outlook revolves around the possibility of large waves of COVID-19 infections due to the new variants and the growing financial stress amid mounting EMDE debt levels.

In sync with the global economy, the Indian economy was also severely impacted by the pandemic. As per estimates of the National Statistics Office (NSO), real GDP contracted by 7.3% in FY2020-21, owing to one of the strictest lockdowns being implemented in the first half of FY2020-21, with some recovery witnessed in the latter half of FY2020-21. Agriculture, a proxy for the rural economy, saw a growth of 3.0% in FY2020-21 owing to an adequate monsoon, various Government initiatives, lower incidence of rural area cases, and exemption from lockdowns.

For FY2021-22, the Indian economy is expected to show strong growth supported by fiscal and monetary measures of RBI and Government, respectively. The RBI has projected an impressive 9.5% growth rate for India in FY2021-22, one of the highest among the major economies.

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Global Fintech Revenue

(By 2024)

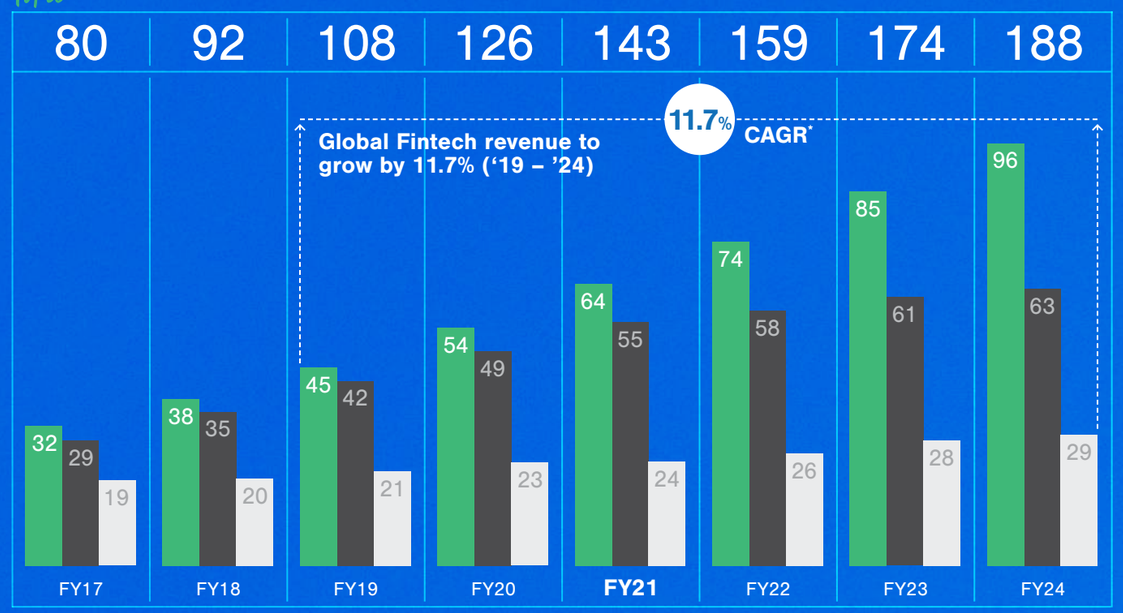
US$ **222 Bn**

GLOBAL FINTECH INDUSTRY

The global Fintech revenues in 2018 were US$ 109 billion and are estimated to cross US$ 222 billion in 2024. Currently, both Americas and APAC regions contribute around 40% each to the global market, whereas comparatively, the EMEA region makes up only 20% of the total market share.

GLOBAL FINTECH REVENUE GEOGRAPHY WISE BREAKUP

(In € Bn)



KEY



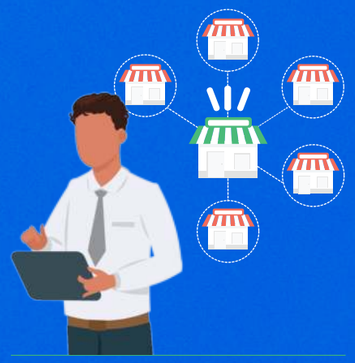
Global Fintech revenue (€bn). Note: actual figures up until 2018. These numbers are originally denominated in USD, and were converted to EUR by the Sept. 2020 EUR/USD FX rate of 1.18
*Compounded annual growth rate

Source: Mordor Intelligence, Deloitte analysis

Global Fintech Investments

(By VC, PE AND M&A)

US$ **105 Bn**



"Fintechs are expected to continue to broaden into newer offerings adjacent to their core offerings, including accounting, spending planning, control, tax management, financial education, legal entity incorporation, account receivable management, factoring."

Globally, Fintechs have been highly active in areas most amenable to change, including payments and Wealth Tech. Payments have witnessed several transformational changes, including full digitization of local and cross-border transactions. Wealth tech has seen rapid adoption in developed countries due to familiarization of technology and in lesser developed countries due to technology overriding the need for the physical interface.

KEY TRENDS IN THE FINTECH SECTOR

1. Fintechs offering adjacencies

Fintechs are expected to continue to broaden into newer offerings adjacent to their core offerings, including accounting, spending planning, control, tax management, financial education, legal entity incorporation, account receivable management, factoring.

2. Fintechs partnering with traditional Banks

Fintechs have been partnering with Banks to enable them to fill gaps in their traditional portfolios. For e.g. The Fintech start-up Moven has created a pioneering mobile money-management app and is now teaming up with financial institutions to offer this service to retail customers.

ING has teamed up with Kabbage, a Fintech start-up based in the United States, to serve SME customers in Europe. Kabbage's user-friendly layout and cutting-edge risk-management algorithms enable ING to make decisions on loan applications in seconds.

3. Emerging technologies such as AI / ML enabling deliver innovative use cases

Fintechs are swiftly adopting newer technologies like Artificial Intelligence (AI) and Machine Learning (ML) to increase network access and expand product stack.

4. Consolidation and M&A

Fintechs are partnering and resorting to M&A to augment their skill and scale. PayPal has acquired 'izettle' in the recent past, which now allows PayPal entry into in-store payments.

5. Regulations evolving globally to support the Fintech industry

In recent quarters, several leading Fintech regulators in the region, including the Singapore Monetary Authority, the Hong Kong Monetary Authority, and the Australian Securities and Investment Commission (ASIC), have taken a mentorship role in helping developing countries in the region, including Thailand develop, regulate, and support Fintech. Following the debut of a new payments network in Australia, the Australian Government has asked banks to participate in Open API projects so that Fintechs can participate.

6. Instant payment platforms

The launch of Instant payments by platforms like The Clearing House, which is expected to reach critical mass in the next few years, and the upcoming FedNow, the Fedwire Instant payments platform, is putting pressure on banks' treasury departments to improve service offerings to corporates, leveraging the speed and enriched data of Instant payments.

TRANSFORMATION OF THE FINANCIAL SERVICES DELIVERY STRUCTURE

Traditional Banks

Traditionally, banks had a large physical presence by way of brick-and-mortar locations. These were used to service all customers ranging from retail to corporates. This entailed high fixed costs rendering high banking transaction charges.

Digital Banks

Over the last couple of decades, digital banks have taken off in a big way. These have evolved from being initial support to traditional banking for non-critical banking functions to a full-fledged bank for critical applications. Digital banks are generally backed by large financial institutions, are performed by way of online banking and mobile apps and have no brick-and-mortar locations.

Neobanks are digital banks with no physical branches (unlike traditional banks) and only have an internet presence. Due to this, they save significantly on banking costs and reach out to the unbanked and underserved.

Neobanks

Neobanks represent the next evolutionary step in banking. Globally, Fintechs have been evolving into Neobanks. Neobanks are digital banks with no physical branches (unlike traditional banks) and only have an internet presence. Due to this, they save significantly on banking costs and reach out to the unbanked and underserved. They are Fintechs that offer various services such as money transfers, lending, and mobile-first financial solutions. Their principal goal is to provide a degree of fast and seamless client experience that no traditional bank could match.

PROGRESS OF THE GLOBAL FINTECH SPACE

Payments

Embedded financial services are being offered extensively by big tech platform businesses and other non-financial services companies. Stripe announced collaborations with Goldman Sachs, Barclays, and Citigroup in the latter half of 2020 to provide customers with embedded banking and payment capabilities via their platform.

Considering the needs of small businesses regarding liquidity, fundraising, capital transfer, and other financial services, B2B services are regarded as a highly ripe and underserved market by investors. Many B2B payments companies began by offering basic services such as invoicing or remittance exchange. Still, they are increasingly seeking to enhance their capabilities and value to enable end-to-end transactions.

It is expected that the 'Buy Now, Pay Later' programs of payment Fintechs will be in sharp focus and provide high-level growth to this segment.

One of the most prominent players in the payment industry is PayPal, an accepted payment solution for merchants. Its other notable products include a digital payments platform, an e-Commerce merchant acquisition platform, an international transfer platform, and a bill-pay solution.

Wealth Tech

Wealth Techs increasingly focus on B2B services rather than pure-play solutions, such as providing platforms to simplify and automate processes like dividends and reporting or giving wealth managers tools and data to further shape their client advisory services.

During the year 2020, there was a focus on making real asset classes like real estate more accessible to investors, such as through the development of platforms where different investors share stakes in a real estate fund and have the liquidity to trade in and out without having to wait for the fund to liquidate in its entirety.

One of the notable players in the Wealth Tech industry is RobinHood which offers to invest in financial markets for the masses via its app.

Integrated Fintechs

Integrated Fintechs has been one of the biggest successes of Fintechs. Fintechs typically start as payment or wealth solution companies and generally offer hardware and software solutions to augment their user's income based on the customers underlying data.

A notable example in this is Square Inc., which offers financial solutions to small businesses to enable them to make payments, access peer to peer receipts, store and invest their own money, give them financing solutions, and has varied software and hardware products like Point-of-Sale (POS) systems to help them grow their businesses.

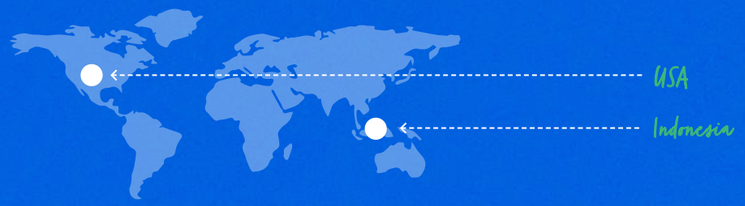
LARGE FUNDING ROUNDS 2020

The global pandemic slowed down the deal flow in the first half of 2020. However, the shift to digital brought about a resurgence in the second half of 2020. Fintech investment by way of VC (venture capital), PE (private equity), and M&A was US$ 105 billion from 2,861 deals. M&A activity increased considerably in the latter half of 2020 to a significant number of US$ 60 billion for 2020, the increase being fuelled by resurgent M&A activity in the United States, with nine of the top ten M&A acquisitions being witnessed in the world's largest economy. The year also saw a slew of start-ups reaching the unicorn stage, including in the United States (Better.com), Canada (Wealthsimple), India (Razorpay), the Netherlands (Mollie), and Brazil in the second half of 2020 (Creditas). Saudi Arabia (STC Pay) and Uruguay (dLocal) both witnessed their first Fintech unicorns. The diversity of these unicorns reflects the global Fintech the global Fintech ecosystem's rapid evolution.

THE FOLLOWING WERE THE NOTABLE DEALS IN THE PAST 1 YEAR IN FINTECH SPACE*

Investee Company	Business	Country	Deal Type	Amount (US$ Billion)
TD Ameritrade	Wealth Tech	USA	M&A	2.2
Credit Karma	Lending	USA	M&A	7.1
Vertafore	B2B	USA	M&A	5.3
Honey Science	Payments	USA	M&A	4.0
Gojek	Payments	Indonesia	VC	3.0
Iberia Bank	Banking	USA	M&A	2.5
Robinhood	Wealth Tech	USA	M&A	1.3 (2 rounds)
Paya	Payments	USA	Reverse Merger	1.3
Open Lending	Lending	USA	Reverse Merger	1.3
Galileo	Lending	USA	Reverse Merger	1.2

*Source: *KPMG Fintech Pulse 2020*

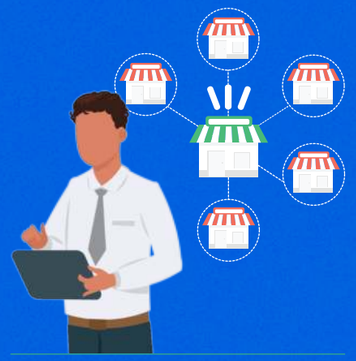




On a geography-wise basis, the Americas demonstrated high resilience with a record US$ 79 billion* investment in 2020. Consumers and businesses switched to digital solutions to satisfy their financial needs amid the pandemic. In Europe, VC investment remained strong at $9.3 billion*. Asia Pacific saw investments of US$ 11.6 billion* in 2020, and it is expected that the current strong interest in Fintech unicorns is likely to sustain given their recent operational successes and valuations. January-March 2021 saw high traction in deal activity with US$ 29.1 billion** in financing transactions and US$ 95.1 billion in M&A. Some large deals included investment in Klarna amounting to US$ 1.0 billion**.

*Source: *KPMG Fintech Pulse 2020 | **FTPartners*

Investments and heightened M&A activity were seen across the payments and the wealth tech space given the rapid acceleration of digital trends and demand for alternative payment models in the payment space, while the need for digital partnerships for a cheaper and wider distribution drove investments in the wealth tech space. The general mood in these spaces continues to be buoyant, and we expect the deal flow and opportunity pipeline to increase in the coming years.



"Fintechs are now going beyond payments to other financial segments like lending, wealth management, and insurance via tie-ups with incumbent players."

INDIAN FINTECH INDUSTRY

After the US and China, India is home to the third-largest unicorn ecosystem globally. India has 26 unicorns with a total valuation of US$ 90 billion. In comparison, the US and China have 249, and 122 unicorns were having a total valuation of US$ 725 billion and US$ 529 billion, respectively, according to CB Insights. Fintech is the largest cohort of unicorns and makes up close to 16% of the global unicorn ecosystem and ~30% of the total unicorns in India. Although there is a large disparity between India and the top countries, as per Credit Suisse, our country will have 100+ unicorns if we bring into the picture the companies that have witnessed a significant expansion since its last fundraise or have scaled up without raising external funding. India's Fintech ecosystem paves an extraordinary growth path backed by the digital infrastructure and its inclination to partnerships. Fintechs are now going beyond payments to other financial segments like lending, wealth management, and insurance via tie-ups with incumbent players.

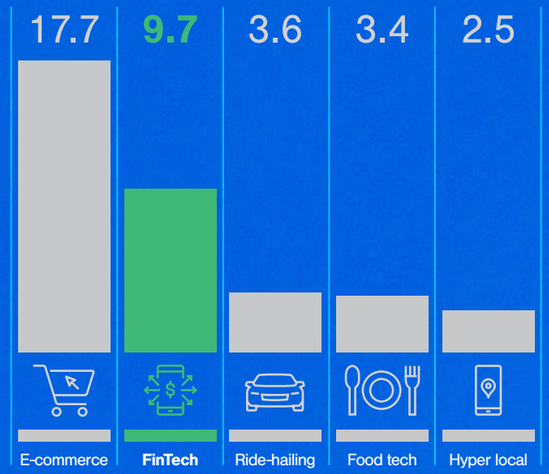
PAYMENTS LEADING THE FINTECH EXPANSION IN INDIA

Payments have led the expansion of Fintechs in India primarily as wallet players and later riding on the digital infrastructure support from the Government. In the last five years, digital payments in India have increased 10x and stood at US$ 450 billion, constituting 30% of the Fintech sector. It is preferred by one-third* of Indian households and 35 million merchants against the 5 million traditional Point-of-Sale (POS) terminals onboarded by banks in the past 10-15 years, as per Credit Suisse. Over the past decade, Indian Fintechs ended up raising US$ 9.7 billion, with a major chunk of it going towards payments (44%), followed by digital lending that constituted 26% of the total VC funding received in 2020.

*Source: *NPCI*

FINTECH HAS BEEN THE SECOND-LARGEST RECIPIENT OF VC FUNDING IN INDIA...

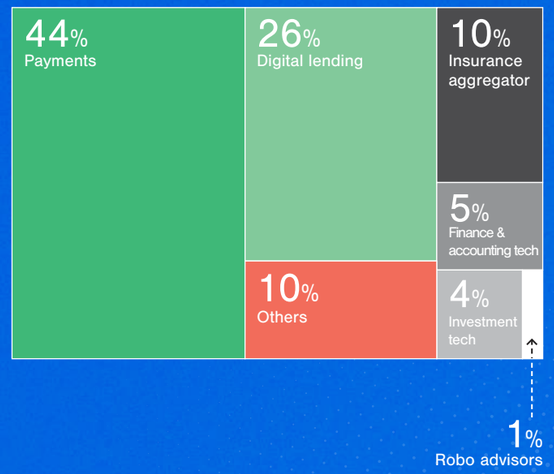
Total VC funding in last decade in India (in US$ Bn)



Source: Tracxn

... WITH PAYMENTS AND LENDING CONSULTING ~70% OF IT

Total VC funding to Fintechs in last decade in India (in US$ Bn)



Source: Tracxn

Digital lenders increased their loan book to US$ 10 billion, out of which 40% accounts for personal and consumer durable loans*. They continue to add new loan products as the confidence in their underwriting models increase.

FINTECHS SCALING UP BEYOND PAYMENTS

To drive monetization, Fintechs have been expanding beyond their initial/core offerings to other financial segments. Adding offerings like lending (Buy Now Pay Later and personal loans), investing (mutual funds, gold), insurance, and e-commerce enables payment platforms to cross-sell these new offerings to their large customer base of ~200 million active users. Digital lenders increased their loan book to US$ 10 billion, out of which 40% accounts for personal and consumer durable loans*. They continue to add new loan products as the confidence in their underwriting models increase. As for Fintech brokers, using disruptive pricing models (zero/discount broking), garnered a 36% market share* in providing direct mutual funds and loans against securities (LAS). Additionally, with 80 million+ customers* digital insurers are increasing their penetration by providing bite-sized insurance policies through partnerships.

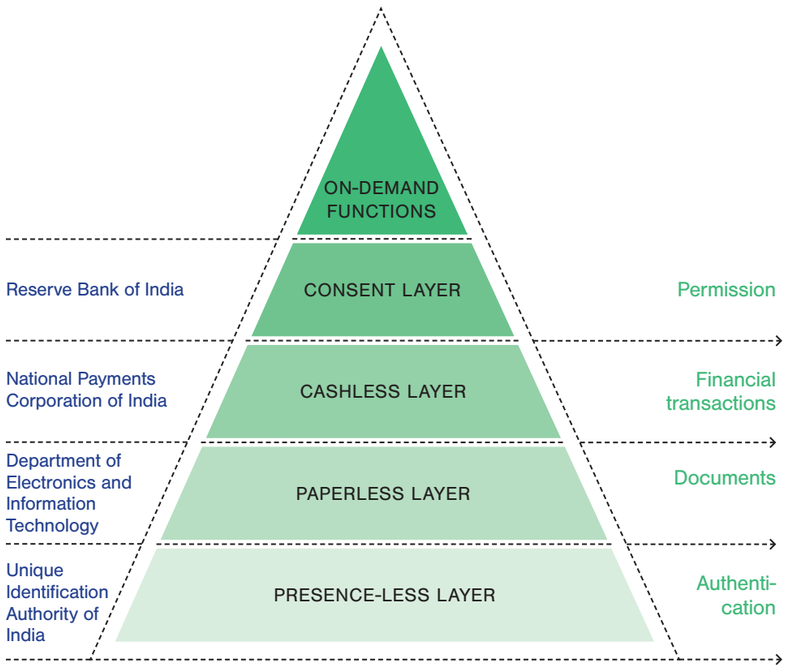
Source: *Credit Suisse

DIGITAL INFRASTRUCTURE FOR FINTECH PLAYERS

To promote financial inclusion and digitally empower the country in technology, the Indian Government came up with the JAM trinity and Digital India programme. The 'JAM' trinity helps the underprivileged open bank accounts and public rails built with Aadhaar and mobile phone drive service delivery. Under the Digital India programme, the Government focused on increasing the accessibility of Government services to citizens electronically by improving internet connectivity and the online infrastructure.

This gave rise to Government's most ambitious societal initiative – IndiaStack, a set of APIs that allow businesses, start ups, developers, and governments to facilitate presence-less, paperless, and cashless service delivery by employing a unique digital infrastructure. This initiative has played a crucial role in India's digital evolution, and when it comes to digital payments especially, it has been the key growth catalyst for Fintechs. The Government is making continuous incremental developments on various parts of the stack.

THE INDIASTACK



Source: RBSA Advisors, IndiaStack

UPI Transaction Volume

(By 2025)

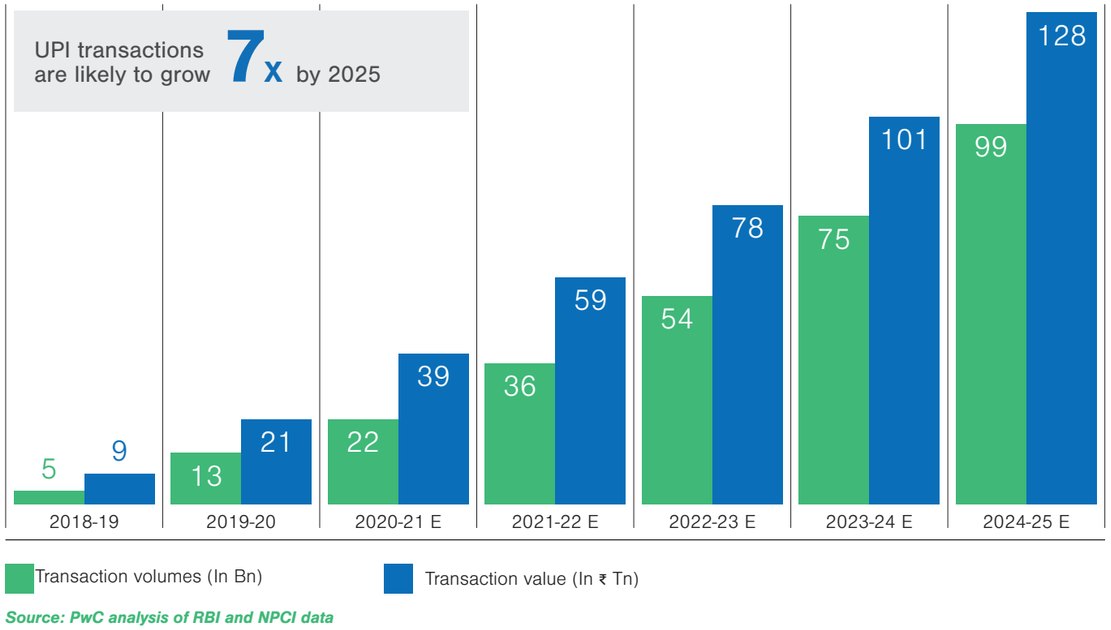
US$ **128 Tn**

The key digital tools part of IndiaStack has been listed below.

Unified Payments Interface (UPI)

The acceleration of payment digitization was majorly driven by UPI as it opened an interoperable network of payment for large tech companies. UPI allows users to make instant, assured, and low-cost payment transactions. Since its launch in 2016 until 2019-20, UPI has grown exponentially at a CAGR of 414%, becoming the most favoured payment product in terms of transaction volumes, according to PwC. Peer-to-peer (P2P) payments account for ~60% of the total UPI transaction volumes underscoring massive adoption among businesses preferring UPI as a mode of payment over Immediate Payment Service (IMPS). The UPI transactions are expected to grow by 7x by 2025.

PROJECTED GROWTH OF UPI TRANSACTIONS



Source: PwC analysis of RBI and NPCI data



"AePS was introduced to drive financial inclusion in the country."

Enabling UPI as a payment mode for FASTag recharges, outstanding credit card balances, and the launch of UPI 2.0 in 2018 have been some of the key growth drivers. Under UPI 2.0, linking of overdraft account, invoice verification, setup of recurring mandates to pay mobile bills, electricity bills, etc., automatically without a PIN-based authentication, among other features, has been a game-changer for UPI players.

Aadhaar enabled Payment System (AePS)

AePS is an Aadhaar dependent framework to promote biometric & Aadhaar-based financial and banking services among the citizens through the fingerprint or iris. Nearly all bank accounts are now seeded with the Aadhaar number, and this allows platforms to deliver banking services to the user for the Aadhaar stack. It was launched in 2018 to enable banking services in rural or unbanked areas and disburse central and state government claims under schemes like the National Rural Employment Guarantee Act (NREGA), pension for disabled or senior citizens, and social security pension. In April and May 2020, 400 million+ AePS transactions took place considering the direct disbursements included in the COVID-19 stimulus packages announced by the Government. AePS was introduced to drive financial inclusion in the country. With the Government looking for ways to promote Aadhaar-based payment solutions, the transaction volumes have increased exponentially over the years.

DMT transaction value

(By 2020)

US$ **20 Bn**



AePS is also a cost-effective digital payment tool (Aadhaar Pay) for merchants who aren't willing to build POS infrastructure. Moreover, since AePS takes place via fingerprint-based authentication, it doesn't require the customers to bring/own physical cards to make a payment, which is especially beneficial for rural individuals. It reduces costs and eliminates the need for them to remember any PIN, enabling a frictionless experience.

Micro-ATM (M-ATM)

M-ATMs are devices used by a large number of BCs to provide basic banking services. This small device allows banking customers to swipe the debit card at any enabled merchant location and withdraw cash from their bank account. The cash is delivered by the retailer/merchant locally. Since this is connected to banks across India, they enable instant deposits or withdrawal of funds, irrespective of the BC's bank.

Bharat Bill Payment System (BBPS)

BBPS is an integrated online bill payments platform developed by the National Payments Corporation of India. Before BBPS came into the picture, bill payments used to be a fragmented market. However, BBPS offers a centralized platform with numerous payment channels and multiple billers. Although the number of payments took a hit during the initial months of COVID-19, it came back to normal, rather increased in the later months.

Continued onboarding of billers and adding new biller categories like – life insurance, local taxes, FASTag, health insurance, education fees, credit card, LPG booking, and invoice payments, among others, are expected to boost the growth of BBPS transactions. In fact, by 2025, the new biller categories are estimated to contribute 3.1 times the transaction value of existing biller categories. Moreover, in rural and semi-urban areas, integrating physical customer touchpoints like local retail shops with BBPS will further provide a fillip to the transaction volumes on the platform.

Account Aggregator (AA)

There are a number of consent managers under the Data Empowerment and Protection Architecture (DEPA), whose main aim is to empower every Indian with control over their data. AA is one of the consent managers exclusively meant for financial data that manage consent for financial data sharing. These consent managers are 'data blind' and ensure encrypted data flow. They democratize data access and allow secure portability of confidential data between service providers.

Direct Money Transfer (DMT)

Inter-state migrants, primarily labourers, make up a significant portion of India's workforce. It is estimated that the number of migrants has increased from 54.2 million in 2011* to 65 million in 2020**. These migrants rely on Direct Money Transfer (DMT) services for fund transfer to their hometowns. Money transfer and banking access for this customer set are challenging as they don't have local bank accounts. DMT empowered outlets allow these customers to convert their cash savings and remit them to their own or family's bank accounts anywhere /anytime. An increase in the said migrant population in search of work has resulted in a 3-year CAGR of 17% to record a total transaction volume of US$ 20 billion*** in 2020.

*Source: *RBI report on COVID 19 | **Amitabh Kundu in RIS Diary | ***Internal estimates*

CURRENT SCENARIO

Financial inclusion is a key determinant for the development of an economy. However, increasing financial services penetration by setting up Tier II & III cities branches lead to high customer acquisition costs for banks and NBFCs. Along with this, high cost of delivery, small transaction sizes, lack of credit history, and documentation among the rural individuals & MSMEs lead to financial institutions favoring super-prime and prime customers. This leaves a large untapped opportunity for Fintechs that operate on asset-light tech-centric models to solve the problems faced by traditional banks and making it easier for them to serve lower-income groups.

MSME LANDSCAPE

At the heart of India's dynamic business landscape, ~63 million MSMEs contribute 38% to GDP, generating one-fifth of India's employment. The Indian economy continues to



"Fintechs are working towards becoming a one-stop solution for small enterprises to meet their financial needs."

modernize at a healthy clip, thus pushing the formalization of the businesses. Events such as the introduction of GST in India have further accelerated this process. Thus far, MSMEs have been operating in an informal setup; however, there is a multi-decadal trend where these MSMEs need to formalize and digitise to remain relevant and continue to grow. The introduction of GST has seen rapid growth in the number of GST taxpayers from 5.7 million in 2018 to 7.0 million in 2020. Further, India's 70 million retailers want to increase their product offerings and augment their income on the rural front. These numbers are expected to increase manifold in the forthcoming years as they come into the financial inclusion fold.

Formalisation of this customer group creates multiple opportunities across various technology SaaS products, income augmentation products, and financial services. One of the challenges for traditional delivery models has been how to reach these MSMEs across India given geographical dispersion, slow technology adoption, and low ticket/transaction size. This will be solved through the technology-led ecosystem and efficient distribution. This is creating an attractive product market gap for Fintechs and is a structural opportunity.

How are Fintechs helping MSMEs?

Fintechs, in their endeavour to provide financial services a hassle-free one, are working towards becoming a one-stop solution for small enterprises to meet their financial needs. The need for businesses to formalize is creating multiple product opportunities. The product stack of Fintech's is more wide-ranging than traditional banks. Fintech's product set offering could be dispersed and range from procurement, SaaS-ERP systems, commerce and payments, income augmentation, wealth, and lending. This allows Fintech's to drive greater business visibility, exercise better control, and generate transaction data.

We have seen the single product (lending only) and multi-product Fintech models beginning to scale in India. Our view is that a multi-product allows firms to generate transaction data to solve the lending in a rather difficult segment. The payments have been at the forefront of adoption as B2C-centric MSMEs digitized their customer-facing payment systems. Adoption of UPI is prime example of the payment's revolution in India. In the UPI ecosystem, the growing disintermediation of payments has created intense competition for banks. While the bank retains control of the payment source and destination (along with any related costs), Fintechs (with a 98 percent value market share in UPI payments) dominate client and merchant acquisition and the user experience. On the B2B side, the payment systems adoption rates have significantly increased, driven by internet adoption and the need to move businesses online. Fintech again continues to dominate this segment with payment gateways and aggregator platforms. Fintechs powered with alternative credit evaluation models and transaction data can offer low-cost loans with a technology-enabled asset-light model on the lending side.

RURAL INDIA LANDSCAPE

India is home to over 1.3 billion people, out of which 850 million reside in rural areas. A major chunk of this population is underserved in terms of basic banking services. Therefore, to promote financial inclusion, the Government introduced various initiatives, most important among them was developing a digital pipeline that involved linking Jan Dhan accounts (currently standing at ~420 million) with Aadhaar cards and mobile numbers (i.e., the JAM trinity). This digital infrastructure acted as an essential backbone for facilitating DBT (Direct Benefit Transfer) flows, adopting social security schemes, and promoting a cashless society by enabling digital payments through RuPay cards. Thus, accelerating the pace of developing an insured, digitalised, secured, and financially empowered society. The current average balance in these accounts stood at around ₹ 3,000/- as of March 2021.



Digital infrastructure acted as an essential backbone for facilitating DBT (Direct Benefit Transfer) flows, adopting social security schemes, and promoting a cashless society by enabling digital payments through RuPay cards.

However, for the rural population to shift from cash to digital modes of transaction, the need for robust interoperable cash in cash out (CICO) network emerged. Hence, in conjunction with the Government, the RBI launched the banking correspondent (BC) model and set up new brick-and-mortar branches and ATMs in every location to increase penetration in Rural India and expand the banking network. But, given India's vast geographical base and large population, it becomes excessively difficult for FIs to reach out to every individual. Setting up branches to increase touchpoints involves huge infrastructure costs. On the other hand, BC model attracted various regulatory requirements like settling withdrawals and complete accounting with bank branches



Rural areas were relatively less affected by the first wave of the pandemic than metropolitan areas with higher population density.

within 24 hours of completing the transaction, which is difficult due to the distance, lack of human resources, and technology. Therefore, access to banking services among the rural population is a problem that persists.

Fintechs leveraging on the BC model

Fintechs today, with their innovative business models, provide last-mile links to banks to connect the rural population to modern technology and offer services through local retail stores. They empower BCs through their technology-enabled platforms and are riding on the various initiatives taken by the Government over the past decade like JAM trinity, RuPay cards, and the continuously advancing digital infrastructure – the IndiaStack.

On the other hand, banks benefit through this model as the entire setup cost is taken care of by the Fintech. Since Fintechs operate on a fully digital asset-light model, it becomes easier for them to serve lower income groups in deeply penetrated areas. Partnering with banks enables Fintechs to embed offerings like loans, insurance, and investment in their product stack. As for banks, tie-ups with Fintechs help them in increasing customer servicing channels that result in enhanced user engagement, increased market reach for their products, and drive cross-selling through the network.

IMPACT OF COVID-19

IMPACT ON RURAL INDIA

The rural economy of India is made up of both farm and non-farm industries. Millions of migrant workers send money home, contributing to the country's non-farm economy, including formal and informal jobs in retail, construction, manufacturing, hospitality, education, and transportation. It has been observed that non-farm and remittance incomes have a favourable impact on food security and rural lives. Consumption expenditure improves the overall economy in rural India, where 70% of the population lives.

The ongoing COVID-19 pandemic prompted a nationwide lockdown that began on March 24, 2020. Depending on the intensity and size of the pandemic's spread, the lockdown was gradually lifted starting from April 2020 onwards. To boost the economic recovery, the central government and state governments announced several fiscal relief measures, especially for the underprivileged. This involved allocations under the Pradhan Mantri Garib Kalyan Yojana, increasing the minimum support price (MSP), and increasing allocation under Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGA).*

*Source: *pib.gov.in*

Rural areas were relatively less affected by the first wave of the pandemic than metropolitan areas with higher population density. Furthermore, agriculture and related activities were generally exempt from the lockdown measures and exhibited resilience due to a combination of factors, including a plentiful monsoon, adequate soil moisture, replenished reservoir levels, improved labour availability during the pandemic, and favourable agricultural product terms of trade.

On the other hand, the second wave of COVID-19 began impacting rural India with more than 50%* of new infections in May and till June 20, 2021, in the heartland. This impacted the rural labour force participation in the first couple of months of FY2022. However, predictions of a normal monsoon and a healthy yearly growth of 10%*** in wheat procurement have led to the belief that rural India could see a stable year ahead.

*Source: *JM Financial report, Ministry of Health and Family Welfare | **JM Financial report, nrega.nic.in | ***Ministry of Agriculture, JM Financial*

The AEPS enabled withdrawals witnessed accelerated growth on the rural payment segment due to the Direct Benefit Transfers (DBT) under the Government's social assistance programs. Resultantly, AEPS interbank transaction volume increased by 120%* in FY2021 to 0.96 billion*. On the contrary, AEPS volumes decreased by 17% to 158 million* in the first two months of FY2022 at the second wave. This was because of the high base of April & May 2020, when the Indian Government transferred money under various social support assistance schemes as a one-time measure. During the same time, urban India saw limited opportunities in unorganised labour force participation because

of the frequent lockdowns and restricted people mobility. Hence, Direct Money Transfer (DMT) remittance volumes also decreased in the short term.

*Source: *NPCI*

It is expected that AEPS, non-financial Micro-ATM, and DMT will gather their pre-COVID momentum post a substantial portion of the populace is vaccinated, which in turn will enable full unlocking across India.

IMPACT ON MSMES AND PUSH FOR DIGITALISATION

The ongoing pandemic has most impacted this segment. While the impact on local grocery stores (Kirana) and small essential local businesses may be minimal, the broader non-essential MSME ecosystem, especially in the hospitality domain, has been severely impacted. The MSMEs were already under pressure from slowing growth pre-pandemic, adjusting their businesses to GST and the extended pandemic has put them under stress impacting liquidity. The government support around credit access has improved the liquidity and lifted the credit freeze for this sector. We expect broader MSMEs sector to recover over the next two years and believe that this event has unleashed a tidal wave of digital adoption.

As we saw, businesses that adopted digitalisation were quick to respond to the COVID-induced lockdown. This shift towards digitalisation and automation has been viewed as permanent. Hence, it presents a great opportunity for Fintechs to help MSMEs quickly come onstream to the digital shift, the benefits of which are visible today and would yield incremental returns over the greater term.

Fund raised by Niyogin

(From institutional investors)

₹ 2,348 Mn



ABOUT NIYOGIN FINTECH LIMITED

In January 2017, Information Interface India Private Limited acquired M3 Global Finance Limited and renamed it to what it is called now – Niyogin Fintech Limited ("NFL" or "Company"). Through this deal, Niyogin ended up raising ₹ 2,348 million from institutional investors. Niyogin Fintech Limited, founded by Amit Rajpal and Gaurav Patnakar, was started with the vision to build a Fintech company to serve the micro, small and medium enterprises (MSMEs), which remain underserved across technology and financial products. Aligned with this vision, it aims to reach out to the less penetrated parts of India and drive financial inclusion.

In 2018, we initiated our Credit segment in Urban India, wherein we offered small ticket unsecured business loans (UBL) to MSMEs and focussed on market access through financial professionals. To enhance the product stack for Urban India, we initiated our Wealth Tech segment through the acquisition of Moneyfront in 2019. In 2020, we acquired iServeU (initiating the Rural Tech segment), giving us market access to under-penetrated Rural India.

This makes us India's unique early-stage listed Fintech company focussed on serving the Micro, Small and Medium Enterprises (MSMEs) through our platform infrastructure model. Our business is divided into two segments – Rural Tech and Urban Tech.

OUR BUSINESS MODEL & STRATEGY

We believe what differentiates us is our unique business model and our strategy.

TECH-CENTRIC MODEL

Being a Fintech company, technology acts as the backbone of our business in product delivery and seamless experience. We are building an open tech financial services platform. This effectively builds a full-stack, API, and SDK capable financial services infrastructure platform that powers all distribution/customer-facing businesses. This allows us to power local MSMEs and other enterprise platforms to do more with their current distribution infrastructure. Our tech platform is scalable, wherein products can be accessed easily as per the customers' requirements. Moreover, smooth, and quick onboarding of partners and retailers on our fully digital platform allows us to serve a larger customer base giving a significant boost to our market reach without incurring any additional customer acquisition costs.

As a curated platform infrastructure provider, the objective across both our Urban and Rural tech segments, is to empower our partners to offer best-in-class products and choose the relevant products for their respective segments.

COST-EFFICIENT MARKET ACCESS THROUGH OUR PARTNERSHIP LED MODEL

At a very early stage, we recognized that a major hurdle in solving for our target segment would be customer acquisition cost. To overcome this, our open tech platform model is designed to leverage the already established network of financial professionals, BC, and Enterprise partners to reach out to our target segment instead of rebuilding the network on our own. Therefore, both Rural Tech and Urban Tech run on a partner-led model that gives us cost-efficient market access, thereby lowering our capital burn rate and customer acquisition costs. The platform is designed to empower partners to deliver superior experience with best-in-class products.

LEVERAGING ON THE CUSTOMER BASE BY EXPANDING PRODUCT STACK

We have been expanding our product stack to enable our partners to become a one-stop solution for their customers. As a curated platform infrastructure provider, the objective across both our Urban and Rural tech segments, is to empower our partners to offer best-in-class products and choose the relevant products for their respective segments. In our Urban Tech, an MSME that generally reaches out to a financial professional to meet its credit needs is likely to prefer the same person to get its wealth managed; that's where our Wealth Tech platform comes into the picture. Similarly, in Rural Tech, through the platform, when a rural individual can access banking services from its nearest retail store, it is expected that they would reach out to the same store if they need to transfer money, make bill payments, or take microinsurance. Hence, we continue to increase our tech-enabled product stack to enhance customer stickiness and drive revenue growth.

OPPORTUNITY FOR TRANSACTION-LED CREDIT MODEL

In FY2021, we transitioned from offering generalized credit to transaction-led credit. Because of our business, all our partners are onboarded on either one of the two platforms. This gives us access to their transaction data and cash flow control as partners generate income on our platform. This enables a better assessment of an individual's creditworthiness as well as ability to digital collect in the transaction flow. Therefore, resulting in improved collection rates and easy collateral-free credit availability for the under-served. Especially, in our Rural Tech platform, capital constraints limit the retailers' ability to execute transactions for rural individuals, hence, using the transaction data available on the platform we can identify these limitations, help the retailers meet their working capital needs and drive transaction volumes.

DELIVERING IMPACT

Niyogin means empowerment, and that is what our business is built on.

Rural reach

In Rural Tech, iServeU has developed a platform to help our partners deliver financial inclusion. We onboard partners with storefront access (retailers), and operate as an integrated platform that connects partners, their banks (partner banks) and the retailers at one place. As a result, the Company can streamline the process of providing banking services to rural individuals at the local village level and increase their reach through partnership. With iServeU, we expanded our penetration in Rural India and currently have close to 130,000+ touchpoints.

Accessibility to banking services

As we know, the Government has taken numerous initiatives to drive financial inclusion, wherein it is banking the unbanked through the JAM trinity and trying to increase accessibility of the banking services among the underserved. However, we still see customer experience and service delivery a big white space in rural India. The large geographical footprint and low transaction sizes compound this service delivery problem from an economic standpoint. Our platform, riding on the public payment's infrastructure empowers local retailers to offer digital banking services to rural Indians.

Partner model enabling network monetization and income augmentation

With every new product that gets added, it allows the channel partner to move a step forward in becoming a one-stop solution for its client. A large product stack that aims to meet every need of the MSMEs further unlocks the potential to cross-sell and enable the partners to monetize its large network of clients.



Acquired stake in iServeU

(FY2021)

51.00%

For retailers, our platform provides an additional source of income, that is directly proportionate to the number of transaction volumes executed by the retailers. Moreover, by providing transaction-led credit to retailers and helping them meet their working capital needs, our Company increases the income augmentation scope for retailers.

Hence, by running our Company with an impact-centric approach, we grow as our stakeholders grow.

MERGERS & ACQUISITIONS (M&A)

Besides, growing our Company organically, we have been open to M&A activities in the start-up ecosystem with the aim to either expand our product stack or achieve scale by increasing the network of channel partners. As mentioned, in the past, we acquired 50.01% of Moneyfront. The decision was driven by the need to expand our product stack by adding Wealth Tech. Similarly, recent activity, wherein we acquired 51.00% of iServeU, the decision was driven by the need to penetrate into Rural India and increase our product stack to serve their requirements. Therefore, going forward our decisions related to M&A would be taken in a similar fashion wherein we will look for businesses that align with our vision and demonstrate synergies that will help us grow together. The table below highlights the future outlook for our three products.

OUR FUTURE OUTLOOK

	Rural Tech	Credit	Wealth Tech
M&A Drivers	• Expand Products • Build Scale	• Expand Products • Further Market Access	• Expand Products • Build Scale



The iServeU platform serves our Rural Tech segment, wherein it enables the partners and their retail stores to serve rural individuals by providing financial services locally.

TECHNOLOGY & DATA INFRASTRUCTURE

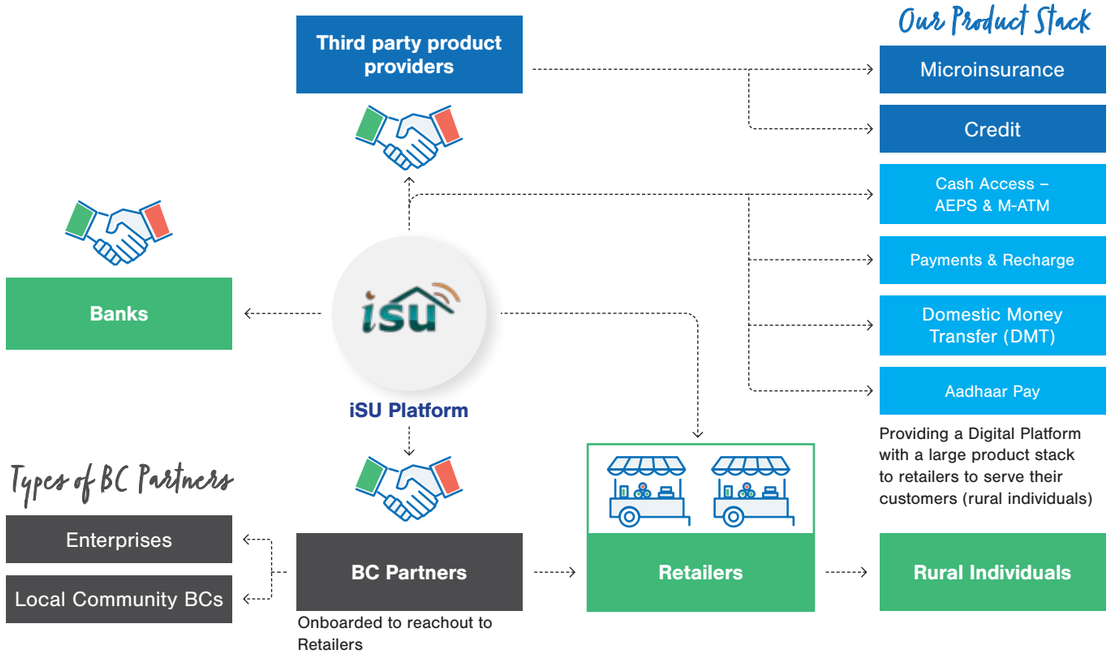
Niyogin is a Fintech driving innovation through technology and building economic infrastructure for MSMEs. Technology is the driver for our core product offering i.e., the open tech platform vision to drive financial services adoption and inclusion. There are two specific areas of investments in technology 1) the product capability investments and 2) the technology platform and infrastructure. We have made significant investments in both these areas over the past year and will continue to accelerate our investments to expand our product offerings and create more flexible and scalable platform. The platform is being built with the objective and capability to offer the entire banking services stack consumable as full-stack, API and SDK depending on partner's own technology evolution and choice. This would make us a unique tech financial services infrastructure platform that powers all distribution/customer facing businesses. For this, we work closely with various leading technology companies across multiple domains financial institutions, payment networks, and banks. We expect technology investments to remain elevated.

OUR SEGMENTS

RURAL TECH

The iServeU platform serves our Rural Tech segment, wherein it enables the partners and their retail stores to serve rural individuals by providing financial services locally. Our tie-up with product partners such as banks, insurance companies, among others, helps us facilitate a technology-led product delivery system. On the other hand, through our partnership-led model, we onboard Banking Correspondents (BC) partners (includes enterprises and local community BCs) on the platform to reach out to local retail stores. By connecting banks, BC partners, and BC agents in one place, we make the retailer well-equipped to provide frictionless and easily accessible banking, financial, and payment services to local communities.

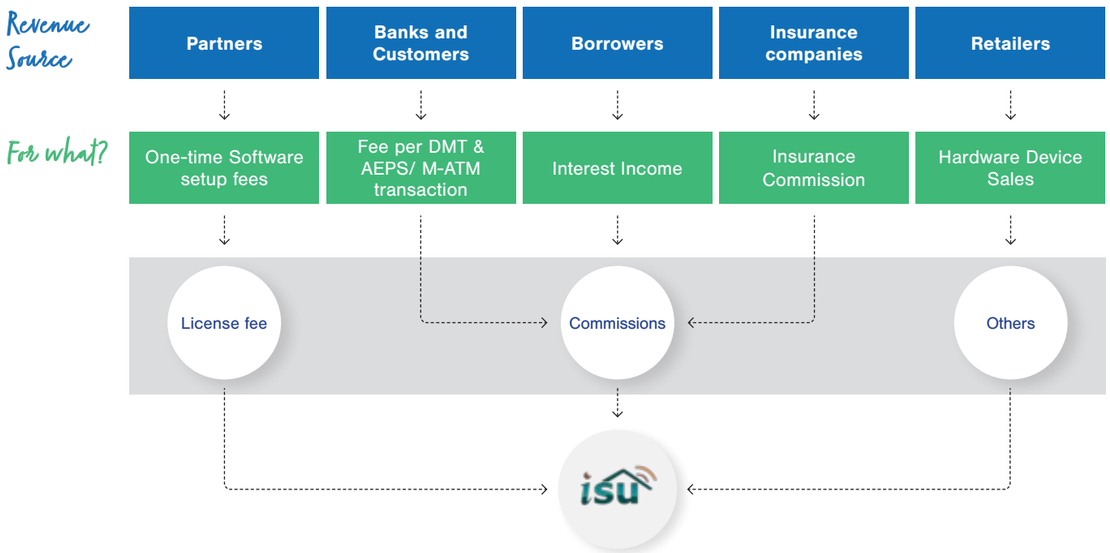
RURAL TECH



Products

Our Rural Tech product stack includes Credit, Aadhaar Enabled Payment System (AePS)/Micro-ATM (M-ATM), Bharat Bill Payment System (BBPS), Domestic Money Transfer (DMT), Aadhaar pay, and Microinsurance, wherein Transaction-led Credit and Microinsurance will be led by third-party product providers.

REVENUE MODEL



We completed the business integration of the iServeU acquisition in FY2021. The distribution expansion was accomplished by expanding into newer geographies and forming major alliances at local and enterprise levels.

One-time software setup fees are the license fees paid by the partner to use the platform. Through the platform, they can connect with their partner bank online, manage the retailers onboarded, and keep track of the transactions made by every retailer.

Fee/commission income depends on the number of transactions done by the retailers, and the spread is shared between the bank, partners, retailers, and us.

Hardware devices include Aadhaar biometric devices, Micro-ATMs, thermal printers, are bought by retailers. Aadhaar biometric devices have fingerprint scanners that enable the easy execution of transactions among rural individuals through Aadhaar-based biometric authentication.

Business Update

We completed the business integration of the iServeU acquisition in FY2021. As we extend our market access and product stack to deepen our consumer connections, we believe this is a major turning point. This distribution expansion was accomplished by expanding into newer geographies and forming major alliances at local and enterprise levels. Parallel to this, we expanded our current payments product stack to include more services for basic banking, insurance, and credit. This is expected to enhance our capabilities as an enabler for financial inclusion. We added Aadhaar pay, our first digital-to-digital payment solution, to our product stack that previously had only cash-to-digital and digital-to-cash solutions.

We rolled out the transaction-led credit on a pilot basis for our platform partners and retailers (Rural Tech) who have a vintage with us. Currently, our retailers invest their equity in the AEPS, M-ATM, and DMT services, which are then recycled regularly. As a result, the retailer's transaction throughputs are effectively limited by capital availability. For select retailers, our credit programme eliminates this obstacle by providing capital access to increase payment throughputs, with the retailer funding the expense with the transaction spread raised. This credit access boosts transaction volume and accelerates income growth, resulting in a self-sustaining cycle of better control and lower credit risk. As we ramp up this offering, we expect it to influence our payment volumes in FY2022 positively.

We formed multiple partnerships during FY2021, which, combined with our internal organic expansion, enabled us to expand our retailer network by 143% YoY to 131,082. The Gross Transaction Value (GTV) of the Rural Tech platform was ₹ 57.5 billion in FY2021, up by 46% from ₹ 39.3 billion in FY2020. Although the ticket size varies across products, the average ticket size varies between ₹ 1,800 to ₹ 2,700. This segment's revenue growth has been outpacing GTV growth due to our expanding product stack in the Rural Tech market.



URBAN TECH

Through our Urban Tech segment, we serve the MSMEs on two fronts – Credit aggregation and Wealth Tech. Our aggregator platform provides easy, fully digital credit access to MSMEs through a large distribution network of financial professionals that is serviced by product partners (banks & NBFCs). Furthermore, we have been focusing on a credit light model wherein our tie-up with lending partners enables us to provide off-balance sheet credit to MSMEs besides the on-balance sheet credit provided to platform users that includes our channel partners.

On the other hand, our Wealth Tech segment is served by the Moneyfront platform. Through this platform, we serve MSMEs, their owners, large enterprises, and individuals. We reach out to the MSME clients via the network of financial professionals. Additionally, the wealth-tech business runs a deep analytics platform targeted towards enterprise customers managing large wealth businesses.

Products

Our Credit product stack includes unsecured working capital loans, transaction-centric short duration loans, and secured loans. These could be third party manufactured or on balance sheet.

Our Wealth tech product stack includes –
Direct-to-individuals platform: The pre-existing platform for individuals to assist them in financial planning.

SaaS B2B platform: This platform enables financial professionals to build their own wealth practice and help MSMEs and MSME owners in wealth management.

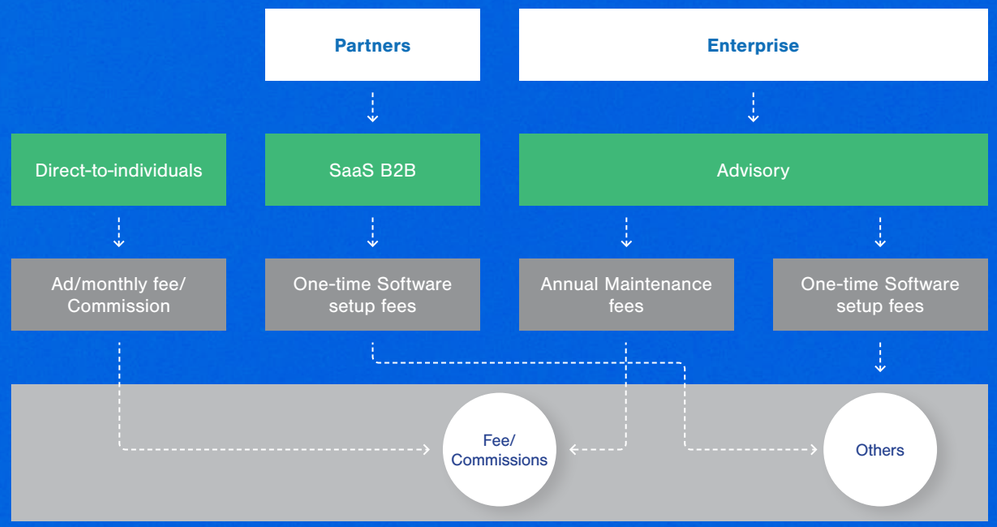
Wealth analytics platform: Analytical services to wealth managers of large enterprises and a platform for individuals to assist them in financial planning.

Revenue Model

For aggregator credit, our revenue model is fee-led, while on balance sheet credit, if any, is simply the interest income earned on the loans issued.

As for Wealth Tech, the revenue is mainly earned by commissions, licenses, and cross-selling this proposition to MSME clients via financial professionals.

REVENUE MODEL





One-time software setup fees is the license fees paid by the financial professionals to use the wealth platform and onboard their MSME clients. This fee is also paid by large enterprises to use the analytical services of the platform.

The annual maintenance fees are paid by the enterprises to use the services of the platform.

Business Update

We are in the process of exiting the credit-led customer acquisition with the aim to de-risk our credit book. The legacy loan book will be ramped down by FY2022. The loan book stands at ₹ 455 million in FY2021, down by 64% YoY.

On the Wealth Tech front, during the year, we added new products that resulted in a 31% rise in AUM to ₹ 9,837 million and throughputs increased by 70% to 26,329 million in FY2021.

FY2021 KEY HIGHLIGHTS

APPOINTMENT OF THE CEO AND CTPO

Tashwinder Singh joined Niyogin as the Chief Executive Officer (CEO) in October, 2020. He joined the Company at a critical inflexion point in the business and comes with more than 26 years of leadership experience in both strategic and operational roles.

Ravi Pratap Singh joined Niyogin as the Chief Technology and Product Officer (CTPO) in May, 2021. He has a proven track record of architecting and leading teams in delivering market-leading solutions across payments, cards and other areas in the Fintech domain.

During the year, we increased our distribution network by acquiring iServeU that gave us access to 130,000+ retailers.

Consolidated total income

(FY 2021)

₹ 506.3 Mn

PENETRATION IN RURAL INDIA THROUGH ISERVEU

Niyogin announced the acquisition of iServeU in the second quarter of FY2021 and completed the integration by the last quarter. This acquisition helped the Company deepen its distribution network in Rural India through 130,000+ retailers.

NAVIGATING COVID-19

Throughout the year, we remained focused on de-risking our current loan book and re-aligned our cost base. On the balance sheet, we remained very watchful and have not been putting on risk. The focus remained on collections, narrowing down the share of generalized credit and focusing on accelerating specialized segments. Niyogin was re-wired as its business model changed from being credit-centric to a platform centric model.

EXPANDING OUR DISTRIBUTION NETWORK & ONBOARDED CLIENTS

During the year, we increased our distribution network by acquiring iServeU that gave us access to 130,000+ retailers.

In the Urban Tech segment, we added 2 new mortgage partners. We further added 2 new enterprise logos in the analytics business under the Wealth Tech segment.

NEW PRODUCT LAUNCHES

During the year, we added new products in the Rural Tech segment both on the credit and non-credit front. On the non-credit front, we added DMT, M-ATM, AePS and BBPS through the iServeU acquisition. We further added microinsurance through third party tie-ups and Aadhaar pay, our first digital-to-digital solution. While, on the credit front, we initiated transaction-led credit on a pilot basis to enable the retailer to transact more and spur growth. Along with this, our SaaS-based Wealth Tech platform went live, and our first enterprise wealth analytics customer went live as well.

FUTURE OUTLOOK

The key priorities as we step into FY22 will mainly revolve around gaining market access, expanding product stack, and network monetization. We continue to look out for M&A opportunities.

PLATFORM CAPABILITIES AND BUILDING MARKET ACCESS

We will invest heavily in expanding our platform capabilities and product stack. This will drive greater partner adoption for our platform. Through FY2021, we have incubated large partner relationships. The platform investments and scaling current relationships should allow us to expand our network into FY2022.

BUILD THE TALENT POOL

The Company has been taking steps to build a strong and credible team, which has been evident in our recent hirings in the top management. We aim to keep onboarding specialized people to strengthen our team on a managerial and employee level.

M&A OPPORTUNITIES

As we have always said, our Company will be looking out for M&A opportunities. Our decision regarding the same will be driven by acquiring companies that either expand our market access & scale or expand our product stack.

FINANCIAL REVIEW

Consolidated Profit & Loss Statement (₹ in million)

PARTICULARS	FY2021	FY2020	YOY CHANGE
Total Income	**506.3**	280.5	80.5%
Total Expenses	**578.8**	527.0	9.8%
EBITDA	**(20.0)**	(202.6)	NA
Reported Pre-Tax Profit/(Loss) (A)	**(72.5)**	(246.5)	NA
Depreciation & Amortization	**50.1**	40.9	22.5%
ESOP (B)	**33.4**	38.9	-14.1%
Non-GAAP PBT (C) = (A) + (B)	**(39.1)**	(207.6)	NA

The geographical size and dispersion coupled with weak unit economics of brick-and-mortar branch model, create a huge white space for rural centric neobank in India.

We achieved a significant milestone in FY2021 when our combined sales rose by 80.5% to ₹ 506.3 million as compared to ₹ 280.5 million in FY2020. Our EBITDA was -₹ 20 million in FY2021, compared to -₹ 202.6 million in FY2020, due to management overlay of ₹ 55.7 million. The second wave of COVID-19 in India has particularly affected small businesses. The management overlay has been done based on the current situation and the expected problems in FY2022 as a result of the second wave and continuing lockdowns.
Our Non-GAAP PBT for the full year was -₹ 39.1 million, compared to -₹ 207.6 million in the previous year. Our ESOP charge for the whole year was ₹ 33.4 million, down from ₹ 38.9 million the previous year. In our credit market, outstanding loans and advances were ₹ 455 million in the current quarter, down 64 percent. This is consistent with our stated thesis of exiting from credit-based customer acquisition.
We remain debt-free. Our cash position had strengthened to ₹ 1,559 million as of March 31, 2021.

PARTICULARS	**FY2021**	FY2020
Fee to Total Income (%)	**38.2%**	0.2%
Total Income to Total Assets (%)	**20.2%**	7.6%
Book value (₹)	**30.5**	28.1

KEY FINANCIAL RATIOS

1. Fee income increased as a percentage of Total Income on account of our businesses pivoting to a fee-centric model.
2. Total Income increased as a percentage of Total Assets on account of our increased focus on fee income and exiting customer led acquisition resulting in an asset light balance sheet.
3. Book value increased on account of increase in equity attributable to the owners of the company.

OPPORTUNITIES

RURAL NEOBANK MODEL

India has a large underserved rural population. Given the geographical size and dispersion coupled with weak unit economics of brick-and-mortar branch model, create a huge white space for rural centric neobank in India. A digital-only bank with no physical branches provides the entire range of banking services digitally to its customers. The idea of neobanks aligns with financial inclusion and typically serves the MSMEs and rural individuals. In India, however, neobanks have partnered with banks and have built platforms that provide services ranging from opening accounts digitally to providing automated analytics for MSMEs. These APIs enable neobank customers to transact with superior product and customer experience. These partnerships enable traditional banks to provide enhanced user experience and cross-sell other products at very low costs.

LARGE ADDRESSABLE MARKET

There are close to 63 million MSMEs in India and over 850 million Indians living in rural India. This segment is informal and underserved across the spectrum of various product and services. The formalization of the economy, expanding incomes, and technology innovation create a massive opportunity for platform-led models to tap and serve this market segment. As an example, we have already seen AEPS transaction throughputs scale to US$ 30 billion+ per annum from virtually nothing five years back. Further, the platform delivery model allows Fintech companies to be customer-centric and move across the financial services spectrum as well into non-financial but adjacent product areas. Our business model is well-positioned to capture this market opportunity and scale.

POTENTIAL TO EXPAND THE DISTRIBUTION NETWORK

Niyogin platform play creates a unique distribution network access that gives the Company cost-efficient market access and enables it to provide hyperlocal services by bringing the bank to the customer in Rural India. It keeps the credibility intact by doing business with the neighbourhood retail stores of the locality they are willing to serve. Our expanding product offerings and open tech platform infrastructure approach allow us to expand our reach rapidly and onboard partners irrespective of size ranging from local retailers, enterprises with large store fronts, Fintechs, and financial intermediaries.

Fintechs originated in India

1,000+

Fintechs in digital lending space

330+



FINANCIAL INCLUSION

Niyogin has been riding on the initiatives taken by the RBI and the Government towards financial inclusion. With Government adding new products at every level of the IndiaStack, the digital infrastructure becomes all the more solid. This will automatically help Niyogin to provide a seamless and quick customer experience to MSMEs and rural individuals.

GROWING INORGANICALLY

Over the last couple of years, 1000+ Fintechs have originated in India, out of which 330+ are in the digital lending space, serving customers across the value chain with various business models. While there have been plenty of companies that started by deeply focusing on one segment. Even though these companies have established themselves as a leader in their area, they are now looking for ways to scale-up and add newer monetization channels. Therefore, going by how Niyogin pictures M&A opportunities, there exist a plethora of options available for acquisitions to expand their product stack and distribution network.

INNOVATIVE USE OF DATA

Niyogin, through its rural-tech platform, aims to give out transaction-led credit. To do this, it will be leveraging the transaction data available on the tech platform to ascertain the income, cash flow of the borrower (partners or retailers) and assess their creditworthiness. This data can further provide a comprehensive view of how people transact with FIs. Niyogin can use this information to offer profile- and need-based products to its customers as well. As we expand our lending infrastructure offering, we continue to partner with other Fintechs and commerce platforms to help them monetise their customer data and create a lending ecosystem for our enterprise partners and API infrastructure fee for ourselves.

THREATS & MITIGATION

CREDIT RISK

Companies involved in lending are exposed to the potential risk of a borrower defaulting on their obligations. This leads to lost principal and interest amounts, increased collection costs, and disruption to cash flows for the lenders. Moreover, traditional banks and NBFCs refrained from lending to MSMEs due to their lack of credit history and reliable financial statements. Therefore, companies giving out loans to MSMEs are said to run at a higher risk of default.

Q. How are we mitigating this threat?

A. Our Company transitioned from giving out generalized credit to offering transaction-led credit. Under this approach, Niyogin uses the transaction data available on the platform to get a better idea about the revenue sources of the borrower. This not only enables us to stick to our objective of providing easy, fully digital, collateral-free loans but is expected to improve our collection efficiency owing to a better evaluation of creditworthiness.

DISTRIBUTION RISK

Financial professionals, partners, and retailers, together make up our partner-led distribution network, which stands as the core part of our business. The large network we are building will benefit us for years to come as we keep increasing the product stack and as our partners keep growing their clients. Hence, ensuring that doing business with us is as profitable for them as it is for us becomes key.

Q. How are we mitigating this threat?

A. The Company makes it a win-win situation for all the stakeholders involved by meeting the working capital needs of partners and retailers through transaction-led credit that helps them grow transaction volumes and hence, their fee income. Furthermore, we continue to add more products to the stack to help our partners serve their clients better.

Our unique tech platform infrastructure model is designed to sit one level above most of the players in the market. In effect we are powering various brick and mortar enterprises and Fintech platforms to offer the financial services product stack.

TECHNOLOGY RISK

Problems like obsoletion of technology, platform downtime, data leaks, and information theft have been widespread in the Fintech space. Therefore, since technology up-gradation and data protection hold utmost importance, players need to invest extensively to develop strong mechanisms to control this risk and comply with regulatory requirements of data security. Moreover, control of data and choice of sharing the same with various apps and websites should be a strong prerogative by the people; in these lines, awareness and digital education play a major role but are still lacking, leading to misuse of confidential information data.

Q. How are we mitigating this threat?

A. We regularly assess our technology infrastructure against our current business levels and future expansion plans and upgrade basis of the same. We continually keep our hardware and software updated to remain relevant. Additionally, we continue to create safeguards against any cyber-attacks.

COMPETITION

There are various companies operating in our target market and product segments. These range from Fintech companies to traditional brick and mortar models, including but not limited to banks and NBFCs. Additionally, with the sudden rise in Fintech opportunities, many players may/have enter(ed) the market and opened businesses in overlapping or similar spaces. A number of Fintechs have been crowding the need to create a brand recall. Therefore, capturing market share and customers in such a fragmented market will likely increase competition among the players unless consolidation becomes prevalent.

Q. How are we mitigating this threat?

A. Our unique tech platform infrastructure model is designed to sit one level above most of the players in the market. In effect we are powering various brick and mortar enterprises and Fintech platforms to offer the financial services product stack. In some cases, we are working with these companies as our partners. Further, our variably costed model vs. competition keeps us cost-competitive and allows us to scale up and scale down specific products quickly. We are competing with Fintechs by obtaining cost-efficient market access that reduces our customer acquisition costs, leveraging the already established network of partners to reach out to our target customers, and enhancing our product stack to drive cross-selling and boost customer stickiness.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an internal control structure that focuses on all procedures to validate the consistency of the Company's financial accounting and reporting processes and compliance with all legal rules and regulations. Internal control mechanisms, accounting procedures, financial information, internal audit results, and other relevant fields, including their adequacy, are reviewed by the Company's Audit Committee every quarter.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

In its business continuing activities, our Company continues to place a strong emphasis on recruiting and retaining the best talent spanning different functions. Our compensation policy is based on the 'Pay for Performance' concept, and it has been adopted at all levels to ensure that remuneration is aligned with individual performance. Both the business and functional heads follow the same process and procedure. Maintaining Global Employment Standards and keeping up with the field's ever-evolving technology, the organisation has undertaken significant steps to make its employees more effective, well-organized, skilled, and trained. Building high-performing teams, promoting creativity, inducting leadership at all levels, preparing the citizens for higher positions, broadening the search for new talent, and strengthening the recruiting process are the strategies that are being implemented to increase the talent threshold. The Company's workforce strength as of March 31, 2021, was 85.



GLOSSARY

Aadhaar enabled Payment System (AePS)
AEPS is a bank-led concept that enables online interoperable financial transactions at PoS (Point of Sale / Micro ATM) using Aadhaar authentication through any bank's Business Correspondent (BC).

Account Aggregator (AA)
a new class of NBFC authorised by RBI for providing the service of retrieving or collecting information of its customer pertaining to such financial assets

Artificial Intelligence (AI)
The simulation of human intelligence processes by machines, particularly computer systems, is known as artificial intelligence.

Business Correspondent (BC)
Retail agents hired by financial institutions to provide banking services outside of a bank branch or ATM are known as Business Correspondents.

Bharat Bill Payment System (BBPS)
An integrated bill payment system in the country for providing customers with an interoperable and accessible bill payment service via a network of agents, allowing for numerous payment ways and delivering immediate payment confirmation.

Data Empowerment and Protection Architecture (DEPA)
A draft framework released by National Institution for Transforming India ("NITI Aayog"). DEPA's goal is to empower individuals and small businesses with the tools and utilities to access, control and selectively share their personal data while minimising privacy risks and data misuse.

Direct Benefit Transfer (DBT)
Transfer of government subsidies directly through people's Aadhaar seeded Bank accounts for reducing delays and leakages.

Direct Money Transfer (DMT)
The remittance of funds by one individual to another within the country.

FASTag
Electronic toll collection system in India, operated by the National Highway Authority of India.

Gross Transaction Value (GTV)
The total transaction value through the platform in a specific time period is referred to as GTV.

Immediate Payment Service (IMPS)
IMPS is a 24-hour-a-day, seven-day-a-week 'rapid payment' system, which provides a real time transfer of funds between the remitter and banks and can be accessed via mobile, ATM, online banking and BC's.

IndiaStack
IndiaStack is a set of APIs that allow governments, corporations, entrepreneurs, and developers to take advantage of an innovative digital infrastructure for cash less service delivery.

JanDhan Aadhaar Mobile (JAM)
The JAM (short for Jan Dhan-Aadhaar-Mobile) trinity is a government of India initiative to integrate Indians' Jan Dhan accounts, mobile numbers, and Aadhaar cards in order to stop government subsidies from leaking out.

Micro-ATM (M-ATM)
A device used by BCs to connect to their bank, authenticate customers, and conduct transactions. Micro-ATMs are based on a bank-led financial inclusion strategy, in which the Aadhaar infrastructure is layered on top of current banking and payment infrastructure.

Neobank
A neobank is a type of digital bank that does not have any physical locations.

National Payments Corporation of India (NPCI)
An umbrella organisation in India that manages retail payment and settlement systems.

Peer-to-peer (P2P)
A peer-to-peer (P2P) service is a decentralised platform that allows two people to communicate directly with one another without the need for a third party to intervene.

RuPay
A global card payment network for India with wide payment acceptance at ATMs, POS devices and e-commerce sites.

Unified Payments Interface (UPI)
UPI is a mobile-based, 365-day-a-year 'rapid payment' system that allows users to send and receive money quickly using a Virtual Payment Address (VPA) that is created by the user. It can be used on a smart phone (app-based), a feature phone (USSD-based), or at a merchant location to make person-to-person (P2P) and person-to-merchant (P2M) payments (app based).

CAUTIONARY STATEMENT

Statements in this Report, particularly those which relate to Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations, may constitute 'Forward Looking Statements' within the meaning of applicable laws and regulations. Our Company undertakes no obligation or liability to update or revise any forward-looking statements publicly, whether as a result of new information, future events or otherwise actual results, performance, or achievements could differ materially from those either expressed or implied in such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements and read in conjunction with financial statements included herein.

Disclaimer: All the data used in the initial sections of this report has been taken from publicly available resources, and discrepancies, if any, are incidental & unintentional.

Directors' Report

To the Members,

At the outset, your Company's Board of Directors commiserates with the families of all employees, shareholders and others who succumbed to this dreadful COVID-19 pandemic.

Your Directors have pleasure in presenting their 33rd Annual Report along with the audited standalone and consolidated accounts of the Company for the year ended March 31, 2021.

1. FINANCIAL PERFORMANCE:

The highlights of the standalone and consolidated financial results are as follows:

(₹ In Lacs)

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Total Income	2,599.62	2,762.55	5,063.06	2,804.82
Total Expenditure	3,230.99	5,079.90	5,775.75	5,257.78
Profit/(Loss) before Tax	(631.36)	(2,317.36)	(7,12.69)	(2,452.96)
Less: Provision for taxation				
Current Tax	-	-	56.50	-
Deferred Tax Asset	-	-	(39.60)	(13.14)
Net Profit/(Loss) after Tax	(631.36)	(2,317.36)	(729.59)	(2,439.82)
Transfer to Reserve under Section 45IC of the RBI Act, 1934				
Balance brought forward from previous period	(3,882.09)	(1,564.73)	(3,943.33)	-
Balance carried to Balance Sheet	(4,513.45)	(3,882.09)	(4,622.96)	(3,943.33)
Earning Per Share				
- Basic	(0.73)	(2.72)	(0.79)	(2.83)
- Diluted	(0.73)	(2.72)	(0.79)	(2.83)

2. COVID-19 PANDEMIC:

The COVID-19 pandemic which is a once in a lifetime occurrence has brought with it an unimaginable suffering to people and to almost all sections of the economy. The nationwide lockdowns to curtail the transmission of disease, had put the global economy in extreme stress of the level not seen since the Great Depression and would have a long-lasting economic impact. The recent surge in infections that started with the second wave beginning in early March 2021 brings with it greater challenges. The impact of the above on the performance of the Company and its subsidiaries have been elucidated in the 'Management Discussion and Analysis'.

3. FINANCIAL AND COMPANY'S PERFORMANCE:

Your Company is in the business of providing unsecured working capital credit to MSMEs across India by applying state of the art fintech solutions that streamlines client onboarding, underwriting, documentation, loan disbursals and repayment. It is a registered Non-Banking Finance Company under the Reserve Bank of India Act, 1934 and is listed on the Bombay Stock Exchange Limited ('BSE Limited'). On a consolidated basis, the revenue for FY 2021 was ₹ 5,063.06 lakhs. The loss for the year was ₹ 729.59 lakhs.

On a standalone basis, during the year under review, the revenue of the Company stood at ₹ 2,599.62 lakhs. The Company posted loss of ₹ 631.36 lakhs as against ₹ 2,317.36 lakhs in the previous year.

4. DIVIDEND:

In view of the loss incurred by the Company during the year under review, your Directors do not recommend any dividend for the financial year ended March 31, 2021.

5. DIVIDEND DISTRIBUTION POLICY:

The Board of Directors of the Company at its meeting held on May 19, 2021 adopted a Dividend Distribution Policy for the Company, which sets out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to its shareholders. The Dividend Distribution Policy is placed on the Company's website.

6. DEBT EQUITY RATIO:

Your Company's Debt : Equity ratio as on March 31, 2021 stands NIL.

7. NET OWNED FUNDS:

The Net Owned Funds of your Company as on March 31, 2021 stood at ₹ 20,100.86 lakhs.

8. CREDIT RATING:

Since your Company is a Non-Deposit Accepting Non-Systematically Important Non -Banking Financial Company ("NBFC"), it does not have any deposits and thus does not require to obtain ratings for the same.

9. MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF THE REPORT:

There have been no material changes and commitments, which affect the financial position of the Company, that have occurred between the end of the financial year to which the financial statements relate and the date of this report.

10. CHANGE IN THE REGISTERED OFFICE:

The Company's registered office has been shifted from the State of Maharashtra to the State of Tamil Nadu. The said change was approved by the shareholders vide postal ballot, the results of which were declared on March 27, 2019. Subsequently, the Regional Director approved the said shifting of the Company's registered office vide order dated July 08, 2019. The Company's new registered office was situated in Chennai at F-22, 3rd Floor, Palm Spring Apartment, 2nd Main Road, Anna Nagar East, Chennai 600 102 which was subsequently shifted to MIG 944, Ground Floor, TNHB Colony, 1st Main Road, Velachery, Chennai, Tamil Nadu-600042 on January 01, 2020. The Company's office in Mumbai shall continue to operate as corporate office. The Company, being NBFC, had also made an application to the Reserve Bank of India for obtaining its consent to change its jurisdiction from the State of Maharashtra to the State of Tamil Nadu and the same was received via letter dated February 26, 2021 (Ref: DoS.RSG.CO 270/13.14.081/2020-21). The Company further received the fresh certificate of registration dated April 16, 2021 bearing registration No. B-07.00874.

11. ACQUISITION:

During the year under purview, the Company completed the acquisition of 51.00% stake in Iserveu Technology Private Limited ("Iserveu"). The said acquisition was a part cash and part non-cash transaction wherein the Company issued equity shares to the shareholders of Iserveu, by way of preferential issue, as non-cash consideration towards the shareholders of Iserveu transferring part of their shareholding in Iserveu in the Company's name. The preferential issue was allotted on December 17, 2020 and subsequently the Company obtained the trading approval from the stock exchange on January 13, 2021.

12. SUBSIDIARIES:

Pursuant to the aforesaid acquisition during the year, the Company has 3 subsidiaries as on March 31, 2021. There are no associate or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). There has been no material change in the nature of the business of the subsidiaries.

- **Iserveu Technology Private Limited (Iserveu)**

  A subsidiary in which the Company owns 51.00%. The Company is into Domestic Money Transfer, Aadhar Enabled Payment System, Micro ATM facilitation, Bharat Bill Payment System (BBPS) facilitation, Business Correspondence Arrangement, facilitating Micro Lending/other loans, Merchant payment solutions through payment aggregation (including but not limited to UPI, card-based payments) and otherwise, Cash deposit and withdrawal facilitation, Credit Disbursements as a disbursement partner. Iserveu is having its registered office in Odisha, Bhubaneswar.

- **Investdirect Capital Services Private Limited (Investdirect)**

  A subsidiary in which the Company owns 50.01%. Investdirect is an automated direct plan platform provider assisting clients in investing in mutual funds as well as other equity and fixed income instruments. It enables users to consolidate their fund holdings from traditional channels to direct channel with the aim of upselling higher value products along with building advisory capability. Investdirect is having its registered office in Mumbai, Maharashtra.

- **Monemap Investment Advisors Private Limited (Moneymap)**

  A step subsidiary i.e. Moneymap is 100% owned by Investdirect. Moneymap is an Investment Advisor and holds a valid license issued by SEBI. Moneymap is having its registered office in Mumbai, Maharashtra.

Detailed information on the performance and financial position of each subsidiary of the Company is covered in the 'Management Discussion and Analysis' and the statement containing the salient features of Company's subsidiaries and associate companies under the first proviso of section 129(3) forms the part of the Annual Report.

As decided by the Board of Directors, the copies of the Financial Statements of the subsidiary companies have not been attached to the Annual Accounts of the Company. These documents will, however, be made available upon request by any member of the Company and also shall be available for inspection at the registered office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. Further, the financial statements of the subsidiary companies are available on the website of the Company i.e. www.niyogin.com.

The policy for determining material subsidiaries is disclosed on the Company's website and the weblink for the same is https://www.niyogin.com/investors/corporate-governance/codes-and-policies/material-subsidiary-policy.pdf

13. SCHEME OF AMALGAMATION:

The Board of the Directors of your Company (the 'Board') at their meeting held on December 16, 2019, approved Scheme of amalgamation under Sections 230-232 of the Companies Act, 2013 (the 'Act') and the rules and regulations made thereunder, of Information Interface India Private Limited ("IIIPL") with Niyogin Fintech Limited ("NFL") and their respective shareholders and creditors ("Scheme"). The Scheme as aforesaid has received approval from the stock exchange and Reserve Bank of India on July 09, 2020 and July 23, 2020 respectively. It is further subject to necessary approvals of the shareholders and creditors of the company(ies), as may be applicable, Chennai Bench of National Company Law Tribunal and such other statutory and regulatory approvals as may be required.

14. SHARE CAPITAL:

(i) Increase in Authorized Share Capital

The Company increased the Authorized Share Capital from ₹ 98,00,00,000/- (Rupees Ninety Eight Crore Only) divided into 8,90,00,000 (Eight Crore Ninety Lakhs) equity shares of ₹ 10/-

(Rupees Ten Only) each and 90,00,000 (Ninety Lakhs) preference shares of ₹ 10/- (Rupees Ten Only) each to ₹ 113,00,00,000/- (Rupees One Hundred and Thirteen Crores Only) divided into 10,40,00,000 (Ten Crore Forty Lakhs) equity shares of ₹ 10/- (Rupees Ten Only) each and 90,00,000 (Ninety Lakhs) preference shares of ₹ 10/- (Rupees Ten Only). The said increase in the Authorized Share Capital of the Company and the subsequent alteration in the Memorandum of Association was approved by the shareholders vide Postal Ballot on October 16, 2020.

(ii) During the year under review, the Company made the following allotments:

Allotment of 73,31,832 (Seventy Three Lakhs Thirty One Thousand Eight Hundred and Thirty-Two) equity shares of face value of ₹ 10/- (Rupees Ten only) (hereinafter referred as the "Equity Shares") at a price of ₹ 44.93/- (Rupees Forty-Four Point Ninety-Three only) per equity share including a premium of ₹ 34.93/- (Rupees Thirty-Four Point Ninety-Three only) for a consideration other than cash being discharge of part of the purchase consideration for the acquisition of 6588 equity shares constituting 28.39% of the post transaction equity and voting share capital of Iserveu Technology Private Limited from its shareholders for an aggregate amount up to ₹ 32,94,19,212 (Thirty-Two Crores Ninety-Four Lakhs Nineteen Thousand and Two Hundred and Twelve) pursuant to acquisition of 51.00% of Iserveu. The said preferential issue was approved by the shareholders vide Postal Ballot on October 03, 2020.

Further, pursuant to the NFL- Employee Stock Option Plan 2018 ('ESOP Scheme'), during the FY 2021, Board issued and allotted 1,84,159 (One Lakh Eight-Four Thousand One Hundred and Fifty-Nine) to the eligible employees under the ESOP Scheme (for information pertaining to ESOPs, please refer Annexure to the Directors' Report).

Subsequent to the aforesaid allotments, the issued and paid-up equity share capital of the Company as on March 31, 2021 stands at ₹ 93,50,14,660 /- (Rupees Ninety-Three Crores Fifty Lakhs Fourteen Thousand Six Hundred and Sixty Only) divided into 9,35,01,466 (Nine Crores Thirty-Five Lakhs One Thousand Four Hundred and Sixty-Six) equity shares of ₹ 10/- (Rupees Ten Only) each.

15. DEPOSITORY SYSTEM:

The Company's equity shares are compulsorily tradable in electronic form. As on March 31, 2021, 99.94% of the Company's total paid-up capital representing 9,34,46,266 equity shares were in dematerialized form. In view of the benefits offered by the depository system, members holding shares in physical mode are advised to avail the demat facility.

16. PARTICULARS OF LOANS, GUARANTEES & INVESTMENTS:

In terms of Section 186(11) of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014, loans made, guarantees given or securities provided by the Company are exempted from compliance with the requirements of Section 186 of the Companies Act, 2013. During the year under review, your Company has invested surplus funds pending business deployment in various liquid debt securities in the ordinary course of business. The details of the current and long-term investments of the Company are provided in the notes to the financial statements of the Company for the year ended March 31, 2021.

17. RELATED PARTY TRANSACTIONS:

All related party transactions that were entered into during the financial year were in compliance with the requirement of the Companies Act, 2013 and the rules framed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All Related Party Transactions are placed before the Audit Committee and also the Board, as the case may be, for approval. A statement giving details of all related party transactions were placed before the Audit Committee and the Board of Directors for their approval / noting on a quarterly basis.

The particulars of contracts or arrangements with related parties as prescribed in Form No. AOC–2 is annexed to this report. Details of related party transactions are given in the notes to the financial statements.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website www.niyogin.com.

18. REPORT ON CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS:

Report on Corporate Governance and Management Discussion and Analysis Report for the year under review, together with a Certificate from M/s Mitesh J. Shah & Associates, Company Secretaries regarding compliance of the conditions of Corporate Governance, as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Annual Report. The Company is in full compliance with the requirements and disclosures that have to be made in this regard.

19. DIRECTORS & KEY MANAGERIAL PERSONNEL:

(a) Directors:

As on March 31, 2021, the Company's Board consists of the following Directors:

(i) Mr. Amit Rajpal – Chairman & Non-Executive, Non-Independent Director (DIN: 07557866)

(ii) Mr. Makarand Ram Patankar – Whole Time Director (DIN: 01584128)

(iii) Mr. Kapil Kapoor – Independent Director (DIN: 00178966)

(iv) Ms. Sutapa Banerjee – Independent Director (DIN: 02844650)

(v) Ms. Subhasri Sriram – Independent Director* (DIN: 01998599)

(vi) Mr. Eric Wetlaufer – Independent Director (DIN: 08347413)

(vii) Mr. Gaurav Makarand Patankar – Non-Executive Non-Independent Director (DIN: 02640421)

(viii) Mr. Noorallah Charania - Whole-Time Director(DIN: 08812239)

*The Board of Directors, at its meeting held on November 10, 2020 upon the recommendation of the Nomination and Remuneration Committee, had appointed Mr. Gaurav Makarand Patankar as a Non- Executive Non-Independent Director and Mr. Noorallah Charania as a Whole-Time Additional Director of the Company. Further, being eligible and offering themselves for appointment as Directors, the resolutions for approval of Mr. Gaurav Makarand Patankar and Mr. Noorallah Charania are being placed before the Members for approval at the 33rd Annual General Meeting.

In accordance with Section 152 and other applicable provisions of Companies Act, 2013, Mr. Makarand Ram Patankar (DIN: 01584128) – Whole-Time Director retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting. The Board commends his re-appointment.

Further the term of five years of Mr. Kapil Kapoor, Independent Non-Executive Director of the Company will be completed on December 04, 2021. Accordingly, Mr. Kapil Kapoor has given his consent for re-appointment as Independent Non-Executive Director of the Company for second term of five years w.e.f. December 05, 2021. The re-appointment is subject to the approval of the members of the Company at the ensuing AGM.

The necessary resolution for the appointment /re-appointments of the Directors and their brief profile have been included in the notice convening the ensuing AGM.

The details on the number of board/ committee meetings held are provided in the Report on Corporate Governance which forms part of this report.

(b) Key Managerial Personnel:

As on March 31, 2021, the following persons are acting as the Key Managerial Personnel (KMP) of the Company pursuant to Section 2(51) and 203 of the Companies Act, 2013:

(i) Mr. Makarand Patankar – Whole Time Director

(ii) Mr. Tashwinder Singh – Chief Executive Officer (w.e.f. November 10, 2020)

(iii) Mr. Noorallah Charania – Additional Whole Time Director (w.e.f. November 10, 2020)

(iv) Mr. Rumit Dugar – Chief Financial Officer

(v) Ms. Neha Agarwal – Company Secretary & Compliance Officer (w.e.f. May 13, 2020)

20. BOARD & COMMITTEE MEETINGS:

During the year under review, six (6) Board Meetings and four (4) Audit Committee Meetings were convened and held. The details of the same along with other Committee meeting of Board are given in the Report on Corporate Governance. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

21. BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own Board, its Committees and the individual members of the Board (including the Chairperson). A structured questionnaire was prepared after taking into consideration inputs received from the directors, covering the aforesaid aspects of the Board's functioning. The overall performance of the Board and Committees of the Board was found satisfactory.

Further, the overall performance of Chairman, Executive Directors and the Non-Executive Directors of the Company was also found satisfactory. The review of performance was based on the criteria of performance, knowledge, analysis, quality of decision making etc.

The manner in which the evaluation has been carried out has also been explained in the Report on Corporate Governance.

22. DISCLOSURES BY DIRECTORS:

Based on the declarations and confirmations received in terms of provisions of the Companies Act, 2013, circular(s) / notification(s) / direction(s) issued by the RBI and other applicable laws, none of the Directors on the Board of your Company are disqualified from appointment as Directors.

Declaration of independent directors

The independent directors have submitted their declaration of independence, as required under section 149(7) of the Act, stating that they meet the criteria of independence as provided in section 149(6) of the Act and Regulation 16 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'). The independent directors have also confirmed compliance with the provisions of rule 6 of Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended, relating to inclusion of their name in the databank of independent directors.

The Board took on record the declaration and confirmation submitted by the independent directors regarding the meeting the prescribed criteria of independence, after undertaking due assessment of the veracity of the same as required under Regulation 25 of SEBI Listing Regulations.

23. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS:

The Independent Directors have complete access to the information within the Company. As a part of Agenda of Board / Committee Meetings, presentations are regularly made to the Independent Directors on various matter inter-alia covering the Company's strategy, business model, operations, markets, organization structure, product offerings, finance, risk management framework, quarterly and annual financial results, human resources, technology, quality, role, rights, responsibilities of the Independent Directors and such other areas as may arise from time to time, where Directors get an opportunity to interact with the Company's management (Familiarization Programme).

The details of familiarisation programmes for the directors are disclosed on the Company's website and the weblink for the same is https://www.niyogin.com/investors/corporate-governance/codes-and-policies/niyogin-board-familiarisation-programme.pdf

24. REMUNERATION POLICY:

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report and is also available on the Company's Website at https://www.niyogin.com/investors/corporate-governance/codes-and-policies/nomination-and-remuneration-policy.pdf

25. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Directors confirm that:

(a) in the preparation of the annual accounts for the financial year ended March 31, 2021, the applicable accounting standards

and Schedule III of the Companies Act, 2013, have been followed and there are no material departures from the same;

(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 your Company as at March 31, 2021 and of the profit/loss of the Company for the financial year ended March 31, 2021;

(c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the annual accounts have been prepared on a 'going concern' basis;

(e) proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(f) proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

26. STATUTORY AUDITORS:

As per Section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the members of the Company in its 32nd Annual General Meeting held on September 17, 2020 approved the appointment of M/s. MSKA & Associates, Chartered Accountants, (Firm Registration No: 105047W) as the Statutory Auditors of the Company for an initial term of 5 years i.e. from the conclusion of 32nd Annual General Meeting till the conclusion of the 37th Annual General Meeting of the Company. The statutory audit report for the FY2021, is unmodified, does not contain any qualification, reservation or adverse remark or disclaimer by the statutory auditor and forms part of the Annual Report. During the year under review, the Auditors had not reported any matter under Section 143(12) of the Act, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.

However, M/s. MSKA & Associates, Chartered Accountants, tendered their resignation from the Company w.e.f. August 05, 2021 due to the limitation of the number of audits to be undertaken by them vide RBI circular dated April 27, 2021 (No: RBI/2021-22/25 Ref.No.DoS.CO.ARG/SEC.01/08.91.001/2021-22) on Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs). Therefore, as per the recommendation of the Audit Committee, the Board recommends appointment of M/s Pijush Gupta & Co., Chartered Accountants (ICAI Firm Registration No. 309015E) as the Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s. MSKA & Associates, Chartered Accountants and shall hold office up to the conclusion of this Annual General Meeting of the Company.

Further, the Board also recommends re-appointment of M/s. Pijush Gupta & Co., Chartered Accountants, (Firm Registration No: 309015E) as the statutory auditor of the Company pursuant to the provisions of Section 139 and 142 of the Act to hold office from the conclusion of this Annual General Meeting for a period of 5 years till the conclusion of the 38th Annual General Meeting of the Company, on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to taxes and re-imbursement of out of pocket expenses incurred by them in connection with the audit of accounts of the Company.

27. SECRETARIAL AUDIT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s Mitesh J. Shah & Associates, Company Secretaries to undertake the Secretarial Audit of the Company for the financial year ended March 31, 2021. The secretarial audit report forms a part of the Annual Report. Further, pursuant to amendments under SEBI Listing Regulations and SEBI circular dated February 08, 2019, a report on secretarial compliance as required under Regulation 24A was submitted to the stock exchanges as obtained from M/s Mitesh J. Shah & Associates, Company Secretaries for FY2021. These reports do not contain any qualification, reservation or adverse remark or disclaimer.

28. REQUIREMENT FOR MAINTENANCE OF COST RECORDS:

The cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013, are not required to be maintained by the Company.

29. RBI GUIDELINES:

Your Company continues to fulfill and comply with all the circular(s), notification(s), direction(s) and guideline(s) issued by the RBI, as are applicable to it as a Non-Systemically Important Non-Deposit Accepting or Holding Non-Banking Financial Company. In terms of the RBI Master Circular No. 15/2015-16 dated July 01, 2015 on Foreign Investment in India, your Company has obtained a certificate from its Statutory Auditors, certifying that the Company is in compliance with the FEMA regulations.

30. PARTICULARS OF DEPOSITS:

Your Company being a 'Non-Deposit Accepting or Holding Non-Banking Financial Company' has not accepted deposits during the year under review and shall not accept any deposits from the public without obtaining prior approval of the RBI. Accordingly, the disclosure requirements under Rule 8(5)(v) and (vi) of the Companies (Accounts) Rules, 2014 are not applicable to the Company.

31. INTERNAL FINANCIAL CONTROL SYSTEM:

According to Section 134(5)(e) of the Companies Act, 2013 the term Internal Financial Control (IFC) means the policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, safeguarding of its assets, prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

The Company has a proper and adequate internal financial control system which ensures that all assets are safeguarded and protected and that the transactions are authorised, recorded and reported correctly. The Company's internal financial control system also comprises of compliances with the Company's policies and Standard Operating Procedures (SOPs), which is further reviewed by M/s CNK & Associates LLP, Internal Auditors of the Company. The Internal Auditors independently evaluate the adequacy of internal controls.

32. ADEQUACY OF INTERNAL FINANCIAL CONTROLS IN RELATION TO FINANCIAL STATEMENTS:

The Company has documented its internal financial controls considering the essential components of various critical processes, both physical and operational. This includes its design, implementation and maintenance along with periodic internal review of operational effectiveness and sustenance, and whether these are commensurate with the nature of its business and the size and complexity of its operations.

This ensures orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention of errors, accuracy and completeness of the accounting records, the timely preparation of reliable financial information and prevention and detection of frauds and errors. Internal financial controls with reference to the financial statements were adequate and operating effectively.

33. CORPORATE SOCIAL RESPONSIBILITY (CSR):

As per the provisions of Section 135 of the Companies Act, 2013, your Company is not required to contribute funds for CSR. However, as a part of good corporate governance along with an intent to work for a social cause the Company has constituted a CSR Committee.

34. ANNUAL RETURN:

A copy of the annual return as provided under section 92(3) of the Act, in the prescribed form, which will be filed with the Registrar of Companies/MCA, is placed on Company's website www.niyogin.com

35. PARTICULARS OF EMPLOYEES:

As on March 31, 2021, there were 85 employees on the payroll of the Company. During the year, 0 employee employed throughout the year was in receipt of remuneration of ₹ 1 crore and 2 lakh or more per annum and 1 employee employed for part of the year was in receipt of remuneration of ₹ 8.5 lakh or more per month.

Details of top ten (10) employees in terms of the remuneration and employees in receipt of remuneration as prescribed under rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, containing details prescribed under Rule 5(3) of the said Rules, which form part of the Directors' Report, will be made available to any member on request, as per provisions of section 136(1) of the Act.

Details as required under section 197(12) of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 containing, inter alia, ratio of remuneration of directors and KMP to median remuneration of employees, percentage increase in the median remuneration are annexed to this Report.

36. EMPLOYEE STOCK OPTION SCHEME:

The Company grants share-based benefits to eligible employees with a view to attract and retain talent, align individual performance with the Company's objectives and to promote increased participation by them in the growth of the Company.

The stock options granted to the employees operate under various schemes. There has been no variation in the terms of the options granted under any of the schemes and all the schemes are in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014 (SBEB Regulations) and the same has been certified by the Statutory Auditors of the Company. The Company has not issued any sweat equity shares or equity shares with differential voting rights during the FY2021.

During the year, 42,39,641 options were granted to the eligible employees pursuant to the Company's ESOP Schemes of the Company.

The applicable disclosures as stipulated under the SEBI Regulations as on March 31, 2021 with regard to ESOP Scheme have been placed on the website of the Company and are provided in Annexure to this report.

37. STATUTORY DISCLOSURES:

- The financial statements of the Company and its subsidiaries are placed on the Company's website www.niyogin.com
- The directors' responsibility statement as required by section 134(5) of the Act, appears in this report.
- There is no change in the nature of business of the Company during FY2021.
- A Cash Flow Statement for FY2021 is attached to the Balance Sheet.
- Pursuant to the legislation 'The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013', the Company has a Policy on Prevention of Sexual Harassment at Workplace and has constituted an Internal Complaints Committee. There was no case reported during the year under review. The policy is available on the Company's website.

38. AUDIT COMMITTEE:

The details pertaining to the composition of the Audit Committee are included in the Report on Corporate Governance, which is a part of this report.

39. RISK MANAGEMENT:

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. These are periodically discussed at the meetings of the Company. The development and implementation of risk management policy has been covered in the Management Discussion and Analysis, which forms part of this report.

40. VIGIL MECHANISM:

Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors has formulated a Vigil Mechanism Policy which is in compliance with the provisions of Section 177 (10) of the Companies Act, 2013 and Regulation 22 of the SEBI Listing Regulations. The policy provides

for a framework and process whereby concerns can be raised by its employees against any kind of discrimination, harassment, victimization or any other unfair practice being adopted against them.

41. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO:

A. Conservation of Energy: NIL

B. Technology Absorption: NIL

C. Foreign Exchange Earning: NIL

D. Foreign Exchange Outgo: ₹ 4,50,000/-

42. SECRETARIAL STANDARDS OF ICSI:

The Company has complied with the requirements prescribed under the Secretarial Standards on meetings of the board of directors (SS–1) and general meetings (SS–2) read with the MCA circulars granting exemptions in view of the COVID-19 pandemic.

43. BUSINESS RESPONSIBILITY REPORT:

Regulation 34(2) of SEBI Listing Regulations, inter alia, provides that the annual report of the top 1000 listed entities based on market capitalisation (calculated as on 31 March of every financial year) shall include a Business Responsibility Report (BRR).

Since your Company is one of the top 1000 listed entities, we have presented our BRR for the FY2021, which is part of this Annual Report. This BRR, being part of this Annual Report, is also available on the Company's website www.niyogin.com

44. ACKNOWLEDGEMENT:

The Board places its gratitude and appreciation for the support and co–operation from its members and other regulators.

The Board also places on record its sincere appreciation for the commitment and hard work put in by the Management and the employees in these trying times.

For and on behalf of the Board of Directors
Niyogin Fintech Limited

Date: August 05, 2021
Place: Hongkong

Amit Rajpal
DIN: 07557866

Annexure to the Director's Report - 1

Remuneration details under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the Financial Year ended March 31, 2021

Sr. No.	Requirement	Disclosure	
1.	The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year	**Name of Director**	**Ratio**
		Mr. Makarand Patankar	5.04
		Mr. Amit Rajpal	NA
		Mr. Kapil Kapoor	NA
		Ms. Sutapa Banerjee	NA
		Mr. Eric Wetlaufer	NA
		Ms. Subhasri Sriram	NA
		Mr. Gaurav Patankar	NA
		Mr. Noorallah Charania*	NA
2.	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary in the financial year	**Name of Director / CEO / CFO/ CS**	**Percentage increase in their remuneration during the Financial Year ended 2021**
		Mr. Makarand Patankar	NIL
		Mr. Amit Rajpal	NA
		Mr. Kapil Kapoor	NA
		Ms. Sutapa Banerjee	NA
		Ms. Subhasri Sriram	NA
		Mr. Eric Wetlaufer	NA
		Mr. Noorallah Charania	NA
		Mr. Gaurav Patankar	NA
		Mr. Tashwinder Singh	NA
		Mr. Rumit Dugar	NIL
		Ms. Neha Agarwal	NA
3.	The percentage increase in the median remuneration of employees in the financial year	On account of the COVID-19 pandemic, there was no increase in the remuneration of the employees, including managerial personnel, during FY21.	
4.	Number of permanent employees on the rolls of Company at the end of financial year	85	
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year was NIL whereas the average percentile increase in the managerial remuneration was NIL. The average increase every year is in line with our reward philosophy and benchmarking to be competitive versus our competitor companies		
6.	Affirmation that the remuneration is as per the Remuneration Policy of the Company	It is affirmed that the remuneration paid is as per the Remuneration Policy of the Company.	

Note:

- Mr. Tashwinder Singh was appointed as CEO w.e.f. November 10, 2020.
- Mr. Gaurav Patankar was appointed as the Director w.e.f. November 10, 2020.
- *Mr. Noorallah Charania was appointed as the Whole-Time Director w.e.f. November 10, 2020.
- Ms. Neha Agarwal appointed as the Company Secretary w.e.f. May 13, 2020
- Sitting fees paid to Non-Executive Independent Directors during the FY 2020-21 has not been included for calculation of remuneration paid to them.

Annexure to the Director's Report - 2

Disclosures pursuant to Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014

Disclosure pursuant to Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014 read with SEBI circular dated June 16, 2015 for the financial year ended March 31, 2021

A) RELEVANT DISCLOSURES IN TERMS OF THE 'GUIDANCE NOTE ON ACCOUNTING FOR EMPLOYEE SHARE- BASED PAYMENTS' ISSUED BY INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA ('ICAI') OR ANY OTHER RELEVANT ACCOUNTING STANDARDS AS PRESCRIBED FROM TIME TO TIME.

The disclosures are provided in the Notes to Financial Statements of the Company for the financial year ended March 31, 2021.

B) DETAILS RELATED TO ESOP SCHEMES OF THE COMPANY ARE SUMMARISED AS UNDER:

Particulars	NFL- ESOP 2018	NFL- ESOP 2019	NFL- ESOP 2020
Date of shareholder's approval	July 09, 2018	December 24, 2019	October 16, 2020
Total number of options approved	40,00,000 options convertible into 40,00,000 equity shares of face value of ₹ 10/- each	10,00,000 options convertible into 10,00,000 equity shares of face value of ₹ 10/- each	50,00,000 options convertible into 50,00,000 equity shares of face value of ₹ 10/- each
Vesting requirements	The vesting period shall commence on the expiry of one year from the date of grant of options or such period as may be decided by the Nomination and Remuneration Committee at the time of each grant of options. The options would vest not earlier than 1 year and upto 5 years from the date of grant of options or such period as may be decided by the Nomination and Remuneration at the time of each grant of options. The options granted shall vest so long as an employee continues to be in the employment of the Company. [including subsidiary(ies) companies/holding company (if any, in future)].	The vesting period shall commence on the expiry of one year from the date of grant of options or such period as may be decided by the Nomination and Remuneration Committee at the time of each grant of options. The options would vest not earlier than 1 year and upto 5 years from the date of grant of options or such period as may be decided by the Nomination and Remuneration at the time of each grant of options. The options granted shall vest so long as an employee continues to be in the employment of the Company's subsidiary. [including holding company (if any, in future)].	The vesting period shall commence on the expiry of one year from the date of grant of options or such period as may be decided by the Nomination and Remuneration Committee at the time of each grant of options. The options would vest not earlier than 1 year and upto 10 years from the date of grant of options or such period as may be decided by the Nomination and Remuneration at the time of each grant of options. The options granted shall vest so long as an employee continues to be in the employment of the Company. [including subsidiary(ies) companies/ holding company (if any, in future)].
The pricing formula	The Exercise Price shall be equal to face value of shares i.e. ₹ 10 per Option or any other price as decided by the Nomination and Remuneration Committee. In any case, the Exercise Price per Option shall not be less than the face value of shares and it may be different for different class/ classes of Employees falling in the same tranche of grant of Options issued under ESOP– 2018	The Exercise Price shall be equal to face value of shares i.e. ₹ 10 per Option or any other price as decided by the Nomination and Remuneration Committee. In any case, the Exercise Price per Option shall not be less than the face value of shares and it may be different for different class/ classes of Employees falling in the same tranche of grant of Options issued under ESOP– 2019	The Exercise Price shall be equal to face value of shares i.e. ₹ 10 per Option or any other price as decided by the Nomination and Remuneration Committee. In any case, the Exercise Price per Option shall not be less than the face value of shares and it may be different for different class/ classes of Employees falling in the same tranche of grant of Options issued under ESOP– 2020
Maximum term of options granted (years)	The Exercise period shall not be more than 5 years from the date of respective vesting of options unless otherwise decided by the Nomination and Remuneration Committee. The options granted may be exercised by the Grantee at one time or at various points of time within the exercise period as determined by the Committee from time to time.	The Exercise period shall not be more than 5 years from the date of respective vesting of options unless otherwise decided by the Nomination and Remuneration Committee. The options granted may be exercised by the Grantee at one time or at various points of time within the exercise period as determined by the Committee from time to time.	The Exercise period shall not be more than 5 years from the date of respective vesting of options unless otherwise decided by the Nomination and Remuneration Committee. The options granted may be exercised by the Grantee at one time or at various points of time within the exercise period as determined by the Committee from time to time.
Source of shares	New issue of shares by the Company	New issue of shares by the Company	New issue of shares by the Company
Variation in terms of ESOP	Nil	Nil	Nil

C) THE COMPANY HAS ADOPTED FAIR VALUE METHOD IN ACCOUNTING FOR EMPLOYEE COST ON ACCOUNT OF ALL THE ESOP SCHEMES.

D) OPTION MOVEMENT FOR THE YEAR ENDED MARCH 31, 2021:

The position of the existing schemes are summarized as under:

Sr. No.	Particulars	NFL ESOP - 2018	NFL ESOP - 2019	NFL ESOP - 2020
1.	Number of options outstanding at the beginning of the year	11,51,723	0	0
2.	Options granted during the year	7,69,000	31,225	34, 39,416
3.	Options cancelled during the year	0	0	0
4.	Options lapsed during the year	2,82,519	0	0
5.	Options exercised during the year	1,84,159	0	0
6.	Total number of shares arising as a result of exercise of options	1,84,159	0	0
7.	Money realised by exercise of options (₹)	18,41,590	0	0
8.	Number of options outstanding at the end of the year	14,54,045	31,225	34, 39,416
9.	Number of options exercisable at the end of the year	3,39,715	0	0
10.	Employee wise details of options granted to Key Managerial Personnel / Director /Senior Management during the year	Annexure 'A'	-	Annexure 'A'
	• Any other employee who received a grant in any one year of options amounting to 5% or more of options granted during the year	Annexure 'A'	-	Annexure 'A'
	• Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Annexure 'A'	-	Annexure 'A'
11.	Diluted Earnings Per Share (EPS) pursuant to the issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) - 20 (Earnings Per Share)	(0.73)	(0.73)	(0.73)

As per the terms of the ESOP Schemes, the options lapsed under the ESOP Schemes shall form part of the overall options granted that can be granted under that specific ESOP Scheme. 2,82,519 options lapsed under NFL ESOP – 2018 can be re-granted by the Company to the eligible employees.

The total expense charged to the statement of profit and loss in respect of the options granted aggregated: 333.70 lakhs (previous year: 389.23 lakhs).

Annexure 'A'

DETAILS OF OPTIONS GRANTED TO KEY MANAGERIAL PERSONNEL / DIRECTOR /SENIOR MANAGEMENT

Sr. No.	Employee name	ESOP Scheme	Designation	No. of options	Exercise Price (in ₹)
1.	Mr. Tashwinder Singh	NFL ESOP -2020	Chief Executive Officer	34,39,416	64.05
2.	Mr. Rumit Dugar	NFL ESOP -2018	Chief Financial Officer	1,55,000	29.40
2.	Mr. Parag Chopde	NFL ESOP -2018	Chief Risk Officer	1,30,000	29.40
3.	Mr. Himanshu Rajpal	NFL ESOP -2018	Chief Business Officer	1,70,000	29.40
4.	Mr. Noorallah Charania	NFL ESOP -2018	Whole-Time Director	1,10,000	29.40
5.	Ms. Neha Agarwal	NFL ESOP -2018	Company Secretary	20,000	29.40
6.	Mr. Raghvendra Somani	NFL ESOP -2018	Deputy Chief Financial Officer	50,000	29.40

Annexure to the Director's Report - 3

FORM NO. AOC.2

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

1. Details of contracts or arrangements or transactions not at arm's length basis: Nil

   (a) Name(s) of the related party and nature of relationship

   (b) Nature of contracts/arrangements/transactions

   (c) Duration of the contracts/arrangements/transactions

   (d) Salient terms of the contracts or arrangements or transactions including the value, if any

   (e) Justification for entering into such contracts or arrangements or transactions

   (f) Date(s) of approval by the Board

   (g) Amount paid as advances, if any:

   (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

2. Details of material contracts or arrangement or transactions at arm's length basis: Details of related party transactions are given in the notes to the financial statements.

   (a) Name(s) of the related party and nature of relationship

   (b) Nature of contracts/arrangements/transactions

   (c) Duration of the contracts/arrangements/transactions

   (d) Salient terms of the contracts or arrangements or transactions including the value, if any:

   (e) Date(s) of approval by the Board, if any:

   (f) Amount paid as advances, if any:

Annexure to the Director's Report - 4

Disclosures pursuant to Regulation 34(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as on March 31, 2021

RELATED PARTY DISCLOSURE:

Sr. No.	In the accounts of	Disclosures of amounts at the year end and the maximum amount of loans / advances / investments outstanding during the year	Details
1	Holding Company	• Loans and advances in the nature of loans to subsidiaries by name and amount • Loans and advances in the nature of loans to associates by name and amount • Loans and advances in the nature of loans to firms / companies in which Directors are interested by name and amount	Nil
2	Subsidiary Company(ies)	• Loans and advances in the nature of loans to parent by name and amount • Loans and advances in the nature of loans to associates by name and amount • Loans and advances in the nature of loans to firms / companies in which Directors are interested by name and amount	Nil
3	Holding Company	Investment by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan	Nil

Annexure to the Director's Report - 5

Statement containing Salient features of the Financial Statement of Subsidiaries

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹)

Sr. No.	Particulars	(in ₹)	(in ₹)	(in ₹)
1	Name of the Subsidiary	Investdirect Capital Services Private Limited (Investdirect)	Moneymap Investment Advisors Private Limited	Iserveu Technology Private Limited
2	The date since when subsidiary was acquired	19.08.2019	19.08.2019	18.12.2020
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Similar to the Company		
4	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	NA	NA	NA
5	Share capital			
	Authorized Capital	36,00,000.00	3,35,00,000.00	25,00,000.00
	Issued, Subscribed and paid-up	29,96,130.00	3,35,00,000.00	2,32,090.00
6	Reserves & surplus	4,49,35,059.43	-2,92,33,161.65	17,20,05,571.36
7	Total assets	5,68,88,310.30	84,73,902.27	34,97,46,948.95
8	Total Liabilities	89,57,120.83	42,07,063.70	17,75,09,294.73
9	Investments*	81,11,804.51	15,98,563.53	-
10	Turnover	1,22,47,146.81	13,21,491.83	23,30,70,528.87
11	Profit before taxation	-67,73,438.44	-50,29,994.47	1,26,21,773.03
12	Provision for taxation	-	-	39,42,404.20
13	Profit after taxation	-67,73,438.44	-50,29,994.47	86,79,368.83
14	Proposed Dividend	-	-	-
15	% of shareholding	50.01	100% subsidiary of Investdirect	51.00

**Excluding investment in subsidiary*

Note: *The figures considered are from the date of acquisition as taken in consolidation wherever applicable.*

1. Names of subsidiaries which are yet to commence operations: NA
2. Names of subsidiaries which have been liquidated or sold during the year: NA

Part "B": Associates and Joint Ventures – Not Applicable

Sr. No.	Name of Associates or Joint Ventures	Name 1
1	Latest audited Balance Sheet Date	-
2	Date on which the Associate or Joint Venture was associated or acquired	-
3	Shares of Associate or Joint Ventures held by the company on the year end	
	(i) No.	-
	(ii) Amount of Investment in Associates or Joint Venture	-
	(iii) Extent of Holding (in percentage)	-
4	Description of how there is significant influence	-
5	Reason why the associate/joint venture is not consolidated	-
6	Networth attributable to shareholding as per latest audited Balance Sheet	-
7	Profit or Loss for the year	-
	(i) Considered in Consolidation	-
	(ii) Not Considered in Consolidation	-

1. Names of associates or joint ventures which are yet to commence operations: NA
2. Names of associates or joint ventures which have been liquidated or sold during the year: NA

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial year ended on 31st March, 2021

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

To,
The Members,
Niyogin Fintech Limited
Neelkanth Corporate IT Park,
311/312 3rd Floor, Kirol Road,
Vidyavihar (w) Mumbai-400086.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Niyogin Fintech Limited CIN: L65910TN1988PLC131102,** having its registered office at MIG 944, Ground Floor, TNHB Colony, 1st Main Road Velachery Chennai-600042 and its corporate office at Neelkanth Corporate IT Park, 311/312 3rd Floor, Kirol Road, Vidyavihar (w) Mumbai-400086 (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

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

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

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time;

   d. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (**There were no events requiring compliance during the audit period**)

   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (**There were no events requiring compliance during the audit period**)

   h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (**There were no events requiring compliance during the audit period**)

   i. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; (**There were no events requiring compliance during the audit period**)

   j. The Securities and Exchange Board of India (Depository and Participants) Regulations, 2018;

vi. The management has identified and confirmed the following laws as specifically applicable to the Company:

   1. The Reserve Bank of India Act, 1934.
   2. Chapter V of the Finance Act, 1994.
   3. The Employees Provident Fund and Miscellaneous Provisions Act, 1952.
   4. The payment of Gratuity Act, 1972.
   5. The Payment of Bonus Act, 1965.
   6. The Employee State Insurance Act, 1948.
   7. The Income Tax Act, 1961.
   8. The Indian Stamp Act, 1899.
   9. The State Stamp Acts.
   10. Negotiable Instruments Act, 1881.
   11. Shops and Establishment Act, 1953 and the rules, notifications issued thereunder.

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

i. Secretarial Standards with regard to Meeting of the Board of Directors (SS - 1) and General Meeting (SS - 2) issued by The Institute of Company Secretaries of India.

ii. The Listing Agreements entered into by the Company with Stock Exchange(s), if applicable and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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

I report that:

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

» Adequate notice was given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation in the meeting.

» The decisions of the Board Meetings were carried out with requisite majority.

» As informed, the Company has responded appropriately to notices received from various statutory / regulatory authorities including actions for corrective measures, wherever found necessary.

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

I further report that during the audit period the Company had following events which had a bearing on the affairs of the Company in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

1. Approval of scheme of Amalgamation by BSE and RBI:

The Company had received approval from BSE Limited and RBI vide their letter/ email dated DSC/AML/SV/R37/1746/2020-21 on 9th July, 2020 and 23rd July, 2020 respectively for scheme of amalgamation under section 230-232 of the Companies Act, 2013, of Information Interface India Private Limited and Niyogin Fintech Limited and their respective shareholders and creditors.

2. Allotment of Equity Shares under NFL – Employee Stock Option Plan - 2018:

The Company at its Board Meeting approved the following allotments under the said scheme:

Sr. No.	Date of Board Meeting	Number of Shares	Face Value of Shares
1.	31st August, 2020	35,112	₹ 10/- each
2.	16th September, 2020	4,069	₹ 10/- each
3.	10th November, 2020	2,834	₹ 10/- each
4.	07th December, 2020	1,37,653	₹ 10/- each
5.	10th February, 2021	4,491	₹ 10/- each

3. Acquisition of Iserveu Technology Private Limited:

The Company at its Board Meeting dated 31st August, 2020 approved the execution of the transaction documents and acquisition of 51.00% shareholding in iServeU Technology Private Limited.

4. Allotment of Equity Shares on preferential basis:

The Company through postal ballot/remote e-voting results on 3rd October, 2020 approved the issue of up to 73,31,832 (Seventy Three Lakhs Thirty One Thousand Eight Hundred and Thirty Two) equity shares of face value of ₹ 10/- (Rupees Ten only) (hereinafter referred as the "Equity Shares") at a price of ₹ 44.93/- (Rupees Forty-Four Point Ninety-Three only) per equity share including a premium of ₹ 34.93/- (Rupees Thirty-Four Point Ninety-Three only) for a consideration other than cash being discharge of part of the purchase consideration for the acquisition of 6588 equity shares constituting 28.39% of the post transaction equity and voting share capital of iServeU Technology Private Limited from its shareholders for an aggregate amount up to ₹ 32,94,19,212 (Thirty-Two Crores Ninety-Four Lakhs Nineteen Thousand and Two Hundred and Twelve).

Subsequently, the Company through circular resolution approved by the Board on 17th December, 2020 approved the allotment of 73,31,832 Equity Shares to the shareholders (belonging to non-promoters category) of the iServeU Technology Private Limited on preferential/private placement basis.

5. Grant of Stock option for 1% or more of the issued share capital under NFL-Employee Stock Option Plan 2018:

The Company through postal ballot/remote e-voting results on 3rd October, 2020 approved the grant of stock options to the employees of the Company (present and/or future) under the Niyogin-Employee Stock Option Plan 2018 (NFL-Employees Stock Option Plan 2018) for 1% or more of the issued share capital of the Company.

6. Grant of Stock option for 1% or more of the issued share capital under Niyogin - Employee Stock Option Plan 2019 (ESOP – 2019):

The Company through postal ballot/remote e-voting results on 3rd October, 2020 approved the grant of stock options to the employees of the Company (present and/or future) under the

Niyogin-Employee Stock Option Plan 2019 (ESOP – 2019) for 1% or more of the issued share capital of the Company.

7. Increase in Authorized Share Capital:

The Company through postal ballot/remote e-voting results on 16th October, 2020 approved the increase in the Authorized share capital of the Company from ₹ 98,00,00,000/- (Rupees Ninety Eight Crore Only) divided into 8,90,00,000 (Eight Crore Ninety Lakhs) equity shares of ₹ 10/- (Rupees Ten Only) each and 90,00,000 (Ninety Lakhs) preference shares of ₹ 10/- (Rupees Ten Only) each to ₹ 113,00,00,000/- (Rupees One Hundred and Thirteen Crores Only) divided into 10,40,00,000 (Ten Crore Forty Lakhs) equity shares of ₹ 10/- (Rupees Ten Only) each and 90,00,000 (Ninety Lakhs) preference shares of ₹ 10/- (Rupees Ten Only) and consequently amended the Memorandum of Association of the Company.

8. Grant of Stock option for 1% or more of the issued share capital under Niyogin Employees Stock Option Plan 2020:

The Company through postal ballot/remote e-voting results on 16th October, 2020 approved the Niyogin Employees Stock Option Plan 2020 for employees of the Company and grant of stock options to the employees of the Company (present and/or future) under the Niyogin Employees Stock Option Plan 2020 for 1% or more of the issued share capital of the Company.

For **Mitesh J. Shah & Associates**
Company Secretaries

Date: 19 May, 2021
Place: Mumbai

Mitesh Shah
Proprietor
FCS No.: 10070
C. P. No.: 12891
UDIN: F010070C000340301

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

Annexure A

To,
The Members,
Niyogin Fintech Limited
Neelkanth Corporate IT Park,
311/312 3rd Floor, Kirol Road,
Vidyavihar (w) Mumbai-400086.

My report of even dated is to be read along with this letter:

MANAGEMENT'S RESPONSIBILITY STATEMENT

i. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

AUDITOR'S RESPONSIBILITY STATEMENT

ii. I have followed the audit practices and processes as were appropriate to obtain responsible assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices that I follow provide a responsible basis for my opinion.

iii. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

iv. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

DISCLAIMER

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

vi. The secretarial audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

vii. As per the **guidance provided by ICSI to members to carry out professional assignments during Covid-19 pandemic dated 04.05.2020 and 20.04.2021,** PCS may carry Secretarial Audit by using appropriate information technology tools like virtual data room, cloud-based servers or remote desktop access tools, also PCS can obtain electronically signed extracts of minutes or any other relevant records, wherever required after disclosing the same in his report. The Auditor places reliance on the said guidance note while giving his report. All the judgements are based on the said circular. It is to be noted that necessary disclosures will be taken from the company after the end of this lockdown.

For **Mitesh J. Shah & Associates**
Company Secretaries

Date: 19 May, 2021
Place: Mumbai

Mitesh Shah
Proprietor
FCS No.: 10070
C. P. No.: 12891

Business Responsibility Report

The Securities and Exchange Board of India (SEBI) as mandated India's top 1,000 listed entities based on market capitalisation on BSE Ltd. to submit a 'Business Responsibility Report' (BRR) along with their Annual Report. This report is required to be in line with the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' (NVG) released by the Ministry of Corporate Affairs (MCA) in July 2011.

Accordingly, the Directors present the Business Responsibility Report of the Company for the financial year ended on March 31, 2021, pursuant to Regulation 34(2) (f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This report outlines Niyogin's approach towards creating employee-friendly workplace, positive environmental and social outcomes through its business operations conducted in a responsible, ethical and inclusive manner, and its commitment towards enhancing customer experience.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Corporate Identity Number (CIN) of the Company	L65910TN1988PLC131102
Name of the Company	NIYOGIN FINTECH LIMITED
Registered address	MIG 944, Ground Floor, TNHB Colony, 1st Main Road Velachery Chennai Chennai TN 600042
Website	www.niyogin.com
E-mail id	niyogin.compliance@niyogin.in
Financial Year reported	April 01, 2020 - March 31, 2021
Sector(s) that the Company is engaged in (industrial activity code-wise)	NIC code of the products/ services: 64990 The Company holds a certificate of registration issued by the Reserve Bank of India to carry on the activities of a non-banking financial company.
List three key products/services that the Company manufactures/ provides (as in balance sheet)	Financial services aggregator platform and unsecured business loans
Total number of locations where business activity is undertaken by the Company	As per the applicable regulations all lending activities are done only in India.
Markets served by the Company Local /State /National /International	Local, State and National
Subsidiary & Associate Companies	Please refer Directors' Report which forms part of the Annual Report FY2021

SECTION B: FINANCIAL DETAILS OF THE COMPANY

Authorised Capital (₹)	1,13,00,00,000
Paid up Capital (₹)	93,50,14,660
Total Turnover (₹ in lakhs)	2,599.62 lakhs (on a consolidated basis: 5,063.06 lakhs)
Total Loss after taxes (₹ in lakhs)	631.36 lakhs (on a consolidated basis: 729.59 lakhs)
Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Not applicable
List of activities in which expenditure as mentioned above has been incurred	Not applicable

SECTION C: OTHER DETAILS

Does the Company have any Subsidiary Company/ Companies?	Yes As at March 31, 2021, the Company had 3 subsidiary companies. Please refer Directors' Report for more details of subsidiary companies
Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	No

Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	All material outsourcing and vendor contracts have to agree to and abide by an Anti-Corruption and Anti- Bribery clause in the agreement with the Company. They are all required to be compliant with applicable law in their business dealings.

SECTION D: BR INFORMATION

1. Details of Director/ Directors responsible for BR

Details of the Director/ Directors responsible for implementation of the BR policy /policies

a) DIN Number - 01584128

b) Name - Makarand Patankar

c) Designation - Whole- Time Director

d) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	07557866
2	Name	Amit Rajpal
3	Designation	Non-Executive Director and Chairman
4	Telephone number	022 - 62514646
5	e-mail id	niyogin.compliance@niyogin.in

2. Principle-wise (as per NVGs) BR Policy/policies

(a) Details of compliance (Reply in Y/N)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	(i) https://www.niyogin.com/investors/corporate-governance/codes-and-policies/code-of-conduct-for-management-and-senior-employees.pdf (ii) https://www.niyogin.com/investors/corporate-governance/codes-and-policies/policy-on-vigil-mechanism.pdf (iii) https://www.niyogin.com/investors/corporate-governance/codes-and-policies/fair-practice-code-policy.pdf **Note:** The remaining policies of the Company are internal documents and are not accessible to the public								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy /policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y

9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The policies are internally evaluated by relevant functional heads and the management. (Refer the note below)								

Notes:

(i) The policies have been developed based on best practices or as per regulatory requirements and through appropriate consultation with relevant stakeholders.

(ii) The policies are a combination of board approved policies and/or policies approved and evaluated by various department heads, business heads and the management.

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options) - **Not Applicable**

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The company has not understood the Principles	-	-	-	-	-		-	-	-
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-		-	-	-
3	The company does not have financial or manpower resources available for the task	-	-	-	-	-		-	-	-
4	It is planned to be done within next 6 months	-	-	-	-	-		-	-	-
5	It is planned to be done within the next 1 year	-	-	-	-	-		-	-	-
6	Any other reason (please specify)	-	-	-	-	-		-	-	-

3. Governance related to BR

a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company.

The Board/Committee will review the BR performance atleast annually.

b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes, the BRR 2021 is part of the Annual Report, which is also available on the website of the Company www.niyogin.com

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Ethics, Transparency and Accountability

Our philosophy on Corporate Governance, inter alia, is aimed at enhancing long term shareholder value, achieving transparency and professionalism in all decisions and activities of the Company and achieving excellence in corporate governance. The Company and its subsidiares have developed good governance structure for the organization and formulated procedures and practices that ensure ethical conduct at all levels of the organization. We continuously review and upgrade the procedures and practices. We maintain transparency in our communication with our investors. We have put in place a mechanism for resolution of their grievances. We have Whistle Blower Policy/Vigil Mechanism in place. We do not engage in any practice that is abusive, corrupt or anti-competition. We have avoided complicity with actions of third party that violates Business Responsibility Principles. All members of the Board of Directors and Senior Management Personnel affirm compliance with the Code of Conduct on an annual basis.

We conducted programs to familiarize the directors with changes in regulatory and business environment. We have deployed the practice of separating the roles of the Chairman of the Board and the Executive Director to ensure the right focus to governance. The Chairman of the Board is Non-executive Non- Independent Director. Our Directors have reviewed their own performance, the performance of Individual Directors, functioning of the Board and its Committees, based on the criteria formulated by the Nomination and Remuneration Committee. During the process, the Board also reviewed the Corporate Governance Practices, ethical standards in the Company.

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

   - Yes. It extends to the subsidiaries of the Company.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

   - During the year, there was no complaint received by the management.

Principle 2: Sustainable Products and Services

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

   - **Unsecured loan to MSME:** Providing unsecured loan to the MSME helps them with financing their small businesses and creates employment opportunities.

   - **Digital 2.0:** Digitisation at the Company has largely helped reduce paper consumption. The Company has embarked on its Digital journey that will bring about cost and process efficiency through automation and reduction in paper consumption.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):
   - Not applicable

3. Does the company have procedures in place for sustainable sourcing (including transportation)?
   - Being in the Financial Services sector, material purchase for operations is not significant except for paper. For procurement of equipment, the Company ensures that energy efficiency standards are considered during the purchase of electronic equipment such as computers, laptops, lighting devices, ACs etc. The Company is also working with its hardware equipment suppliers to ensure that they follow energy efficiency norms.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?
   - Procurement of products and services from local suppliers is given preference by the Company, while taking their relevant geography and footprint into consideration.

5. If yes, what steps have been taken to improve their capacity and capability of local and small vendors?
   - No. This is not applicable to the type of suppliers the Company engages with.

6. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.
   - The Company has limited scope for using recycled material as processed inputs. The waste generated by the Company is primarily e-waste (for e.g. computers, monitors, modems, switches, laptops, scanners, routers, printers, and UPS systems) and the Company takes utmost care while disposing of these wastes.

Principle 3: Employee Well Being

1. Please indicate the Total number of employees.
   - The total number of employees of the Company is 85 as on March 31, 2021.

2. Please indicate the total number of employees hired on temporary/contractual/casual basis.
   - The total number of employees hired on temporary/ contractual/casual basis is 0.

3. Please indicate the Number of permanent women employees.
   - The total number of permanent women employees is 16 as on March 31, 2021.

4. Please indicate the Number of permanent employees with disabilities.
   - Niyogin is a fair employer and does not discriminate amongst its employees. Therefore, the Company does not track this information.

5. Do you have an employee association that is recognized by management.
   - No

6. What percentage of your permanent employees are members of this recognized employee association?
   - Not applicable

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.
   - No such complaints were received by the Company during the year.

No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child labour/forced labour/ involuntary labour	NIL	N.A
2	Sexual harassment	NIL	N.A
3	Discriminatory employment	NIL	N.A

There is an internal complaints committee at the Company, to address any cases related to sexual harassment at the Company.

8. What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?
   - 42% of the Company's employees have been covered through the Company's extensive set of training programmes delivered through classroom or e-learning modules in FY2021.

Principle 4: Valuing Marginalised Stakeholders

1. Has the company mapped its internal and external stakeholders?
   - Yes, as a result of regular and extensive stakeholder engagement over many years, the Company's business operations have evolved, balancing business priorities and responsibility towards economic, environmental and social sustainability. The Company builds trust through productive relationships, fosters working partnerships and considers stakeholders both internal and external as integral to its business.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.
   - Yes. The Company has identified women, people with disabilities, children, youth, MSME sector, as its disadvantaged, vulnerable and marginalized stakeholders.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.
   - The Company evaluates on the basis of the various factors/ data available with the Company, and takes initiatives on a case-to-case basis based on the merits of each case.

Principle 5: Human Rights

As a good corporate citizen we respect the human rights of those who we engage with. We pay fair wages to our employees and do not discriminate between male and female employees. They are treated equally with dignity and are given equal opportunities, rights and benefits. We comply and adhere to all the human rights laws and guidelines. We strive to percolate these values at all levels in the organization.

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/Others?
   - The Policy covers the Company and all subsidiaries.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?
   - During the FY2021, the Company did not receive any complaints with regards to human rights.

Principle 6: Environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/ NGOs/others?
   - No, it's applicability is limited only to Niyogin and does not extend to the Group/Joint Ventures/Suppliers/Contractors/ NGOs/others.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.
   - The Company realizes the importance of environmental issues such as climate change, global warming and the impact it has on business in the long term. In this regard, the Company has been measuring, verifying and disclosing its carbon footprint. Our objective is to achieve highest level of paperless office by adopting practices, methods and modern techniques in our internal and external communication with all stakeholders.

3. Does the company identify and assess potential environmental risks? Y/N
   - Yes

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?
   - No

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for webpage etc.
   - Yes. Niyogin continues to undertake small steps towards energy efficiency such as:
     - Occupancy sensors are installed in the washrooms.
     - LED lights are installed in place of conventional CFL/ Fluorescent fittings.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?
   - Not Applicable

7. Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.
   - None

Principle 7: Policy Advocacy

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:
   - The Company is actively involved in consultation/discussion forums with other bodies like Digital Lenders Association of India (DLAI) in the non-banking industry, but it has not lobbied through any association.

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)
   - No

Principle 8: Inclusive Growth

1. Does the Company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.
   - Yes. The Company is dedicated to the MSME sector and is driving inclusive growth by providing them democratized access to credit.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/ any other organization?
   - No

3. Have you done any impact assessment of your initiative?

   - No

4. What is your company's direct contribution to community development projects- Amount in ₹ and the details of the projects undertaken.

   - Refer Annual Report (CSR)

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

   - No

Principle 9: Customer Welfare

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?

   - As on March 31, 2021, the Company has no pending consumer complaints.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

   - The Company displays the details of its financial products on the website. It also has presence on various social media platforms such as linkedin, twitter, Facebook and whatsapp to display the features of the products and services offered. The Company ensures customers are empowered to make informed choices by providing details of the products and services in a transparent manner. It has also taken up multiple initiatives to improve customer awareness and financial literacy. The Company also strives to ensure customer data privacy and security through robust information security systems.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.

   - The Company have not received any stakeholder complaints during the FY2021 with regard to unethical or unfair trade practices, irresponsible advertising and/or anti-competitive behaviour.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

   - The Company conducts regular surveys to measure and analyse the satisfaction levels of customers with respect to its products and services. Customer Satisfaction surveys are conducted periodically throughout the year through SMS, email and phone call with customers to understand their level of satisfaction with the product and services rendered through our NRMs and partnership channels. The feedback received from different channels is collated and shared with respective product and strategy teams who in turn work to incorporate these suggestions / changes in the newer roll out of product versions.

Report on Corporate Governance

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's philosophy on Corporate Governance envisages the adoption of best business policies and alignment of the highest levels of transparency, integrity, honesty, accountability and equity in all facets of its operations and in all its interactions with its stakeholders including shareholders, government and employees.

The Company is committed to best corporate governance practices which stems not only from the letter of law but also from the inherent belief of doing business in the right way. The Company believes that all its actions and operations must serve the underlying goal of enhancing overall shareholder value on a sustained basis. The Company has already put in place systems and procedures and has complied with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations").

2. BOARD OF DIRECTORS:

A. BOARD COMPOSITION:

The Company has an optimum combination of Executive and Non-Executive Directors in conformity with Regulation 17 of SEBI LODR Regulations to maintain the independence of the Board and to separate the Board functions of governance and management.

None of the Independent Directors have any material pecuniary relationship or transactions with the Company.

As on March 31, 2021, the Board comprised of a Chairman (Non-Executive Non-Independent Director), 2 (two) Whole-Time Directors, 1 (one) Non-Executive Additional Director and 4 (four) Non-Executive Independent Directors including 2 (two) Women Directors. All the members of the Board are persons with considerable experience and expertise in industry, finance, management and law.

The Chairman provides leadership to the Board and the Management in strategizing and realizing business objectives. The Independent Directors contribute by giving their valuable guidance and inputs with their independent judgment on the overall business strategies and performance.

None of the Directors on the Board is a Member in more than 10 (ten) Committees and Chairman of more than 5 (five) Committees, in compliance with the SEBI LODR Regulations across all the Companies in which he / she is Directors as per the disclosures made by all the Directors.

None of the Independent Directors on the Board serve as an Independent Director in more than seven listed companies. The Whole-Time Director does not serve as an Independent Director in more than three listed companies.

B. MEETINGS OF THE BOARD:

The Board meets at least once in each quarter inter-alia, to review the quarterly financial results. The gap between two consecutive meetings is less than 120 days. In addition, the Board also meets whenever necessary. The Board periodically reviews compliance reports of all laws applicable to the Company.

During the year under review the Board met 6 (six) times on the following dates:

Sr. No.	Date	Strength	No. of Directors present
1	May 12, 2020	6	6
2	July 23, 2020	6	6
3	August 31, 2020	6	5
4	September 16, 2020	6	6
5	November 10, 2020	6	5
6	February 10, 2021	8	8

The Company Secretary prepares a detailed agenda and the explanatory notes, in consultation with the Chairman and circulates the same in advance to the Directors. The Directors are also provided with all the material information including minimum information as required under Part A of schedule II of sub regulation 7 of Regulation 17 of SEBI LODR Regulations. Every Director has the right to suggest inclusion of items in the agenda.

The Minutes of the proceedings of the meetings of the Board of Directors are noted and the draft Minutes are circulated amongst the members of the Board for their review. Comments, if any, received from the Directors are also incorporated in the Minutes, in consultation with the Chairman. The Minutes are approved by the members of the Board prior to the next meeting and the signed minutes are noted at the subsequent meeting of the Board of Directors.

C. DIRECTORS' ATTENDANCE RECORD & DIRECTORSHIPS HELD:

(i) The names and categories of the Directors on the Board and their attendance at the Board Meetings during the year under review and at the last Annual General Meeting ("AGM") are given below:

Name	Nature of directorship	No. of Board Meetings attended		Attendance at last AGM
		Held during the tenure of Directorship	Attended	
Mr. Amit Rajpal	Non-Executive Non-Independent Director	6	6	Yes
Mr. Makarand Patankar	Whole Time Director	6	4	Yes
Mr. Kapil Kapoor	Independent Director	6	6	Yes

Ms. Sutapa Banerjee	Independent Director	6	6	Yes
Ms. Subhasri Sriram	Independent Director	6	6	Yes
Mr. Eric Wetlaufer	Independent Director	6	6	Yes
Mr. Gaurav Patankar*	Non-Executive Non-Independent Additional Director	1	1	NA
Mr. Noorallah Charania*	Additional Whole- Time Director	1	1	NA

*Appointed w.e.f. November 10, 2020

(ii) The details of the number of directorships and committee memberships held by the Board of Directors in other Companies are given below:

Name	No. of directorships in other public companies#	No. of Committee memberships in listed entities (incl. in the Company)@	
		Membership	Chairmanship
Mr. Amit Rajpal	0	2	1
Mr. Makarand Patankar	0	0	0
Mr. Kapil Kapoor	1	2	1
Ms. Sutapa Banerjee	5	6	2
Ms. Subhasri Sriram	1	2	1
Mr. Eric Wetlaufer	0	1	0
Mr. Gaurav Patankar	0	1	0
Mr. Noorallah Charania	0	0	0

excluding Directorships in Foreign companies, Private Limited companies, companies under Section 8 of the Companies Act, 2013.

@ Memberships include Chairmanships. Only memberships and chairmanship of Audit Committee and Stakeholders' Relationship Committee in listed entities are considered.

Notwithstanding the number of directorships, as given above, the outstanding attendance record and participation of the directors in Board/Committee meetings indicate their commitment and ability to devote adequate time to their responsibilities as the Company's fiduciaries.

(iii) Directorships in equity listed companies:

The name of equity listed entities where directors of the Company held directorships as on March 31, 2021 are as under:

Name	Name of the equity listed entities	Category of Director
Mr. Kapil Kapoor	Info Edge (India) Limited	Non-Executive - Non Independent Director-Chairperson
Ms. Sutapa Banerjee	JSW Holdings Limited	Non-Executive - Independent Director
	Manappuram Finance Limited	Non-Executive - Independent Director
	Camlin Fine Sciences Limited	Non-Executive - Independent Director
	Godrej Properties Limited	Non-Executive - Independent Director
Ms. Subhasri Sriram	TVS Electronics Limited	Non-Executive - Independent Director

(iv) Board expertise and attribute:

The board comprises directors that bring a wide range of skills, expertise and experience which enhances overall board effectiveness.

The Nomination and Remuneration Committee of Directors assesses and recommends to the board, core skill sets required by directors to enable the board to perform its oversight function effectively. These span across parameters such as industry experience, technical/ strategic competencies, behavioural and personal attributes and other skills.

The Company has mapped the skills possessed by the directors vis-à-vis those identified, based on the information provided by the directors. A tabular representation of the same is as below:

Skill Areas	Mr. Amit Rajpal	Mr. Makarand Patankar	Mr. Gaurav Patankar	Mr. Noorallah Charania	Ms. Sutapa Banerjee	Ms. Subhasri Sriram	Mr. Kapil Kapoor	Mr. Eric Wetlaufer
Industry experience	✓	✓	✓	✓	✓	✓	✓	✓
Leadership and strategic planning	✓	✓	✓	✓	✓	✓	✓	✓
Financial expertise	✓	✓	✓	✓	✓	✓	✓	✓
Business operations	✓	✓	✓	✓	✓	✓	✓	✓
Corporate Governance	✓	✓	✓	✓	✓	✓	✓	✓
Risk management	✓	✓	✓	✓	✓	✓	✓	✓
Legal and regulatory compliance	✓	✓	✓	✓	✓	✓	✓	

D. THERE IS NO RELATIONSHIP BETWEEN THE DIRECTORS INTER-SE EXCEPT FOR FATHER-SON RELATIONSHIP BETWEEN MR. MAKARAND RAM PATANKAR AND MR. GAURAV MAKARAND PATANKAR.

E. DETAILS OF SHARES & INSTRUMENTS HELD BY THE NON-EXECUTIVE DIRECTORS:

Sr. No.	Name	Nature of Directorship	No. of shares held as on March 31, 2021	Type of security
1.	Mr. Amit Rajpal	Non-Executive Director	15,98,004*	Equity
2.	Mr. Kapil Kapoor	Independent Director	4,90,052	Equity

**Please note that the number has been considered as per the BSE Filings.*

F. CERTIFICATE FROM PRACTISING COMPANY SECRETARY:

The Company has received a certificate from Mitesh J. Shah & Associates, Practising Company Secretary, to the effect that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of the Company by the Ministry of Corporate Affairs or any other statutory authority. This certificate forms part of this Annual Report.

G. REVIEW OF LEGAL COMPLIANCE REPORTS:

During the year, the Board periodically reviewed compliance reports with respect to the various laws applicable to the Company, as prepared and placed before it by the Management.

H. COMPLIANCE WITH THE CODE OF CONDUCT:

The Company has laid down a Code of Conduct for all Board members and the Senior Management Personnel. The Code of Conduct is available on the Company's website viz., www.niyogin.com. All the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2021. A declaration to this effect signed by the Chief Executive Officer forms part of this Annual Report.

I. MAXIMUM TENURE OF INDEPENDENT DIRECTORS:

In terms of the Act, independent directors shall hold office for a term of up to five consecutive years on the Board of a company but shall be eligible for re-appointment on passing of a special resolution by the company and disclosure of such appointment in the Board's report. The maximum tenure of independent directors of the Company is in accordance with the Act and regulation 25(2) of SEBI LODR Regulations.

J. PERFORMANCE EVALUATION OF THE BOARD:

After taking into consideration one to one inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance; pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence.

K. FAMILIARIZATION PROGRAMME:

The Company has in place a familiarization programme for the Independent Directors. The familiarization programme aims to familiarize the Independent Directors with the finance, MSME and

non-banking industry scenario, the socio-economic environment in which it operates, the business model, the operational and financial performance of the Company, significant developments so as to enable them to take well informed decisions in a timely manner.

The familiarization programme also seeks to update the Directors on the roles, responsibilities, rights and duties under the Act and other statutes. The policy on Company's familiarization programme for Independent Directors is posted on the Company's website at https://www.niyogin.com/investors/corporate-governance/codes-and-policies/niyogin-board-familiarisation-programme.pdf

3. BOARD COMMITTEES:

In compliance with the requirements of the Companies Act, 2013, SEBI LODR Regulations and the applicable laws, the Company has the following committees in place: (i) Audit Committee (ii) Stakeholders Relationship Committee (iii) Nomination & Remuneration Committee (iv) Risk Management Committee (v) Corporate Social Responsibility Committee and (vi) Independent Directors Committee.

The Board determines the constitution of the Committees and the terms of reference for Committee Members including their roles and responsibilities.

A. AUDIT COMMITTEE:

Composition, meetings and the attendance during the year:

The Company has complied with all the requirements of the Companies Act, 2013 and SEBI LODR Regulations relating to the composition of the Audit Committee.

During the year under review, 4 (four) Audit Committee meetings were held on May 12, 2020, July 23, 2020, November 10, 2020 and February 10, 2021. The gap between two consecutive meetings was less than 120 days.

The details of the composition of the Committee and attendance of the members at the meetings are given below:

Sr. No.	Name	Designation	Category	No. of meetings attended
1	Ms. Sutapa Banerjee	Chairman	Non-Executive Independent Director	4
2	Ms. Subhasri Sriram	Member	Non-Executive Independent Director	4
3	Mr. Makarand Patankar#	Member	Whole-time Director	2
4	Mr. Eric Wetlaufer	Member	Non-Executive Independent Director	4
5	Mr. Amit Rajpal*	Member	Non-Executive Non-Independent Director	1

*Mr. Amit Rajpal- Appointed as member of the Committee w.e.f. November 10, 2020
#Mr. Makarand Patankar – Resigned as the member of the Committee w.e.f. November 10, 2020

All the members of the Audit Committee are financially literate and have accounting related financial management expertise.

The Company Secretary acts as the Secretary to the Committee.

The Statutory Auditors, Chief Financial Officer and the Internal Auditors are invitees to the Audit Committee Meetings.

The scope of activities and powers of the Audit Committee are in line with Regulation 18 of SEBI LODR Regulations and Section 177 of the Companies Act, 2013.

Terms of reference:

The terms of reference of the Audit Committee are broadly as follows:

(a) Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

(b) Recommending to the Board the appointment, re-appointment and removal of statutory auditors, cost auditors, branch auditors and fixation of their remuneration.

(c) Approving the payments to statutory auditors for any other services rendered by them.

(d) Reviewing with management the annual financial statements and auditor's report before submission to the Board for approval, focusing primarily on:

- Matters required to be included in the Director's Responsibility for inclusion of the same in the Board Report in terms of clause I of sub-section 3 of Section 134 of the Companies Act, 2013;
- Any changes in accounting policies and practices and reasons for the same;
- Major accounting entries involving estimates based on exercise of judgments by management;
- Qualifications in draft audit report;
- Significant adjustments made in the financial statements arising out of audit;
- The going concern assumption;
- Compliance with accounting standards;
- Compliance with listing and legal requirements concerning financial statements;

» All related party transactions i.e., transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc.

(e) Reviewing with the management, internal financial controls and risk management system.

(f) Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus /notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board.

(g) Reviewing with the management the quarterly and half-yearly financial results before submission to the Board.

(h) Reviewing the adequacy of internal audit functions, 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.

(i) Scrutinizing the inter-corporate loans & investments.

(j) Discussion with Internal Auditors and the Statutory Auditors on any significant findings and follow up thereon.

(k) Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

(l) Approval or any subsequent modification of transactions of the Company with related parties.

(m) To look into reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

(n) Review and monitor the auditor's independence and performance, and effectiveness of audit processes.

(o) To review the functioning of the Whistle Blower Policy and Vigil mechanism.

(p) Valuation of undertaking or assets of the Company where ever it is necessary.

(q) Approval of appointment of Chief Financial Officer (or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.

(r) Discussions with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

(s) All such other functions as may be specified from time to time.

B. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

Composition, meetings and the attendance during the year:

During the year under review, 1 (one) meeting of the Stakeholders' Relationship Committee was held on November 10, 2020. The said meeting was attended by 2 (two) members.

The details of the composition of the Committee and attendance of the members at the meetings are given below:

Sr. No.	Name	Designation	Category	No. of meetings attended
1	Mr. Amit Rajpal	Chairman	Non-Executive Non- Independent Director	1
2	Mr. Kapil Kapoor	Member	Non-Executive Independent Director	1
3	Mr. Makarand Patankar#	Member	Whole time Director	NIL
4	Mr. Gaurav Patankar*	Member	Non-Executive Non- Independent Director	NA

*Mr. Gaurav Patankar- Appointed as a member in the Committee w.e.f. November 10, 2020
#Mr. Makarand Patankar, Whole-Time Director – Resigned as the member of the Committee w.e.f. November 10, 2020

The Company Secretary acts as Secretary to the Committee.

Terms of reference:

The role of the committee shall inter-alia include the following:

(1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

(2) Review of measures taken for effective exercise of voting rights by shareholders.

(3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.

(4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/ statutory notices by the shareholders of the company.

Details of Investor Complaints:

The Company did not receive any investor complaints during the FY2021.

Name, Designation and Address of Investor Grievance Redressal Officer:

Mr. Rumit Dugar
Chief Financial Officer
Niyogin Fintech Limited
Corporate Office: Neelkanth Corporate IT Park, 311/312,
3rd Floor, Kirol Road, Vidyavihar (w), Mumbai – 400086

Name, Designation and Address of Compliance Officer:

Ms. Neha Agarwal
Company Secretary & Compliance Officer
Niyogin Fintech Limited
Corporate Office: Neelkanth Corporate IT Park, 311/312,
3rd Floor, Kirol Road, Vidyavihar (w), Mumbai – 400086

C. NOMINATION AND REMUNERATION COMMITTEE:

Composition, meetings and the attendance during the year:

During the year under review, 6 (six) meetings of the Nomination and Remuneration Committee were held on May 12, 2020, July 23, 2020, August 31, 2020, September 16, 2020, November 10, 2020 and February 10, 2021. The said meetings were attended by all the members.

The details of the composition of the Committee and attendance of the members at the meetings are given below:

Sr. No.	Name	Designation	Category	No. of meetings attended
1	Mr. Kapil Kapoor	Chairman	Non-Executive Independent Director	6
2	Mr. Amit Rajpal#	Member	Non-Executive Non- Independent Director	5
3	Ms. Sutapa Banerjee	Member	Non-Executive Independent Director	6
4	Mr. Gaurav Patankar*	Member	Non-Executive Non- Independent Director	1

*Mr. Gaurav Patankar- Appointed as a member in the Committee w.e.f. November 10, 2020
#Mr. Amit Rajpal – Resigned as the member of the Committee w.e.f. November 10, 2020

The Company Secretary acts as Secretary to the Committee.

Terms of reference:

The role of the Nomination and Remuneration Committee is:

(1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

(2) formulation of criteria for evaluation of performance of independent directors and the board of directors;

(3) devising a policy on diversity of board of directors;

(4) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;

(5) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

(6) recommend to the board, all remuneration, in whatever form, payable to senior management.

Nomination & Remuneration Policy

The Nomination and Remuneration Policy provides a framework for appointment of Directors, Key Managerial Personnel and Senior Management, their performance evaluation and fixing their remuneration based on their performance. The link to the Nomination and Remuneration policy of the Company on the Company's website is https://www.niyogin.com/investors/corporate-governance/codes-and-policies/nomination-and-remuneration-policy.pdf

Policy for selection and Appointment of Directors and their Remuneration:

The Nomination & Remuneration Policy of the Company clearly specifies the following:

- Identification of persons qualified to become Directors or occupy senior management positions.
- Fixing Remuneration of the Directors and Key Managerial personnel and Senior management.

- Re-appointment and Evaluation of Directors and Senior Personnel.

- Evaluation of Independent Directors.

Remuneration:

The Non-Executive Directors shall be entitled to receive sitting fees for each meeting of the Board attended by them, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and reimbursement of expenses for participation in the Board Meetings.

Remuneration for the Whole Time Director, Chief Executive Officer (CEO) and Chief Financial Officer (CFO):

At the time of appointment or re-appointment, the CEO, CFO and the Whole-Time Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the Committee and the Board of Directors) and the CEO, CFO & and the Whole-Time Director within the overall limits prescribed under the Companies Act, 2013.

The Committee shall also take into account the comparative remuneration in the industry, size of the Company and profile of the candidate while deciding the remuneration. The remuneration shall be subject to the approval of the members of the Company in General Meeting, wherever required.

The remuneration of the CEO, CFO and the Whole Time Director comprises of fixed and variable component as per the provisions of Companies Act, 2013. The fixed component includes salary, allowances, perquisites, amenities and retiral benefits.

Remuneration Policy for the Senior Management Employees:

In determining the remuneration of the Senior Management Employees, the Committee shall ensure that the relationship of remuneration and performance benchmark is clear.

Details of Remuneration paid to the Executive Director during the year ended March 31, 2021:

Particulars	Mr. Makarand Patankar	Mr. Noorallah Charania*
	Amount (in ₹)	Amount (in ₹)
Salary	2,50,011	15,96,665
Perquisites	-	-
Commission	-	-
Total Gross remuneration	**2,50,011**	**15,96,665**
Number of Stock options granted under the ESOP Schemes	-	1,86,193
Number of shares held as at March 31, 2021	4,561	-

*Mr. Noorallah Charania was appointed w.e.f. November 10, 2020.

Service Contract, Severance Fees & Notice Period:

The terms of employment stipulate a notice period of 3 (three) months, for termination of appointment of Chairman, Whole-time Director and Executive Directors, on either side. There is no provision for payment of severance fees.

Sitting Fees to Non-Executive Independent Directors:

Non-Executive Independent Directors of the Company do not draw any remuneration from the Company other than sitting fees for attending Board, General and Committee meetings.

The Company pays ₹ 50,000 for each Board/General Meeting and ₹ 25,000 for each Committee Meetings.

Details of sitting fees paid for attending Board and Committee Meetings during the year ended March 31, 2021 are given below:

Name	Sitting Fees			Total
	Board Meetings	Committee Meetings	General Meeting	
Mr. Kapil Kapoor	3,00,000	2,25,000	-	5,25,000
Ms. Sutapa Banerjee	3,00,000	2,75,000	-	5,75,000
Mr. Eric Wetlaufer	3,00,000	1,50,000	-	4,50,000
Ms. Subhasri Sriram	3,00,000	1,25,000	-	4,25,000
Total	**10,50,000**	**900,000**		**19,75,000**

D. RISK MANAGEMENT COMMITTEE

Composition, meetings and the attendance during the year:

During the year under review, 1 (one) meeting of the Risk Management Committee was held on July 23, 2020. The said meeting was attended by all the members.

The details of the composition of the Committee and attendance of the members at the meetings are given below:

Sr. No.	Name	Designation	Category	No. of meetings attended
1	Mr. Eric Wetlaufer	Chairman	Non-Executive Independent Director	1
2	Mr. Kapil Kapoor	Member	Non-Executive Independent Director	1
3	Mr. Amit Rajpal#	Member	Non-Executive Non- Independent Director	1
4	Mr. Gaurav Patankar*	Member	Non-Executive Non- Independent Director	NA
5	Ms. Subhasri Sriram*	Member	Non-Executive Independent Director	NA

*Mr. Gaurav Patankar and Ms. Subhasri Sriram- Appointed as members in the Committee w.e.f. November 10, 2020
#Mr. Amit Rajpal – Resigned as the member of the Committee w.e.f. November 10, 2020

The Company Secretary acts as Secretary to the Committee.

Purpose of Committee:

The purpose of the Committee of the Board of Directors (the "Board") of Niyogin Fintech Limited (the "Company") shall be to assist the Board in fulfilling its corporate governance oversight responsibilities with regard to the identification, evaluation and mitigation of strategic, operational, financial and external environment risks. The Committee has overall responsibility for monitoring and approving the enterprise risk management framework and associated practices of the Company.

Terms of reference:

The role and responsibility of the Committee is:

(a) The Risk Management Committee shall periodically assess risks for the effective execution of business strategies and review key leading indicators in this regard.

(b) The Risk Management Committee shall annually review and approve the Enterprise Risk Management Framework of the Company.

(c) The Risk Management Committee shall periodically review the risk management processes and practices of the Company and ensure that the Company is taking the appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities.

(d) The Risk Management Committee shall evaluate significant risk exposures of the Company and assess management's actions to mitigate the exposures in a timely manner (including one-off initiatives, and ongoing activities such as business continuity planning and disaster recovery planning & testing).

(e) The Risk Management Committee shall evaluate risks related to cyber security and ensure appropriate procedures are placed to mitigate these risks in a timely manner.

(f) The Risk Management Committee will coordinate its activities with the Audit Committee in instances where there is any overlap with audit activities (e.g. internal or external audit issue relating to risk management policy or practice).

(g) The Risk Management Committee may form and delegate authority to sub-committees when appropriate.

(h) The Risk Management Committee shall make regular reports to the Board, including with respect to risk management and minimization procedures.

(i) The Risk Management Committee shall review and reassess the adequacy of this Charter periodically and shall have the authority to approve the modifications to the Charter. The Board may review the performance of the Risk Management Committee & any alterations to the Charter of the Committee, periodically.

(j) The Risk Management Committee shall have access to any internal information necessary to fulfill its oversight role.

(k) The Risk Management Committee shall also have authority to appoint external legal, accounting or other advisors for obtaining advice and assistances.

The role and responsibilities of the Committee shall include such other items as may be prescribed by any applicable law or the Board or suo motu in compliance with applicable law, from time to time.

E. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Composition, meetings and the attendance during the year:

As per the provisions of Section 135 of the Companies Act, 2013, your Company is not required to contribute funds for CSR. Hence, the Company did not have any meetings of the Committee during the year. However, as a part of good corporate governance along with an intent to work for a social cause the Company has constituted a CSR Committee.

The details of the composition of the Committee is given below:

Sr. No.	Name	Designation	Category
1	Mr. Amit Rajpal	Chairman	Non-Executive Non-Independent Director
2	Mr. Eric Wetlaufer	Member	Non-Executive Independent Director
3	Mr. Makarand Patankar	Member	Whole-Time Director

The Company Secretary acts as Secretary to the Committee.

The role, broad terms and reference of the committee includes the following:

a. Formulate and recommend to the Board, a Corporate Social Responsibility Policy;

b. Recommend the amount of expenditure to be incurred on the CSR activities to the Board;

c. Monitor the Corporate Social Responsibility Policy of the company from time to time.

F. MEETING OF THE INDEPENDENT DIRECTORS:

The Independent Directors met on July 23, 2020, inter alia, to discuss:

(a) Evaluation of the performance of Non-Independent Directors and Board of Directors as a Whole;

(b) Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-executive Directors;

(c) Evaluation of the quality, quantity, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

4. SUBSIDIARY COMPANIES:

The Company has three subsidiaries viz. Investdirect Capital Services Private Limited, Moneymap Investment Advisors Private Limited and Iserveu Technology Private Limited. Details of the subsidiaries, including their performance, business, etc. are given in the Directors' Report and the consolidated financial statements.

During the year under review, the Audit Committee reviewed the financial statements of and, in particular, the investments made by each of its unlisted subsidiary companies, to the extent applicable. Minutes of the Board meetings of these subsidiary companies were regularly placed before the Board of the Company along with a statement of significant transactions and arrangements entered into by these subsidiary companies, as applicable. Provisions under regulation 24 and 24A of SEBI LODR Regulations, with reference to the subsidiary companies were duly complied, to the extent applicable.

5. RELATED PARTY TRANSACTIONS (RPT):

During the year under review, the Company has entered into a related party transaction, which was in the normal course of business and on arm's length basis for which necessary approvals are taken and disclosures are made. The Company has not entered into any material related party transactions i.e., transactions of material nature under regulation 23 of SEBI LODR Regulations There were no material transactions entered into with related parties, during the period under review which may have had any potential conflict with the interests of the Company at large. However, the Company has made suitable disclosures to the financial statements of the list of all related parties as per Section 188 of the Companies Act, 2013 and Accounting Standards and the transactions entered into and pursuant to Regulation 23 of the SEBI LODR Regulations.

During the year under review, as required under section 177 of the Act and regulation 23 of SEBI LODR Regulations, all RPTs were entered with the approval of the Audit Committee. Details of such transactions were placed before the Audit Committee for noting/ review, on a quarterly basis.

The Company has in place policy on Related Party Transactions. This policy can be viewed on the Company's website viz. www.niyogin.com

6. COMPLIANCES REGARDING INSIDER TRADING:

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, (SEBI PIT Regulations), the Company has approved the Insider Trading prohibition Code which contains the Code of Conduct to Regulate, Monitor and Report Trading by insiders ('Code of Conduct'), a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ('Code of Fair Disclosure') and Policy for Procedure of Inquiry in case of leak of unpublished Price Sensitive Information ("UPSI") or suspected leak of UPSI.

The Company also, by means of periodic communications, makes the designated employees conversant with the important obligations under the insider trading regulations. The status of compliance with SEBI PIT Regulations are reviewed by Audit Committee and Board on a periodic basis.

7. COMPANY POLICIES:

The Company has the following policies in place which can be viewed on the Company's website viz. www.niyogin.com

Policy on determination of Materiality	https://www.niyogin.com/investors/corporate-governance/codes-and-policies/policy-on-determination-of-materiality.pdf
Material Subsidiary policy	https://www.niyogin.com/investors/corporate-governance/codes-and-policies/material-subsidiary-policy.pdf
Board Evaluation Policy	https://www.niyogin.com/investors/corporate-governance/codes-and-policies/board-evaluation-policy.pdf
Succession Planning Policy	https://www.niyogin.com/investors/corporate-governance/codes-and-policies/succession-planning-policy.pdf
Policy on preservation of documents	https://www.niyogin.com/investors/corporate-governance/codes-and-policies/policy-on-preservation-of-documents.pdf

Policy on Vigil Mechanism	https://www.niyogin.com/investors/corporate-governance/codes-and-policies/policy-on-vigil-mechanism.pdf
Code of Conduct	https://www.niyogin.com/investors/corporate-governance/codes-and-policies/code-of-conduct-for-management-and-senior-employees.pdf
Related Party Transaction Policy	https://www.niyogin.com/investors/corporate-governance/codes-and-policies/related-party-transaction-policy.pdf
Web Archival Policy	https://www.niyogin.com/investors/corporate-governance/codes-and-policies/web-archival-policy.pdf
Nomination and Remuneration Policy	https://www.niyogin.com/investors/corporate-governance/codes-and-policies/nomination-and-remuneration-policy.pdf
Care & Dignity Policy	https://www.niyogin.com/investors/corporate-governance/codes-and-policies/niyogin-care-and-dignity-policy.pdf
Internal Guidelines on Corporate Governance	https://www.niyogin.com/investors/corporate-governance/codes-and-policies/internal-guidelines-on-corporate-governance.pdf
Dividend Distribution Policy	https://www.niyogin.com/investors/corporate-governance/codes-and-policies/dividend-distribution-policy.pdf

8. OTHER INFORMATION:

(a) Corporate Identity Number allotted to the Company by the Ministry of Corporate Affairs: L65910TN1988PLC131102

(b) General Body Meetings:

(i) Location, Date and Time of Annual General Meetings held during the last 3 (three) years:

The Annual General Meetings ("AGM") of the Company in the previous three financial years are enlisted as below:

Financial Year	Date and Time of Meeting	Location
2019-20	Thursday, September 17, 2020 at 4:00 p.m. onwards	Through video conferencing ("VC")/ Other Audio-Visual Means ("OAVM")
2018-19	Tuesday, September 17, 2019 at 1:00 p.m. onwards	Trident Chennai, 1/24 GST Road, Chennai- 600027
2017-18	Tuesday, September 25, 2018 at 11:00 a.m. onwards	Neelkanth Corporate IT Park, 311/312, 3rd Floor, Kirol Road, Vidyavihar (West), Mumbai – 400086

(ii) Special Resolutions passed in the previous three Annual General Meetings:

Financial Year	Subject Matter of Special Resolution
2019-20	(1) To consider grant of Stock Options to the employees of the Subsidiary Company(ies) (present and/or future) under the Niyogin - Employee Stock Option Plan 2019 (ESOP – 2019)
2018-19	-
2017-18	-

(iii) Special resolutions passed through postal ballot:

During the year under review, the following special resolutions were passed through postal ballot:

Resolutions	Date of passing the special resolution	% of Votes Polled on outstanding shares	% of Votes in favour on votes polled	% of Votes against on votes polled
Issue of Equity Shares on Preferential Allotment/Private Placement Basis	03-10-2020	51.0287	99.9943	0.0057
Approval of Investment (s) Loans, Guarantee and Security in excess of limit specified under Section 186 of the Companies Act, 2013	03-10-2020	51.0287	85.3967	14.6033
To consider and grant Stock Options to the employees of the Company (present and/or future) under the Niyogin - Employee Stock Option Plan 2018 (NFL-Employee Stock Option Plan 2018) for 1 % or more of the issued share capital of the Company	03-10-2020	51.0287	85.3967	14.6033

To consider and grant Stock Options to the employees of the Subsidiary Company(ies) (present and/or future) under the Niyogin - Employee Stock Option Plan 2019 (ESOP – 2019) for 1 % or more of the issued share capital of the Company	03-10-2020	51.0287	85.3967	14.6033
Niyogin Employees Stock Option Plan 2020 for employees of the Company	16-10-2020	64.6410	88.4719	11.5281
To consider and grant Stock Options to the employees of the Company (present and/or future) under the Niyogin - Employee Stock Option Plan 2020 (ESOP - 2020) of 1 % or more of the issued share capital of the Company	16-10-2020	64.6410	88.4719	11.5281

Mr. Mitesh J. Shah proprietor of M/s. Mitesh J. Shah & Associates, Practicing Company Secretary, Mumbai was appointed as the scrutiniser for all the postal ballot processes. The detailed voting procedure mentioned in the postal ballot notice, the scrutiniser's report and the voting results are available on the Company's website.

No further special resolution was proposed to be passed through postal ballot under the provisions of the Companies Act, 2013.

9. OTHER DISCLOSURES:

(a) A qualified practicing Company Secretary conducts Share Capital Reconciliation Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) along with shares held in physical form and the total issued and listed capital. The Share Capital Reconciliation Audit Report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

(b) The Chief Executive Officer and the Chief Financial Officer have certified to the Board in accordance with the requirements of Regulation 17 of SEBI LODR Regulations pertaining to CEO / CFO Certification for the period ended March 31, 2021. The certificate forms part of this Annual Report.

(c) The Companies risk management framework is being reviewed at regular intervals and revised (if required) to minimize risk and strengthen risk assessment.

(d) During the last three years, there were no strictures or penalties imposed either by Securities and Exchange Board of India or the Stock Exchange or any regulatory authority for non-compliance of any matter related to the capital market.

(e) No personnel have been denied access to the Chairman or members of the Audit Committee. Our Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors has formulated a Vigil Mechanism/ Whistle Blower Policy which is in compliance with the provisions of Section 177 (10) of the Companies Act, 2013 and Regulation 4 of SEBI LODR Regulations. The policy provides for a framework and process whereby concerns can be raised by its employees against any kind of discrimination, harassment, victimization or any other unfair practice being adopted against them. This Policy can be viewed on the Company's website viz. www.niyogin.com

(f) The Company has complied with all applicable Accounting Standards issued by Institute of Chartered Accountants of India in preparation of its financial statements pursuant to the amended Schedule III of Companies Act, 2013.

(g) The Company approved draft scheme of Amalgamation under Sections 230-232 of the Companies Act, 2013 (the 'Act') and the rules and regulations made thereunder, of Information Interface India Private Limited with Niyogin Fintech Limited and their respective shareholders and creditors ("Scheme") at its Board meeting held on December 16, 2019. The Scheme as aforesaid has received approval from the stock exchange and Reserve Bank of India on July 9, 2020 and July 23, 2020 respectively. It is further subject to necessary approvals of the shareholders and creditors of the company(ies), as may be applicable, Chennai Bench of National Company Law Tribunal and such other statutory and regulatory approvals as may be required.

(h) The Company completed the acquisition of 51.00% stake in Iserveu Technology Private Limited ("Iserveu"). The said acquisition was a part cash and part non-cash transaction wherein the Company infused cash of ₹ 160,459,362.42/- and issued 73,31,832 equity shares to the shareholders of Iserveu, by way of preferential issue, as non-cash consideration towards the shareholders of Iserveu transferring part of their shareholding in Iserveu in the Company's name. The preferential issue was allotted on December 17, 2020 and subsequently the Company obtained the trading approval from the stock exchange effective January 13, 2021.

(i) Auditor's certificate on Corporate Governance: The Company has obtained a certificate from its secretarial auditor regarding compliance with the provisions relating to corporate governance laid down in Part E of Schedule V to SEBI LODR Regulations. The certificate forms part of this Annual Report.

(j) Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013: During the year under review, the Company has not received any complaint under this Act.

(k) Further details about fees for all services paid by the Company and its subsidiaries on a consolidated basis, to the statutory auditor are available in the financial statements which forms part of this Annual Report.

10. MEANS OF COMMUNICATION:

(a) Financial Results: As required under the SEBI LODR Regulations, Quarterly and Half-Yearly results of the Company are published

within forty-five days from the end of the respective quarter and the annual audited results are announced within 60 days from the end of the year. The financial results are published usually in at least one English language national daily newspaper circulating in the whole or substantially the whole of India and in one daily newspaper published in the language of the region, where the registered office of the Company is situated and also posted on the Company's website viz. www.niyogin.com

(b) News Releases, Presentations etc.: Official news releases, detailed presentations made to media, analysts, institutional investors etc. if any, are displayed on the Company's website viz. www.niyogin.com. Official announcements are sent to the Stock Exchanges.

(c) Website: The Company's corporate website www.niyogin.com provides information about the Company's business. It also contains a separate dedicated Section 'Investor Relations' where shareholders information is available. The Annual Report of the Company is also available on the website in a user friendly and downloadable format.

(d) Annual Report: Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis (MD&A) Report forms part of the Annual Report.

(e) AGM through video conferencing ("VC")/ Other Audio-Visual Means ("OAVM"): Pursuant to MCA circulars, the Company will also provide two-way video conferencing or webex facility to members for participating in the 33rd AGM. For more details, please refer to Notice of AGM, as placed on the Company's website www.niyogin.com and on the website of stock exchanges.

(f) The presentations made to the investors are also uploaded on the website of the Company.

11. MANDATORY REQUIREMENT:

To the extent possible, the Company has complied with the mandatory requirements of Regulation 34 of SEBI LODR Regulations relating to Corporate Governance.

12. GENERAL SHAREHOLDER INFORMATION:

a. As indicated in the Notice to our Shareholders, the 33rd Annual General Meeting of the members of Niyogin Fintech Limited, will be held on Friday, September 17, 2021 at 4.30 p.m. IST through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM").

Annual General Meeting	33rd Annual General Meeting
Financial Year	2020 - 2021
Time & Venue	4:30 p.m (IST), on Friday, September 17, 2021 through video conferencing ("VC")/ Other Audio-Visual Means ("OAVM")
Date of Book Closure	Book closure start date: Saturday, September 11, 2021 Book closure end date: Friday, September 17, 2021
Dividend Payment	The Board of Directors of the Company do not recommend any dividend for its members. The Board intends to grow its reserves for operational growth and future cash flows.
Listing on Stock Exchange	BSE Limited
Stock Code	538772
Registered Office	MIG 944, Ground Floor, TNHB Colony, 1st Main Road, Velachery, Chennai, Tamil Nadu-600042
Corporate Address	Neelkanth Corporate IT Park, 311/312, 3rd Floor, Kirol Road, Vidyavihar (w), Mumbai – 400086

b. Financial Calendar for FY 2020-21 (tentative and subject to change):

Particulars	Actual/ Tentative Dates
Unaudited Financial Results for Quarter ended June 30, 2021	August 05, 2021
Unaudited Financial Results for Quarter ended September 30, 2021	November, 2021
Unaudited Financial Results for Quarter ended December 31, 2021	February, 2022
Audited Financial Results for the financial year ended March 31, 2022	May, 2022

c. Financial Year:

The Company follows the financial year starting from April 1 to March 31 each year.

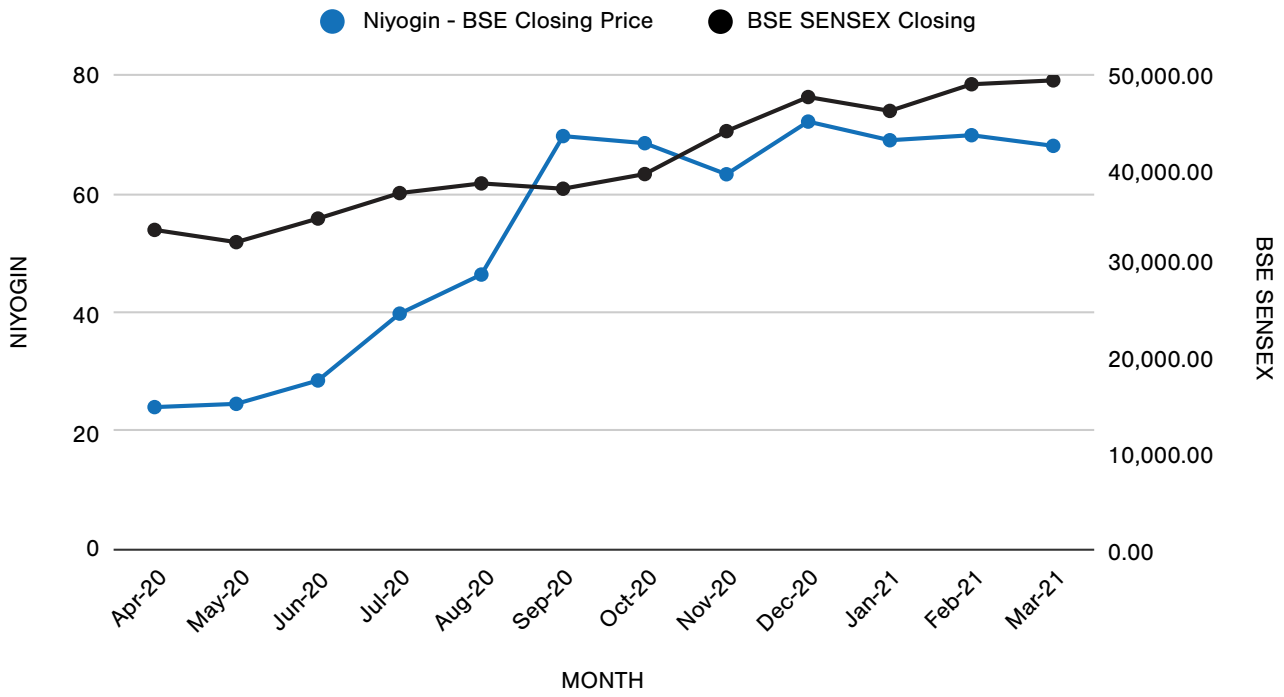
d. Market Price Data - BSE:

Monthly highs and lows of equity shares of Niyogin Fintech Limited during 2020-21 (vis-à-vis BSE Sensex)

Month	High (in ₹)	Low (in ₹)	Niyogin - BSE Closing Price (in ₹)	BSE Sensex Closing
Apr-20	31.90	22.90	24.00	33,717.62
May-20	27.00	21.80	24.55	32,424.10
Jun-20	31.30	23.45	28.50	34,915.80

Jul-20	39.80	26.55	39.80	37,606.89
Aug-20	50.50	39.80	46.40	38,628.29
Sep-20	69.80	45.50	69.80	38,067.93
Oct-20	78.60	68.25	68.60	39,614.07
Nov-20	69.65	62.25	63.35	44,149.72
Dec-20	72.25	58.00	72.25	47,751.33
Jan-21	96.35	63.05	69.10	46,285.77
Feb-21	78.00	62.10	69.95	49,099.99
Mar-21	73.40	57.20	68.15	49,509.15

e. Stock performance in comparison to BSE SENSEX:



f. Registrars and Share Transfer Agents for Shares:

Registrar & Share Transfer Agent	Link Intime India Private Limited
Address, Contact details and Email id	C 101, 247 Park, L. B .S. Marg, Vikhroli (West), Mumbai – 400083. Toll free number: 1800 2208 78 Email id: rnt.helpdesk@linkintime.co.in
Share Transfer System	Presently, the Share Transfers which are received in physical form are processed by the Registrars and Share Transfer Agent and approved by the Committee of Directors in their meeting which normally meets twice in a month and the share certificates are returned within a period of 20 to 25 days from the date of lodgment, subject to the transfer instrument being valid and complete in all respects.

g. The Distribution of Shareholding as on March 31, 2021:

Sr. No.	Shares range			Number of shareholders	% of total shareholders	Total shares for the range	% of issued capital
1	1	to	500	879	62.4733	152217	0.1628
2	501	to	1000	172	12.2246	140627	0.1504
3	1001	to	2000	103	7.3205	153847	0.1645

4	2001	to	3000		53	3.7669	135362	0.1448
5	3001	to	4000		22	1.5636	78363	0.0838
6	4001	to	5000		26	1.8479	122716	0.1312
7	5001	to	10000		53	3.7669	392502	0.4198
8	10001	to	**********		90	7.0362	92325832	98.7427
Total					**1398**	**100.0000**	**93501466**	**100.0000**

h. Category of Shareholders as on March 31, 2021:

Category	Total Securities	Total Holders	% Issued Capital
Corporate Bodies (Promoter Co)	34435567	1	36.8289
Promoter (Individual)	4561	1	0.0049
Clearing Members	7969	11	0.0085
Other Bodies Corporate	3534591	26	3.7803
Foreign Company	22270625	2	23.8185
Foreign Promoters*	1598004	1	1.7091
Hindu Undivided Family	99094	42	0.1060
Non-Resident Indians	181770	12	0.1944
Non-Resident (Non Repatriable)	2710634	16	2.8990
Public	12000731	1280	12.8348
Foreign Portfolio Investors (Corporate)	16190467	4	17.3157
NBFCs registered with RBI	2550	1	0.0027
Alternate Investment Funds - III	464903	1	0.4972
TOTAL	**93501466**	**1398**	**100.00**

*Please note that the numbers has been considered as per the BSE Filings and the adjustments has been made accordingly.

i. Dematerialization of shares:

As on March 31, 2021, 99.93% of the total equity capital is held in dematerialized form with NSDL and CDSL. As per SEBI guidelines, the trading in equity shares of the Company is permitted only in dematerialized form.

Particulars	No. of Shares	As % of total shares
NSDL	53096026	56.79
CDSL	40350240	43.15
Physical	55200	00.06
Total	**93501466**	**100.00**

j. Disclosure in relation to demat suspense account or unclaimed suspense account, as applicable:

i. aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year; Nil

ii. number of shareholders who approached listed entity for transfer of shares from suspense account during the year; N.A.

iii. number of shareholders to whom shares were transferred from suspense account during the year; N.A.

iv. aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year; N.A.

v. that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares. Nil

k. Address for correspondence:

Registered Office	MIG 944, Ground Floor, TNHB Colony, 1st Main Road Velachery, Chennai, Tamil Nadu- 600042
Corporate Office	311/312, 3rd Floor, Neelkanth Corporate IT Park, Kirol Road, Vidyavihar (West), Mumbai- 400086
Tel No.	022- 62514646
E-mail	niyogin.compliance@niyogin.in

I. Secretarial Department:

The Company's Secretarial Department, headed by the Company Secretary, is situated at the Corporate Office mentioned above. Shareholders/Investors may contact the Company Secretary for any assistance they may need.

13. NON-MANDATORY REQUIREMENTS AS MENTIONED IN PART E OF SCHEDULE II:

Non-Executive Chairman's Office:

The Chairman of the Company is a Non-Executive Chairman.

Shareholders rights:

The Quarterly, Half Yearly and Annual Financial Results of the Company are published in the Newspaper and also posted on the Company's website. The complete Annual Report is sent to each and every shareholder of the Company.

Audit Qualifications:

There are no Audit qualifications in the Company's financial statement for the year under reference.

Separate post for Chairman & CEO:

The Company has appointed separate persons to the post of Chairman and Chief Executive Officer.

Reporting of internal auditor:

The internal auditor reports directly to the Audit Committee.

Declaration pursuant to regulation 34(3) read with clause 'D' of schedule v of SEBI (Listing Obligations and Disclosure Requirements), 2015

To
The Members,
Niyogin Fintech Limited

I, Tashwinder Singh, Chief Executive Officer of Niyogin Fintech Limited hereby declare that all the members of the Board of Directors and the senior management personnel have affirmed compliance with the Code of Conduct of the Company for the year ended March 31, 2021.

Date: May 07, 2021
Place: Mumbai

Tashwinder Singh
Chief Executive Officer
PAN: AGPPS8049C

Certificate pursuant to Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
Board of Directors,
Niyogin Fintech Limited

Dear Members of the Board,

We the undersigned, certify the following information –

A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2021 and that to the best of our knowledge and belief:

   1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   2) these statements together present a true and fair view of the Company'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 listed entity during the year which are fraudulent, illegal or violative of the Company'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 Company 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 -

   1) that there are no significant changes in internal control over financial reporting during the year;

   2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   3) that there are no instances of significant fraud of which we have become aware.

Tashwinder Singh
Chief Executive Officer
PAN: AGPPS8049C

Rumit Dugar
Chief Financial Officer
PAN: AEXPD0410L

Place: Mumbai
Date: May 19, 2021

Compliance Certificate on Corporate Governance

(In terms of Regulation 34(3) and Schedule V (E) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
Niyogin Fintech Limited

We have examined the compliance of conditions of Corporate Governance by **Niyogin Fintech Limited** ('the Company'), CIN: L65910TN1988PLC131102 having registered office at MIG 944, Ground Floor, TNHB Colony, 1st Main Road Velachery Chennai, Tamil Nadu -600042 and its corporate office at Neelkanth Corporate IT Park, 311/312 3rd Floor, Kirol Road, Vidyavihar (w) Mumbai - 400086 for the year ended on **March 31, 2021,** as stipulated in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the company for ensuring compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we hereby certify that the Company has complied with the conditions of Corporate Governance to the extent applicable, as stipulated in the provisions specified in chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Listing Agreement of the said Company with stock exchange.

We further state that such compliance is neither any assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

This certificate is issued solely for the purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose.

For **Mitesh J. Shah & Associates**
Company Secretaries

Mitesh Shah
Proprietor
FCS No.: 10070
C. P. No.: 12891
UDIN: F010070C000340334

Date: 19 May, 2021
Place: Mumbai

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,
Niyogin Fintech Limited
Neelkanth Corporate IT Park,
311/312 3rd Floor, Kirol Road,
Vidyavihar (w) Mumbai 400086

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **NIYOGIN FINTECH LIMITED** having CIN L65910TN1988PLC131102 and having registered office at MIG 944, Ground Floor, TNHB Colony, 1st Main Road, Velachery Chennai, Tamil Nadu -600042 and its corporate office at Neelkanth Corporate IT Park, 311/312 3rd Floor, Kirol Road, Vidyavihar (w) Mumbai 400086 (hereinafter referred to as 'the Company'), produced before me by the Company 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my 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 me by the Company & its officers, I hereby certify that none of the following Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Details of Directors:

Sr. No.	Name of the Directors	DIN	Date of appointment in Company
1.	Mr. Kapil Kapoor	00178966	05/12/2016
2.	Mr. Makarand Ram Patankar	01584128	05/12/2016
3.	Mrs. Subhasri Sriram	01998599	23/01/2020
4.	Mr. Gaurav Makarand Patankar	02640421	10/11/2020
5.	Ms. Sutapa Banerjee	02844650	05/12/2016
6.	Mr. Amit Vijay Rajpal	07557866	05/12/2016
7.	Mr. Eric Wetlaufer	08347413	12/02/2019
8.	Mr. Noorallah Pyarali Charania	08812239	10/11/2020

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on this based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Mitesh J. Shah & Associates**
Company Secretaries

Date: 19 May, 2021
Place: Mumbai

Mitesh Shah
Proprietor
FCS No.: 10070
C. P. No.: 12891
UDIN: F010070C000340281

ESOP Compliance Certificate

Compliance certificate pursuant to Securities & Exchange Board of India (Share Based Employee Benefits) Regulations, 2014

To,
The Board of Directors
Niyogin Fintech Limited,
311-312, 3rd Floor,
Neelkanth Corporate IT Park,
Kirol Road, Vidhyavihar (West),
Mumbai – 400086.

INDEPENDENT AUDITOR'S CERTIFICATE OF NIYOGIN FINTECH LIMITED (THE "COMPANY") PURSUANT TO THE REQUIREMENTS OF COMPLIANCE OF SECURITIES AND EXCHANGE BOARD OF INDIA (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014.

1. This report is issued in accordance with the terms of our Mandate Letter dated May 17, 2021.

2. Pursuant to the requirements of Regulation 13 of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as the "Regulations") we are required to issue a certificate to the Board of Directors of the Company for placing before the shareholders in the annual general meeting on whether 'Niyogin Employee Stock Option Plan 2018' ('' ESOP -2018 ''), 'Niyogin Employee Stock Option Plan 2019' ('' ESOP -2019 '') 'Niyogin Employee Stock Option Plan 2020' ('' ESOP -2020 '') (together referred to as 'ESOP Schemes') have been implemented in accordance with Regulations and in accordance with Securities and Exchange Board of India (Share Based Employee Benefits) (Amendment) Regulations, 2015 (hereinafter referred to as the "Regulations").

MANAGEMENT'S RESPONSIBILITY

3. The Management of the Company is responsible for the implementation of the ESOP Schemes in accordance with the requirement of Regulations and in accordance with the resolutions passed at the Shareholders Meeting of the Company by way of Special Resolution approving the ESOP Schemes (hereinafter referred to as the "Shareholder's Resolutions"). The responsibility includes the design, implementation and maintenance of internal control relevant for complying with the Regulations.

4. The Management is also responsible for ensuring that the Company complies with the requirements of the Equity Listing Agreements and for furnishing the relevant information to the Securities and Exchange Board of India.

AUDITORS' RESPONSIBILITY

5. Pursuant to the requirements of the Regulations it is our responsibility to obtain reasonable assurance and form an opinion as to whether the ESOP Schemes have been implemented in compliance with the Regulations and Shareholder's Resolutions.

6. We have audited the financial statements of the Company as of and for the financial year ended March 31, 2021, on which we issued an unmodified audit opinion vide our report dated May 19, 2021. Our audit of the financial statements were conducted in accordance with the Standards on Auditing under section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India (the 'ICAI'). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audit was not planned and performed in connection with any transactions to identify matters that may be of potential interest to third parties.

7. We carried out our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

OPINION

9. Based on our examination, and according to the information and explanations given to us, we report that the Company has implemented the ESOP Schemes in accordance with the Regulations and the Shareholder's Resolutions.

RESTRICTION ON USE

10. This report is addressed to and provided to the Board of Directors of the Company solely for the purpose of Compliance with Regulation 13 of the Regulations. MSKA & Associates do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration Number: 105047W

Swapnil Kale
Partner
Membership Number: 117812
UDIN: 21117812AAAAFP4117

Date: May 19, 2021
Place: Mumbai

Notice of the 33rd Annual General Meeting

NOTICE is hereby given that the Thirty Third (33rd) Annual General Meeting ('**AGM**') of the Members of **Niyogin Fintech Limited** will be held on Friday, September 17, 2021 at 4:30 p.m. (IST) through video conferencing ("**VC**")/ Other Audio-Visual Means ("**OAVM**") to transact the following businesses:

ORDINARY BUSINESS

1. To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2021 along with the reports of the Board of Directors and the Auditors thereon;

2. To appoint a Director in place of Mr. Makarand Patankar (DIN: 01584128), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

3. To approve appointment of M/s. Pijush Gupta & Co, Chartered Accountants, (Firm Registration No: 309015E), as the Statutory Auditors of the Company to fill in the casual vacancy:

To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of section 139(8) of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force) and all other applicable laws, if any, M/s. Pijush Gupta & Co, Chartered Accountants, (Firm Registration No: 309015E) who have confirmed their eligibility to be appointed as Auditors, in terms of provisions of Section 141 of the Act, and Rule 4 of the Rules, be and are hereby appointed as the Statutory Auditors of the Company to fill the casual vacancy caused due to the resignation of M/s MSKA & Associates, Chartered Accountants (Firm Registration No. 105047W) and to hold the office until the conclusion of the 33rd Annual General Meeting of the Company held for the financial year ending on March 31, 2021, on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to taxes and re-imbursement of out of pocket expenses incurred by them in connection with the audit of accounts of the Company.

RESOLVED FURTHER THAT any of the Director or Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds and things which may be deemed necessary and expedient to give effect to this resolution."

4. To approve appointment of M/s. Pijush Gupta & Co, Chartered Accountants, (Firm Registration No: 309015E) as the Statutory Auditor of the Company for a period of 5 years:

To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** subject to the provisions of section 139 and 142 and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modification(s) or re-enactment thereof, for the time being in force and the Articles of Association of the Company and on recommendation of the Audit Committee, M/s. Pijush Gupta & Co, Chartered Accountants, (Firm Registration No: 309015E), be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting for a period of 5 years till the conclusion of the Thirty Eight Annual General Meeting, at such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to taxes and re-imbursement of out of pocket expenses incurred by them in connection with the audit of accounts of the Company, from time to time;

RESOLVED FURTHER THAT any of the Director or Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds and things which may be deemed necessary and expedient to give effect to this resolution."

5. To appoint Mr. Gaurav Makarand Patankar (DIN: 02640421) as the Director (Non-Executive Non-Independent) of the Company:

To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification or re-enactment thereof for the time being in force) read with the Articles of Association of the Company, Mr. Gaurav Makarand Patankar (DIN: 02640421), who was appointed as an Additional Director of the Company with effect from November 10, 2020 and who holds office till the date of this Annual General Meeting in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby appointed as a Director (Non-Executive Non-Independent) of the Company, liable to retire by rotation;

RESOLVED FURTHER THAT any of the Director or Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds and things which may be deemed necessary and expedient to give effect to this resolution."

6. To appoint Mr. Noorallah Charania (DIN: 08812239) as a Whole-Time Director of the Company:

To consider and, if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) and the Articles of Association of the Company, Mr. Noorallah Charania (DIN: 08812239), who was appointed as an Additional Director of the Company w.e.f November 10, 2020 and who holds office till the date of the Annual General Meeting in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is

hereby appointed as a Whole-Time Director of the Company, not liable to retire by rotation;

RESOLVED FURTHER THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V of the Companies Act, 2013 (including any statutory modification or re-enactment thereof), and Articles of Association of the Company and upon the recommendation of the Nomination and Remuneration Committee, consent of members be and is hereby accorded to appoint Mr. Noorallah Charania (DIN: 08812239) as the Whole-Time Director of the Company and to hold office for a period of two years with effect from November 10, 2020, on the terms and conditions of appointment including payment of remuneration, as detailed in the Explanatory Statement annexed herewith;

RESOLVED FURTHER THAT the terms of remuneration as set out in the Explanatory Statement of this resolution shall be deemed to form part hereof and in the event of any inadequacy or absence of profits in any financial year(s), the aforementioned remuneration approved herein be continued to be paid as minimum remuneration to Mr. Charania for his entire term;

RESOLVED FURTHER THAT the Board of Directors of the Company or Nomination & Remuneration Committee or any other Committee thereof, be and are hereby severally authorized, from time to time, to take all such steps as may be necessary to determine or revise, or to alter and vary the terms and conditions of appointment, and settle any questions or difficulties that may arise in connection with, or incidental to give effect to the above resolution and/or give such directions as may be necessary, proper or expedient, to give effect to the above resolution including the amount of remuneration, perquisites, stock options and/or other benefits, as may be agreed with Mr. Charania without being required to seek any further consent or approval of the members and the members shall be deemed to have given their approval thereto expressly by the authority of this resolution;

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee of Directors) be and are hereby severally authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Key Managerial Personnel to give effect to the aforesaid resolution."

7. To re-appoint Mr. Kapil Kapoor (DIN: 00178966) as an Independent Director of the Company:

To consider and, if thought fit, to pass with or without modification, the following resolution as a **Special Resolution:**

"RESOLVED THAT, in accordance with the provisions of Sections 149, 150, 152, 197 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and any other applicable provisions of the Companies Act, 2013 ('Act') and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company, Mr. Kapil Kapoor (DIN: 00178966), Independent Director of the Company who holds office of Independent Director upto December 04, 2021, and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act and who is eligible for re-appointment for a second term under the provisions of the Act and rules made thereunder and Listing Regulations and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director pursuant to Section 160 of the Act, be and is hereby re-appointed as an Independent Director of the Company for a period of five consecutive years from December 05, 2021 and that he shall not be liable to retire by rotation and that he shall be paid sitting fees and reimbursed expenses for attending Board and committee meetings, as may be permissible under law from time to time;

RESOLVED FURTHER THAT any Director or Key Managerial Personnel of the Company, be and are hereby severally authorized to do all such things, deeds, matters and acts as may be required to give effect to this resolution and to do all things incidental and ancillary thereto."

8. To approve material related party transactions with Iserveu Technology Private Limited:

To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of the Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and the Company's policy on Related Party Transaction(s), approval of the members be and is hereby accorded to the Board of Directors (hereinafter referred to as the "Board" and shall include duly constituted Committee(s) thereof) to ratify/ approve all existing contracts / arrangements/ agreements and to enter into contract(s)/transaction(s) with Iserveu Technology Private Limited, a subsidiary and hence a related party within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the Listing Regulations, the aggregate amount/value of all such arrangements/transactions/contracts that are/maybe entered into by the Company with Iserveu Technology Private Limited and remaining outstanding at any one point in time shall not exceed ₹ 60,00,00,000/- (Rupees Sixty Crores Only) during any one financial year as detailed in the explanatory statement, for a period of three years from April 01, 2021, provided

that the said contract(s)/ arrangement(s)/transaction(s) shall be carried out at arm's length basis and in the ordinary course of business of the Company;

RESOLVED FURTHER THAT the Board be and is hereby severally authorized to do and perform all such acts, deeds, matters and things, as may be necessary, including finalizing the terms and conditions, signing/ execution/ negotiation /renegotiation/ modification/ ratification/ amendments to or termination thereof, of the subsisting arrangements/ transactions/ contracts or any future arrangements/ transactions/ contracts and to make or receive/ pay monies or to perform all other obligations in terms of such arrangements/transaction/ contracts, filing of necessary forms/ documents with the appropriate authorities and to execute all such deeds, documents, agreements, addendums, letters, instruments and writings as it may in its sole and absolute discretion deem necessary, desirable or expedient to give effect to this Resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution;

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Director(s), Chief Executive Officer, Chief Financial Officer, Company Secretary or any other Officer(s) / Authorized Representative(s) of the Company, to do all such acts and take such steps, as may be considered necessary or expedient, to give effect to the aforesaid resolution(s);

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolutions be and hereby approved, ratified and confirmed in all respects."

By the Order of the Board
For **Niyogin Fintech Limited**

Neha Agarwal
Company Secretary & Compliance Officer
(ACS 41425)

Registered Office (w.e.f. January 01, 2020)
MIG 944, Ground Floor, TNHB Colony, 1st Main Road
Velachery, Chennai,
Tamil Nadu- 600042
CIN: L65910TN1988PLC131102
Website: www.niyogin.com
E-mail: niyogin.compliance@niyogin.in

Place: Mumbai
Date: August 05, 2021

Notes:

1. In view of the continuing restrictions on the movement of persons at several places in the country due to COVID-19 pandemic, the Ministry of Corporate Affairs ('**MCA**') has vide General Circular No. 14/2020 dated April 8, 2020, General Circular No.17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020 and General Circular No. 02/2021 dated January 13, 2021 (hereinafter collectively referred to as '**MCA circulars**') read with various circulars issued by Securities and Exchange Board of India ('**SEBI**') allowed the companies to conduct the AGM through Video Conferencing ('**VC**') or Other Audio Visual Means ('**OAVM**') during the calendar year 2021. Accordingly, the AGM of the Company is being held through VC / OAVM (hereinafter called as '**e-AGM**') and in this connection the Company has availed the services of National Securities Depository Limited ('**NSDL**') for providing the VC and e-voting facility.

2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS E-AGM IS BEING HELD THROUGH VC / OAVM, PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THE E-AGM AND HENCE THE PROXY FORM AND ATTENDANCE SLIP ARE NOT ANNEXED HERETO.

3. The deemed venue for the 33rd e-AGM shall be the registered office of the Company.

4. Statement pursuant to Section 102(1) of the Companies Act, 2013 ('**Act**') forms part of this Notice.

5. Brief details of the directors who are seeking appointment / re-appointment at this Meeting are annexed hereto as per the requirements of regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('**Listing Regulations**') and as per provisions of the Act.

6. The facility of joining the e-AGM through VC/OAVM will be opened 15 minutes before and will be open upto 15 minutes after the scheduled start time of the e-AGM, i.e. from 4:15 p.m. (IST) to 4:45 p.m. (IST) and will be available for 1,000 members on a first-come first-served basis. This rule would however not apply to participation of members holding 2% or more shareholding, promoters, institutional investors, directors, key and senior managerial personnel, auditors, etc.

7. Institutional Investors, who are members of the Company are encouraged to attend and vote at the 33rd e-AGM of the Company.

8. SEBI has mandated the submission of Permanent Account Number (PAN) by every person dealing in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or Link Intime.

9. As per Regulation 40 of Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. Further, SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated December 2, 2020 had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members may contact the Company's RTA i.e. Link Intime for assistance in this regard.

10. In terms of section 101 and 136 of the Act, read together with the Rules made thereunder, the listed companies may send the notice of Annual General Meeting and the Annual Report, including Financial Statements, Board Report etc. by electronic mode. In compliance with the MCA circulars the Annual Report for the financial year 2020-21 alongwith the Notice of the AGM of the Company inter alia indicating the process and manner of e-voting is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website www.niyogin.com, websites of the Stock Exchange, i.e., BSE Limited at www.bseindia.com, website of Company's Registrar and Transfer Agent, Link Intime Private Limited ("Link Intime") at www.linkintime.co.in and also on the website of NSDL at https://www.evoting.nsdl.com.

11. To receive shareholders' communications through electronic means, including Annual Reports and Notices, members are requested to kindly register/ update their e-mail address with their respective depository participant, where shares are held in electronic form. Where shares are held in physical form, members are advised to register their e-mail address with Link Intime.

Further, those members who have not registered their e-mail addresses and mobile nos. and in consequence could not be served the Annual Report and Notice of e-AGM, may temporarily get themselves registered with Link Intime. Members are requested to support our commitment to environmental protection by choosing to receive the Company's communication through e-mail going forward.

12. With a view to helping us serve the members better, members who hold shares in identical names and in the same order of names in more than one folio are requested to write to the Company to consolidate their holdings in one folio.

13. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the 33rd e-AGM.

14. For ease of conduct, members who would like to ask questions/ express their views on the items of the businesses to be transacted at the meeting can send in their questions/comments atleast 7 days before the e-AGM to the Company at niyogin.compliance@niyogin.in mentioning their name, demat account no./Folio no., e-mail Id, mobile number etc. The queries may be raised precisely and in brief to enable the Company to answer the same suitably depending on the availability of time at the meeting.

15. Pursuant to section 72 of the Act, members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 with the Company's share transfer agent. In respect of shares held in electronic/demat form, the members may please contact their respective depository participant.

16. In terms of section 124(5) of the Act, dividend amount for the year ended March 31, 2014 remaining unclaimed for a period of 7 years shall become due for transfer in August 2021 to the Investor Education and Protection Fund (IEPF) established by the Central Government. Further, in terms of section 124(6) of the Act, in case of such shareholders whose dividends are unpaid for a continuous period of 7 years, the corresponding shares shall be transferred to the IEPF demat account. Members who have not claimed dividends in respect of the financial years from 2013-14 onwards are requested to approach the Company/ Link Intime India Private Limited, Registrar and Share Transfer Agent for claiming the same as early as possible, to avoid transfer of the relevant shares to the IEPF demat account.

17. For more details on shareholders' matters, please refer to the chapter on General Shareholder Information included in the Annual Report.

18. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.

19. In case a person has become a member of the Company after dispatch of AGM Notice, but on or before the cut-off date for e-voting, i.e., Friday, September 10, 2021, such person may obtain the User ID and Password from Link Intime. Alternatively, member may send signed copy of the request letter providing the e-mail address, mobile number, self-attested PAN copy along with client master copy (in case of electronic folio)/copy of share certificate (in case of physical folio) via e-mail to Link Intime for obtaining the Annual Report and Notice of e-AGM.

20. The Board of Directors have appointed Mr. Mitesh J. Shah, Proprietor of M/s. Mitesh J. Shah & Associates, Practising Company Secretaries (FCS 10070 & CP No: 12891), as the Scrutinizer for the e-voting process and voting at e-AGM in a fair and transparent manner.

21. The Chairman shall formally propose to the members participating through VC/OAVM facility to vote on the resolutions as set out in the Notice of the 33rd e-AGM and announce the start of the casting of vote through the e-voting system of NSDL.

22. The Scrutinizer shall, immediately after the conclusion of voting at the e-AGM, first count the votes cast at the meeting, thereafter unblock the votes through e-voting in the presence of at least two witnesses, not in the employment of the Company and make a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman of the Company, who shall countersign the same.

23. The results declared along with the Scrutinizers Report shall be placed at the Company's website www.niyogin.com immediately after the results are declared by the Company and simultaneously communicated to the BSE.

24. The attendance of the Members attending the 28th e-AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

25. Subject to receipt of requisite number of votes, the resolutions proposed in the Notice shall be deemed to be passed on the date of the AGM, i.e. Friday, September 17, 2021.

26. The Company has been maintaining, inter alia, the following statutory registers at its registered office at Chennai, Tamil Nadu - 600042

i) Register of contracts or arrangements in which directors are interested under section 189 of the Act.

ii) Register of directors and key managerial personnel and their shareholding under section 170 of the Act.

In accordance with the MCA circulars, the said registers will be made accessible for inspection and shall remain open and be accessible to any member during the continuance of the meeting. The members can write to us on niyogin.compliance@niyogin.in for the inspection of the records. The same will be replied by the Company suitably.

27. Members seeking any information with regard to the accounts or all documents referred to in the accompanying Notice and the Explanatory Statements shall be available for inspection through electronic mode, by sending request to the Company at niyogin.compliance@niyogin.in on or before September 16, 2021. The same will be replied by the Company suitably.

28. Certificate from Statutory Auditors of the Company certifying that the ESOP Schemes of the Company are being implemented in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014 forms part of the Annual report.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING THE E-AGM ARE AS UNDER:

I. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations and in terms of the SEBI vide circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide to its Members, facility to exercise their right to vote on resolutions proposed to be considered at the ensuing AGM by electronic means and the business may be transacted through e-voting services. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the e-AGM will be provided by NSDL.

II. The remote e-voting will be provided by NSDL which will commence from September 14, 2021 (9:00 a.m. IST) and end on September 16, 2021 (5:00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of September 10, 2021 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members who have cast their vote by remote e-voting prior to the AGM may also participate the AGM through VC/OAVM but shall not be entitled to cast their vote again. The facility for voting during the AGM will also be made available. Members present in the AGM through VC/ OAVM

and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

III. The details of the process and manner for remote e-voting and voting during the AGM are explained below:

Step 1: Access to NSDL e-voting system at https://www.evoting.nsdl.com/

Step 2: Cast your vote electronically on NSDL e-voting system.

Step 1: Access to NSDL e-voting system

A. Login method for e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of the SEBI circular dated December 9, 2020, on e-voting facility provided by listed companies and as part of increasing the efficiency of the voting process, e-voting process has been enabled to all individual shareholders holding securities in demat mode to vote through their demat account maintained with depositories and depository participants. Shareholders are advised to update their mobile number and email id in their demat accounts in order to access e-voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	**If you are already registered for NSDL IDeAS facility,** 1. Please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. 2. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. 3. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. 4. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page. 5. Click on options available against company name or e-voting service provider - NSDL and you will be re-directed to NSDL e-voting website for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting. **If the user is not registered for IDeAS e-Services,** 1. The option to register is available at https://eservices.nsdl.com. 2. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp **E-voting website of NSDL:** 1. After successfully registered on IDeAS, visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. 2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. 3. A new screen will open. You will have to enter your User ID (i.e. your 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. 4. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on options available against company name or e-voting service provider - NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting. 5. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on App Store Google Play

Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi/Easiest can login through their user ID and password. The option to reach the e-voting page will be made available without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on 'New System Myeasi'. 2. After successful login on Easi/Easiest, the user will also be able to see the e-voting Menu. The Menu will have links of e-voting service provider ('ESP') i.e. NSDL portal. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-voting page by providing demat account number and PAN from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered mobile number and email as recorded in the demat account. After successful authentication, the user will be provided links for the respective ESP i.e. NSDL where the e-voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	1. You can also login using the login credentials of your demat account through your depository participant registered with NSDL/CDSL for the e-voting facility. 2. Once logged in, you will be able to see the e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL depository site after successful authentication, wherein you can see e-voting feature. 3. Click on the options available against company name or e-voting service provider-NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting.

Important Note: Members who are unable to retrieve User ID/Password are advised to use "Forget User ID" and "Forget Password" option available on the abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call on the toll free no.: 1800 1020 990 or 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact on 022-23058738 or 022-23058542-43

B. Login method for e-voting and joining virtual meeting shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders/ Member' section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https:// eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	**Your User ID is:**
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12********** then your user ID is 12**********
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual Shareholders are given below:

(a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

(b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

(c) How to retrieve your '**initial password**'?

(i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the "initial password" or have forgotten your password:

(a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

(b) "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

(c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

(d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open

Step 2: Cast your vote electronically and join General Meeting on NSDL e-voting system.

How to cast your vote electronically and join General Meeting on NSDL e-voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on 'VC/OAVM' link placed under "Join General Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of email ids for e-voting for the resolutions set out in this notice:

(1) In case shares are held in physical mode, please provide Folio No., name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card).

(2) In case shares are held in demat mode, please provide DP ID and Client ID (16-digit DP ID + CLIENT ID or 16-digit beneficiary ID), name of shareholder, client master or copy of consolidated account statement, PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card).

(3) If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at

step 1 (A) i.e. Login method for e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

(4) Alternatively, shareholders may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to mitesh@mjshah.com with a copy marked to niyogin.compliance@niyogin.in and evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990/1800 224 430 or send a request at evoting@nsdl.co.in. In case of any grievances connected with facility for E-voting, please contact Ms. Pallavi Mhatre, Manager at evoting@nsdl.co.in

IV. THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:

1. The procedure for e-Voting on the day of the e-AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the e-AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the e-AGM.

4. In case of any grievances connected with facility for e-voting on the day of AGM, please contact Ms. Pallavi Mhatre, Manager, at email id: evoting@nsdl.co.in.

V. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-voting system. Members may access by following the steps mentioned above for Access to NSDL e-voting system. After successful login, you can see the link of "VC/OAVM link" placed under "Join General Meeting" menu against the company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through desktop/ laptops for better experience. Further, Members will be required to allow camera and use internet with high-speed to avoid any disturbance during the meeting.

3. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

4. Members who need assistance before or during the AGM, can contact NSDL at evoting@nsdl.co.in or call on toll free no.: 1800 1020 990 /1800 224 430 or contact Mr Amit Vishal, Senior Manager – NSDL or Ms Pallavi Mhatre, Manager – NSDL at evoting@nsdl.co.in.

5. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at Niyogin.compliance@niyogin.in between September 13, 2021 (9:00 a.m. IST) to September 15, 2021 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

VI. Other Instructions:

1. You can also update your mobile number and email ID in the user profile details of the folio which may be used for sending future communication(s).

2. The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date of September 10, 2021.

3. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is sent through e-mail and holding shares as of the cut-off date i.e. September 10, 2021, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/ Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. September 10, 2021 may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".

4. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories, as on the cut-off date shall only be entitled to avail the facility of remote e-voting or casting vote through e-voting during the AGM.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ("ACT")

ITEM NO. 3 & 4:

The recently released RBI guidelines dated April 27, 2021 [Ref. No.DoS.CO.ARG/SEC.01/08.91.001/2021-22] for appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) ['**RBI Circular**'], amongst other limitations, places a limit on the number of Statutory audit by an audit firm in a year to four commercial banks, eight UCBs and eight NBFCs irrespective of the asset size. Considering the compliance of the aforesaid RBI Circular, the incumbent statutory auditor of the Company, M/s. MSKA & Associates, Chartered Accountants (Firm Registration No: 105047W) are ineligible to continue as Statutory Auditor of the Company since they have reached the maximum limit for the number of audits to be undertaken in the current year.

M/s. MSKA & Associates, Chartered Accountants (Firm Registration No: 105047W) were appointed as the Statutory Auditors of the Company in the Annual General Meeting of the Company held on September 17, 2021 for a term of five years to hold office from the FY 2021 till FY 2025. However, we wish to inform you that M/s. MSKA & Associates, Chartered Accountants, (Firm Registration No: 105047W), have expressed their ineligibility to continue as statutory auditors of the Company and have submitted their resignation letter dated August 05, 2021 as Statutory Auditors of the Company considering the applicability of the recently released RBI Circular and thereby resulting into a casual vacancy in the office of Statutory Auditors of the company.

Pursuant to the provisions of Section 139(8) of the Act, read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force) and all other applicable laws, if any, casual vacancy caused by the resignation of Auditors can be filled by the Board subject to the approval of the members within three months of the recommendation of the Board. Therefore, as per the recommendation of the Audit Committee, the Board proposes and recommends that M/s. Pijush Gupta & Co., Chartered Accountants, (Firm Registration No: 309015E) be appointed as the Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s MSKA & Associates, Chartered Accountants and shall hold office up to the conclusion of this Annual General Meeting of the Company.

Further, the Board also recommends re-appointment of M/s. Pijush Gupta & Co., Chartered Accountants, (Firm Registration No: 309015E) as the statutory auditor of the Company pursuant to the provisions of Section 139 and 142 of the Act to hold office from the conclusion of this Annual General Meeting for a period of 5 years till the conclusion of the Thirty-Eight Annual General Meeting of the Company, on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to taxes and re-imbursement of out of pocket expenses incurred by them in connection with the audit of accounts of the Company.

Details in relation to and credentials of the statutory auditor(s) proposed to be appointed as per Regulation 36(5) of Listing Regulations

M/s Pijush Gupta & Co., Chartered Accountants was established in the year 1989 by Mr. Pijush Kumar Gupta, who was then a Partner at the pioneering Indian arm of Deloitte International (Deloitte Haskins + Sells) for 7 years. The firm's head office as registered with ICAI is at Gurugram, Sector 53, located on Golf Course Road in DLF 5 area. The firm has branch offices at Kolkata and Kota and associate offices at Navi Mumbai, Hyderabad and Jamshedpur. The Firm provides a range of services which include Audit & Assurance, Taxation, Accounting and Risk Advisory. The Firm's Audit & Assurance practice has significant experience in auditing financial services clients including banks.

Proposed fees in connection with the audit of the accounts of the Company and other statutory requirements for FY 2022: ₹ 18,00,000/- plus applicable taxes and reimbursement of out of pocket expenses, on actuals, incurred by them in connection with the audit of the accounts of the Company for the FY 2022. There is no material change in the fee payable to the proposed statutory auditor from that paid to the outgoing statutory auditor.

M/s. Pijush Gupta & Co., Chartered Accountants, (Firm Registration No: 309015E), have conveyed their consent to be appointed as the Statutory Auditors of the Company along with the requisite confirmation that, their appointment, if made by the members, would be within the limits prescribed under the Companies Act, 2013.

Considering the vast experience and requisite skill set, the Board commends the Ordinary Resolution set out in Item No. 3 & 4 of this Notice for approval by the members.

None of the Directors, Key Managerial Persons or their relatives, are in any way, except to the extent of their shareholding in the Company, concerned or interested, financially or otherwise, in the said Ordinary Resolutions set out at Item No. 3 & 4 of this Notice.

ITEM NO. 5:

The Board, based on recommendation of the Nomination and Remuneration Committee had appointed Mr. Gaurav Makarand Patankar (DIN: 02640421) as an Additional Director of the Company effective November 10, 2020, as per the provisions of Section 161 of the Act, and Rules framed thereunder read with the Articles of Association of the Company. He holds office upto the date of this Annual General Meeting.

Mr. Patankar has given his consent to act as a Director of the Company. Also, as per confirmation received from him, he is not disqualified from being appointed as a Director in terms of Section 164 of the Act.

The Company has also received a notice in writing under Section 160 of the Act from a Member proposing the candidature of Mr. Patankar for the office of Director (Non-Executive Non-Independent) of the Company.

Mr. Patankar, the Co-Founder of niyogin, is an institutional investor and impact entrepreneur focused on emerging markets and alternatives. He is a firm believer that the democratization and digitization of the Indian SME sector is the single biggest transformational opportunity within the Indian markets and Niyogin's ecosystem approach to SME can deliver a meaningful impact to this evolution. Over his 22 year career, he has led investment and research teams at large institutional platforms such as Bloomberg, Bank Of America, BNY Mellon, Lockheed Martin, Citi, Millennium Partners and M&T Bank. Prior to his investment career, he has co-founded Information Interface India Private Limited (Promoter of Niyogin).

He holds a Ph.D. in Social and Political Sciences, an M.B.A. in Finance and Strategy and a Bachelor's degree in Electronics and Telecommunications Engineering.

The additional details of Mr. Patankar as required under Regulation 36(3) of the Listing Regulations and the Secretarial Standards issued by the Institute of Company Secretaries of India are set out in the Annexure forming part of this Notice. He does not hold any shares in the Company.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Mr. Patankar as the Director of the Company.

None of the Directors/ Key Managerial Personnel of the Company and their relatives except Mr. Makarand Patankar and the appointee are concerned or interested in the resolution.

The Board recommends the Ordinary Resolution at Item No. 5 of the Notice for approval of the shareholders of the Company.

ITEM NO. 6:

Based on the performance evaluation and contributions made by Mr. Noorallah Charania (DIN: DIN 08812239), the Nomination and Remuneration Committee at its meeting held on November 10, 2020 had approved & recommended the appointment of Mr. Charania as the Whole-Time Director of the Company on the remuneration as stated below, subject to the approval of the Board of Directors and Shareholders. The Board of Directors at its meeting held on November 10, 2020 had appointed Mr. Noorallah Charania as an Additional Director of the Company with effect from November 10, 2020 on the terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee of the Board and in accordance with the provisions of Section 161 of the Act read with Articles of Association of the Company. Pursuant to Section 161 of the Act, the above Director holds office only up to the date of ensuing Annual General Meeting of the Company.

The Company has received a notice from a Member signifying his intention to propose the candidature of Mr. Noorallah Charania for the office of Director of the Company under Section 160 of the Act.

Remuneration Terms comprising of the following:

a) Gross Salary: FY 2021: ₹ 41,36,568/- per annum and FY 2022: ₹ 46,61,048/- which shall be subject to annual increment, as given below, subject to the approval of the Nomination and Remuneration Committee and the Board of Directors.

b) Perquisites, allowances and benefits: Medical Reimbursement, House Rent Allowance, Education Allowance, Leave Travel Concession / allowance, Provident Fund, Pension Fund & Superannuation Fund, Gratuity, Stock Options, provision of car with driver, personal accident insurance cover, Telephone/ Broadband, etc. – as per Rules of the Company and subject to applicable tax laws. For the purpose of Gratuity, Provident Fund, Pension Fund, Superannuation and other like benefits, if any, the service of Mr. Charania will be considered as continuous service from the date of his joining the Company.

   Annual increase not to exceed 20% of the aggregate of salary, perquisites, allowances and benefits i.e. aggregate of clauses (a) and (b) of the Terms of Remuneration as mentioned above. However, the stock options shall be additionally granted as per the policies/ schemes of the Company.

   The perquisite arising from exercise of the stock options by Mr. Charania pursuant to any employee stock option scheme, approved / which may be approved by the Board of Directors and the members during his tenure as director shall be part of the Minimum Remuneration referred below. Further, the perquisite arising from the exercise of the stock options, as mentioned above, shall be in addition to the amount of perquisites mentioned in clause (b) of the Remuneration Terms.

   Mr. Noorallah Charania has been granted 2,11,193 stock options till date under the Company's existing stock option schemes as approved by the Board of Directors and the members. As on the date of this notice, he has exercised 15,000 stock options and 1,22,657 stock options are unvested.

c) Minimum Remuneration

   In the event of inadequacy of profits calculated as per Section 198 of the Act in any financial year(s) during the tenure of Mr. Charania as a Whole-Time Director, Mr. Charania, shall be entitled to a minimum remuneration comprising of salary, perquisites, allowances and benefits and perquisite arising from the exercise of the stock options as mentioned above, for a period of two years i.e., from November 10, 2020 to November 09, 2022.

d) General

   - Mr. Charania shall not be paid any sitting fee for attending meeting of the Board or Committee(s) thereof.
   - The Whole-time Director shall discharge such functions as are delegated to him by the Board of Directors and/or Chairman and/or Managing Director.
   - The appointment is terminable by either party giving the other three (3) months' notice in writing.

Mr. Charania satisfies all the conditions as set out in section 196(3) of the Act and the applicable Schedule for being eligible for his appointment. This explanatory statement may be considered as the requisite abstract under section 190 of the Act setting out the terms and conditions of the appointment.

Past remuneration:

Financial years	Gross Salary inclusive of incentive, if any Amount (in ₹)
2020-21	41,36,568/-
2019-20	43,36,568/-

None of the Directors, Key Managerial Personnel and their relatives except Mr. Noorallah Charania himself and his relatives may be deemed to be concerned or interested in the resolutions.

The Board commends the special resolution set out in item no. 6 for approval by shareholders of the Company.

Statement containing additional information as required pursuant to clause (iv) of Schedule V of the Act with respect to Item No. 6:

I. General Information:

1. Nature of Industry: Non – Banking Financial Company

2. Date or expected date of commencement of commercial production: Not Applicable as the Company is an existing company.

3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable as the Company is an existing company.

4. Financial performance based on given indicators:

(₹ In Lacs)

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Total Income	2,599.62	2,762.55	5,063.06	2,804.82
Total Expenditure	3,230.99	5,079.90	5,775.75	5,257.78
Profit/(Loss) before Tax	(631.36)	(2,317.36)	(712.69)	(2,452.96)
Less: Provision for taxation				
Current Tax	-	-	56.50	-
Deferred Tax Asset	-	-	(39.60)	(13.14)
Net Profit/(Loss) after Tax	(631.36)	(2,317.36)	(729.59)	(2,439.82)

5. Foreign investments or collaborations, if any: The Company is listed on BSE Limited. The details of the foreign holding in the Company is available in the shareholding details section on www.bseindia.com and www.niyogin.com. The Company does not have any Foreign Collaborations.

II. Information about the Director:

Background details, Recognition/ Awards, Job Profile and Suitability to the role, Past Remuneration and Remuneration proposed	As mentioned in Explanatory Statement under item 6
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	Considering the significant expertise of the director in his respective area and acknowledging the responsibilities shouldered by him, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar level counterpart(s) in other companies to encourage good professional with a sound career record.
Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any	Mr. Charania does not have any pecuniary relationship with the Company other than the remuneration he received as Whole-Time Director of the Company. He is also not related to any director/managerial personnel of the Company.

III. Other Information:

1. Reasons of loss or inadequate profits: The Company's operations in FY 2020 and FY 2021 were impacted due to significant economic uncertainty arising out of COVID-19 pandemic. Owing to above factors, despite the best efforts of the Management, the financial performance of the Company was not as per the expectation primarily due to pandemic, the Company had inadequate profits for the financial year ended March 31, 2020 and March 31, 2021.

2. Steps taken or proposed to be taken for improvement: The key priorities for FY 2022 will mainly revolve around gaining market access, expanding the network, and network monetization. The Company is also focused on (a) platform capabilities and building market access; (b) building the talent pool (c) looking out for M&A opportunities.

3. Expected increase in productivity and profits in measurable terms: The Company has taken various initiatives to maintain its leadership, improve market share and financial performance. It has been aggressively pursuing and implementing its strategies to improve financial performance. The Company shall continue to expand their scale across key markets to take the fastest lane to relevant opportunity, maximize our portfolio, reach out to more customers and strengthen their margins.

ITEM NO. 7:

Mr. Kapil Kapoor was appointed as an Independent Director of the Company pursuant to Section 149 of the Act, read with Companies (Appointment and Qualification of Directors) Rules, 2014, by the shareholders via postal ballot on January 20, 2017 to hold office up to December 04, 2021 (first term), as per the explanation to Section 149(10) and 149(11) of the Act.

The Nomination & Remuneration Committee at its meeting held on August 05, 2021 after taking into account the performance of Mr. Kapoor during the first term of five years and considering the substantial contribution made by him during his tenure as an Independent Director since his appointment, has recommended to the Board that continued association of the said Director as an Independent Director would be in the interest of the Company. Based on the above, the Nomination & Remuneration Committee and the Board has recommended the re-appointment of Mr. Kapil Kapoor on the Board of the Company, to hold office for the second term of five consecutive years commencing from December 05, 2021 upto December 04, 2026, without being liable to retire by rotation. The Company has received a notice pursuant to Section 160 of the Act from a Member signifying his intention to propose the candidature of Mr. Kapil Kapoor for the office of Independent Director, to be re-appointed under the provisions of Section 149(10) of the Act.

Mr. Kapoor has given a declaration to the Board that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the Listing Regulations. In terms of proviso to sub-section (5) of Section 152 of the Act, the Board of Directors is of the opinion that Mr. Kapil Kapoor, fulfils the conditions specified in the Act for appointment as an Independent Director.

Mr. Kapil Kapoor is not disqualified from being appointed as Director in terms of Section 164 of the Act as amended from time to time.

A copy of the draft letter for the appointment of Mr. Kapoor as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the registered office of the Company during normal business hours on any working day and the same has also been uploaded on the Company website www.niyogin.com.

The other details including the shareholding, names of companies and the committees in which he is a member are published elsewhere in the Annual Report.

None of the Directors, Key Managerial Personnel and their relatives except Mr. Kapil Kapoor himself and his relatives may be deemed to be concerned or interested in the resolution.

The Board commends the special resolution set out in item no. 7 for approval by shareholders of the Company.

ITEM NO. 8:

Pursuant to Section 188 of the Act, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Company is required to obtain consent of the Board and prior approval of the members by resolution in case certain Related Party Transactions exceed such sum as is specified in the rules. The aforesaid provisions are not applicable in respect transactions entered into by the Company in the ordinary course of business on an arm's length basis.

However, pursuant to Regulation 23(4) of the Listing Regulations, approval of the shareholders through Ordinary Resolution is required for all 'material' related party transactions (RPT) even if they are entered into in the ordinary course of business on an arm's length basis. For this purpose, a RPT will be considered 'material' if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company and hence, the approval of the Members will be required for the same.

Members are aware that the Company had acquired 51.00% stake in Iserveu Technology Private Limited ('Iserveu') in FY 2021. Accordingly, Iserveu is a subsidiary of the Company and thus is a related party within the meaning of Section 2(76) of the Act. In the ordinary course of business, the Company enters into various contracts/ transactions/ arrangements with Iserveu for payment or receipt of marketing support Fees/Commission / Service fees/Referral/Arranger Fee / Reimbursement of Expenses, avail or provide services, etc. on arm's length basis and the aggregate value of transactions to be entered is envisaged as ₹ 10,00,00,000/- (Rupees Ten Crores only). Further, the Company is also having substantial business plans for granting loans/Inter-Corporate Deposits/ Guarantee taken/ To be taken of approximately ₹ 50,00,00,000/- (Rupees Fifty Crores only), which will be in the ordinary course of business and on arm's length basis. The aforesaid arrangements/ contracts/ transactions will benefit Iserveu, which is a material subsidiary of the Company and is in the best interest of the Company.

In the view of the aforesaid, as the transactions with Iserveu will exceed the prescribed material threshold limits, the approval of the members of the Company is sought by way of an ordinary resolution for the aforesaid related party transactions/ arrangements/ contracts entered/ to be entered with Iserveu, in one or more tranches, within a period of three years from April 01, 2021.

Sr. No.	Nature of Transaction	Estimated Annual value of contracts and Services (In crores)
1.	Payment or receipt of marketing support Fees/Commission / Service fees/Referral/ Arranger Fee / Reimbursement of Expenses, avail or provide services, etc. and such other transactions as may be approved by Audit Committee and Board.	10
2.	Granting Loans/Inter-Corporate Deposits/ Guarantee taken/ To be taken	50
	Total	**60**

The aforesaid related party transactions entered/to be entered into by the Company with Iserveu do not fall under the purview of Section 188 of the Act being in the ordinary course of business and at arms' length. However, the same are covered under the provisions of Regulation 23 of the Listing Regulations and accordingly the approval of the members is sought by way of an ordinary resolution.

The Audit Committee and Board have approved the aforesaid Related Party Transactions at their respective meetings held on August 05, 2021 in terms of Regulation 23 of the Listing Regulations and noted that these transactions are in the Ordinary Course of Business and are at arm's length basis.

It is pertinent to note that no related party shall vote to approve this resolution(s) whether the entity is a related party to the particular transaction or not.

Pursuant to Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, particulars of the transaction(s) etc. are as under:

Name of the Related Party	**Iserveu Technology Private Limited ('Iserveu')**		
Name of the Director(s) or Key Managerial Personnel ("KMP") who is related, if any;	(i) Mr. Amit Rajpal (ii) Mr. Tashwinder Singh (iii) Mr. Rumit Dugar		
Nature of relationship	(i) Mr. Amit Rajpal, Promoter & Chairman of the Company is also on the Board of Iserveu. (ii) Mr. Tashwinder Singh, Chief Executive Officer of the Company is also on the Board of Iserveu. (iii) Mr. Rumit Dugar, Chief Financial Officer of the Company is also on the Board of Iserveu. However, none of the Directors of the Company holds any shareholding in Iserveu.		
Nature, Material Terms, particulars of the contract or arrangements; and Monetary Value	**Sr. No.**	**Nature of Transaction**	**Amount (in crores)**
	1.	Payment or receipt of marketing support Fees/Commission / Service fees/Referral/Arranger Fee / Reimbursement of Expenses, avail or provide services, etc. and such other transactions as may be approved by Audit Committee and Board.	10
	2.	Granting Loans/Inter-Corporate Deposits/ Guarantee taken/ To be taken	50
		Total	**60**
Whether the transactions have been approved by Audit Committee and the Board of Directors	Yes. The Audit Committee and Board of Directors of the Company have approved the transactions at their respective meeting held on August 05, 2021		
Any other information relevant or important for the members to take a decision on the proposed resolution.	Transactions are in the ordinary course of business and at arm's length basis.		

None of the Directors, Key Managerial Persons or their relatives, are in any way, except to the extent of their shareholding in the Company, concerned or interested, financially or otherwise, in the said Ordinary Resolution set out at Item No. 8 of this Notice.

The Board expects growth in the business of Company and the material subsidiary and so is of the opinion that the aforesaid related party transaction is in the best interests of the Company and accordingly recommends the Ordinary Resolution set out as Item No. 8 of the Notice for the approval of the members of the Company.

Annexure to Notice

Additional information of director for appointment / re-appointment as required under Secretarial Standards and Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Name of Director	Mr. Makarand Patankar	Mr. Gaurav Patankar	Mr. Kapil Kapoor	Mr. Noorallah Charania
Date of Birth	February 12, 1952	October 21, 1977	August 06, 1964	February 08, 1976
Age	69 years	44 years	57 years	45 years
Qualification	BSE, MBA (Marketing & Finance)	Ph.D. in Social and Political Sciences, an M.B.A. in Finance and Strategy and a Bachelor's degree in Electronics and Telecommunications Engineering.	Bachelor of Arts degree in Economics from the University of Delhi and a Post Graduate Diploma in Management (PGDM) from the Indian Institute of Management (IIM), Ahmedabad.	MBA from Annamalai University with a CAIIB from the Indian Institute of Banking and Finance.
Experience	He has over 40 years of experience in financial services, logistics and pharmaceuticals industries. He was a Founder Member of M/s. Information Interface India Private Limited.	Over his 22-year career, he has led investment and research teams at large institutional platforms such as Bloomberg, Bank of America, BNY Mellon, Lockheed Martin, Citi, Millennium Partners and M&T Bank. Prior to his investment career, he co-founded M/s. Information Interface India Private Limited (Promoter of Niyogin).	He is currently the Chairman and Non-Executive Director of Info Edge India Ltd. (naukri.com). He is also a founder and trustee of Ashoka University. He was the Chief Operating Officer at Timex Group USA until 2013 and was Managing Director of publicly held Timex Group India Limited. He started his professional career in 1987 with Nestle India Limited and later worked with Bausch & Lomb. He subsequently went on to manage the overseas marketing territories of Russia, Ukraine and East Africa in addition to the SAARC region.	He has over 24 years of experience in Operations, Internal Control Audits, Risk Management, Credit Management, Documentation Handling & Treasury Management (Foreign Exchange). He has held senior positions in various financial organizations such as Aditya Birla Group, RBS and HDFC Bank.
Nature of expertise in specific functional areas	Financial Services, Logistics and Pharmaceuticals Industries	Financial Services	Financial Services	Financial Services
Terms and Conditions of Re-appointment	Mr. Makarand Patankar will be re-appointed on the same terms and conditions as they were approved by the Members at their Annual General Meeting held on September 17, 2019	As per the Explanatory Statement	Mr. Kapil Kapoor will be re-appointed for a second term of 5 years w.e.f. December 05, 2021	As per the Explanatory Statement
Details of Remuneration sought to be paid	₹ 1 per month	NIL	Sitting Fees only	As per the Explanatory Statement
Details of Remuneration last paid	Rupees two lakh and fifty thousand per month till April 2020 and Rupees one per month w.e.f. May, 2020.	NIL	For details of remuneration, please refer to the Corporate Governance Report	As per the Explanatory Statement

Date of first appointment in the Board	December 05, 2016	November 10, 2020	December 05, 2016	November 10, 2020
Shareholding in the Company	4561	NIL	490052	NIL
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Father of Mr. Gaurav Makarand Patankar	Son of Mr. Makarand Patankar, Whole-Time Director of the Company	None	None
Number of meetings of the Board attended during the year	4/6	1/1	6/6	1/1
Number of Memberships in Committees (including this Company)	Provided in the Report on Corporate Governance			
Directorships held in other companies in India				

None of the directors being appointed/re-appointed above is disqualified from being appointed/re-appointed as such. Each of them has provided their consent in regard to the appointment/re-appointment.

By the Order of the Board
For **Niyogin Fintech Limited**

Neha Agarwal
Company Secretary & Compliance Officer
(ACS 41425)

Registered Office (w.e.f. January 01, 2020)
MIG 944, Ground Floor, TNHB Colony, 1st Main Road
Velachery, Chennai,
Tamil Nadu- 600042
CIN: L65910TN1988PLC131102
Website: www.niyogin.com
E-mail: niyogin.compliance@niyogin.in

Place: Mumbai
Date: August 05, 2021

Independent Auditor's Report

To the Members of Niyogin Fintech Limited

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the standalone financial statements of Niyogin Fintech Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the standalone 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 standalone financial statements give the information required by the Companies Act, 2013 ("the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, of its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

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

EMPHASIS OF MATTER

We draw attention to Note 46 to the standalone financial statements, which describes that the extent to which the COVID 19 Pandemic will continue to impact the Company's Standalone financial statements will depend on ongoing and future developments.

Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

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

Key Audit Matter	How the Key Audit Matter was addressed in our audit
Classification and Measurement of Loans and Provision for Expected Credit Loss (ECL) on Financial Assets – Loans Charge to the Statement of Profit and Loss for the year ended March 31, 2021- ₹ 575.22 Lacs Total ECL Provision as at March 31, 2021 - ₹ 1037.72 Lacs at March 31, 2021 Refer accounting policies in Note 3.6 to the standalone financial statements	
Under Ind AS 109 "Financial Instruments", allowance for loan losses is determined using Expected Credit Loss (ECL) estimation model. The estimation of ECL on financial instruments involves significant judgement and estimates. The key areas where we identified greater levels of management judgement and therefore increased the levels of audit focus in the company's estimation of ECLs are: • Data Inputs – The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model. • Model estimation – Inherently, judgemental models are used to estimate ECL which involves determining Probabilities of Default ("PD"), Loss Given Default ("LGD"), and Exposures at Default ("EAD"). The PD and LGD are the key drivers of estimation complexity in ECL and as a result are considered the most significant judgemental aspect of the company's modelling approach. • Economic Scenarios – Ind AS 109 requires the company to measure ECLs on a unbiased forward looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them especially when considering the current uncertain economic environment arising from COVID-19.	• We performed end to end process walkthroughs to identify the key systems, applications and controls used in the ECL process. We tested the relevant Manual Controls, general IT and application controls over key systems used in ECL process. • Examined the Board approved policy on ECL for impairment of financial assets and assessed compliance with Ind AS 109. • Understood the process of ECL computation and tested design and operating effectiveness of key controls around data extraction and validation. • Evaluated management's controls over collation of relevant information used for determining estimates for management overlays on account of COVID-19. • Involved specialists to review the methodology of the computation of staging of loans, estimation of probability of default, its calibration, and estimation of loss given default. • Reconciled the total financial assets considered for ECL estimation with the books of accounts to ensure the completeness.

- During the financial year ended March 31, 2021, RBI has issued various circulars related to the Covid -19 Regulatory Packages which has covered the moratorium, restructuring and other benefits for to ease the repayment terms for affected customers due to– 19 Pandemic.

- Additionally, the Company has considered the impact of judgment, on identification of NPA and provision thereof, which was vacated as per Honourable Supreme Court Order on March 23, 2021 and the RBI circular dated April 7, 2021 in that connection.

Disclosures

The disclosures (including disclosures prescribed by RBI) regarding the company's application of Ind AS 109 are the key to explaining the key judgements and material inputs to the Ind AS 109 ECL results.

We have identified the measurement of ECL as a key audit matter in view of the significant judgement and assumptions involved.

Involvement of Experts – We have involved Financial Risk Modelling experts for the following:

- Evaluating the appropriateness of the Company's Ind AS 109 Impairment methodologies and reasonableness of assumptions used.

- The reasonableness of the Company's considerations of the impact of the current economic environment due to COVID-19 on the ECL determination.

Performed Substantive Procedures for testing the ECL Model and computation of ECL amount included and not limited to the following:

- Reviewed the assumptions used for and computation of probability of default and loss given default for different stage of financial assets as per their nature and risk assessment.

- Tested the appropriate staging of assets basis their days past due and other loss indicators considering the various Covid – 19 Regulatory Packages related to moratorium and restructuring on sample basis, restructuring as per RBI circular dated August 06, 2020 on sample basis.

- Reviewed the appropriate stagging of assets as per Honorable Supreme Court Order on March 23, 2021 and the RBI circular dated April 7, 2021 in that connection.

- Reviewed the assessment performed for forward looking macro-economic factor.

- Tested the ECL computation and ensured application of correct underlying factor like PD, LGD and weights on the financial assets.

- Tested the mathematical accuracy of the computation by reperforming the formulas.

Assessing disclosures – Assessed whether the disclosures on key judgements, assumptions, and quantitative data with respect to impairment of loans (including restructuring and NPA related disclosures) in the Standalone Financial Statements are appropriate and sufficient.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report but does not include the standalone financial statements and our auditor's report thereon.

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

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

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

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act

read with Companies (Indian Accounting Standards) Rules, 2015, as amended issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTER

The standalone financial statements of the Company for the year ended 31st March, 2020, were audited by another auditor whose report dated May 12, 2020 expressed an unmodified opinion on those statements.

Our opinion is not modified in respect of this matters.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

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

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

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

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

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

(f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position;

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

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

3. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration Number: 105047W

Swapnil Kale
Partner
Membership Number: 117812
UDIN: 21117812AAAAFN5970

Mumbai
May 19, 2021

Annexure A to Independent Auditors' Report of even date on the Standalone Financial Statements of Niyogin Fintech Limited for the year ended March 31, 2021

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

i.

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

(b) Fixed assets (Property, Plant and Equipment) have been physically verified by the management during the year and no material discrepancies were identified on such verification.

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

ii. The Company is involved in the business of rendering services. Accordingly, the provisions stated in paragraph 3(ii) of the Order are not applicable to the Company.

iii. The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships (LLP) or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions stated in paragraph 3 (iii) (a) to (c) of the Order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.

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

vii.

(a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, goods and service tax and any other statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and service tax, other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

viii. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.

ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions stated in paragraph 3 (ix) of the Order are not applicable to the Company.

x. During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees.

xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

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

xv. According to the information and explanations given to us and based on our examination of the records of the Company,

the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.

xvi. In our opinion, the Company is required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration Number: 105047W

Swapnil Kale
Partner
Membership Number: 117812
UDIN: 21117812AAAAFN5970

Mumbai
May 19, 2021

Annexure B to the Independent Auditor's Report of even date on the Standalone Financial Statements of Niyogin Fintech Limited

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

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

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, 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 standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

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

OPINION

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration Number: 105047W

Swapnil Kale
Partner
Membership Number: 117812
UDIN: 21117812AAAAFN5970

Mumbai
May 19, 2021

Standalone Balance Sheet

As at 31 March 2021

Amounts in ₹ lakhs

Particulars	Note	As at 31 March, 2021	As at 31 March, 2020
ASSETS			
Financial assets			
Cash and cash equivalents	4	4,614.49	780.19
Bank balance other than cash and cash equivalents above	5	3,048.54	3,771.73
Receivables			
(i) Trade receivables		-	-
(ii) Other receivables	6	27.56	11.52
Loans	7	4,558.46	12,619.50
Investments	8	19,328.10	6,748.90
Other financial assets	9	61.58	49.44
Total financial assets		**31,638.73**	**23,981.28**
Non-financial Assets			
Income tax assets	28	160.79	129.45
Deferred tax assets (Net)		-	-
Right of use asset		134.78	189.33
Property, plant and equipment	10(a)	11.46	25.46
Intangible assets under development			2.88
Intangible assets	10(b)	17.91	224.27
Other non-financial assets	11	307.55	301.24
Total non-financial assets		**632.49**	**872.63**
TOTAL ASSETS		**32,271.22**	**24,853.91**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables			
(I)Trade payables	12		
a) total outstanding dues of micro enterprises and small enterprises		13.50	11.96
b) total outstanding dues of creditors other than micro enterprises and small enterprises		67.99	82.63
Other financial liabilities	13	3,242.21	261.40
Total financial liabilities		**3,323.70**	**355.99**
Non-financial liabilities			
Provisions	14	264.31	261.67
Other non-financial liabilities	15	29.00	35.49
Total non-financial liabilities		**293.31**	**297.16**
EQUITY			
Equity share capital	16	9,350.15	8,598.55
Other equity	17	19,304.06	15,602.21
Total equity		**28,654.21**	**24,200.76**
TOTAL LIABILITIES AND EQUITY		**32,271.22**	**24,853.91**
Summary of significant accounting policies	3		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date.

For **MSKA & Associates**
Chartered Accountants
Firm's Registration No: 105047W

Swapnil Kale
Partner
Membership No: 117812

Place: Mumbai
Date: 19 May 2021

For and on behalf of the Board of Directors of
Niyogin Fintech Limited
CIN No: L65910-TN1988-PLC13-1102

Makarand Patankar
Director
DIN : 01584128

Rumit Dugar
Chief Financial Officer

Mumbai
19 May 2021

Amit Rajpal
Chairman & Non-Executive Director
DIN : 07557866
Hong Kong

Neha Agarwal
Company Secretary
Membership No: 41425

Standalone Statement of Profit and Loss

For the year ended 31 March 2021

Amounts in ₹ lakhs

Particulars	Note	As at 31 March, 2021	As at 31 March, 2020
Revenue from operations			
Interest income	18	2,469.76	2,468.77
Fees and commission income	19	1.49	5.71
Net gain on fair value changes	20	66.93	266.68
Others	21	9.38	12.22
Total revenue from operations		**2,547.56**	**2,753.38**
Other income	22	52.06	9.17
Total income		**2,599.62**	**2,762.55**
Expenses			
Finance costs	23	21.06	28.70
Impairment on financial instruments	24	651.18	1,700.25
Employee benefits expenses	25	1,512.10	1,767.23
Depreciation and amortization	26	283.27	344.63
Others expenses	27	775.86	1,251.05
Total expenses		**3,243.47**	**5,091.86**
Profit/(Loss) before tax		**(643.85)**	**(2,329.31)**
Tax expense:			
(1) Current tax	28	-	-
(2) Deferred tax	28	-	-
Total tax expense			
Loss for the year		**(643.85)**	**(2,329.31)**
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
- Re-measurement of defined benefit plan		12.48	11.95
- Income tax relating to items that will not be reclassified to profit or loss		-	-
Other comprehensive income		**12.48**	**11.95**
Total comprehensive loss for the year		**(631.37)**	**(2,317.36)**
Earnings per equity share (nominal value of ₹ 10)			
Basic (₹)		(0.73)	(2.72)
Diluted (₹)		(0.73)	(2.72)
Summary of Significant accounting policies	3		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date.

For **MSKA & Associates**
Chartered Accountants
Firm's Registration No: 105047W

Swapnil Kale
Partner
Membership No: 117812

Place: Mumbai
Date: 19 May 2021

For and on behalf of the Board of Directors of
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Mumbai
19 May 2021

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Chairman & Non-Executive Director
DIN : 07557866
Hong Kong

Neha Agarwal
Company Secretary
Membership No: 41425

Standalone Statement of Cash Flows

For year ended 31 March 2021

Amounts in ₹ lakhs

Particulars	For Year ended	
	31-03-2021	31-03-2020
CASH FLOW FROM OPERATING ACTIVITIES :		
Loss before tax:	**(643.85)**	**(2,329.31)**
Adjustments :		
Interest Income on Loans	(1,747.23)	(1,504.64)
Interest on Investments	(280.67)	(643.71)
Interest on deposits with banks	(439.84)	(317.98)
Depreciation, amortisation and impairment	283.27	344.63
Net unrealised gain on fair value changes	(66.93)	(60.33)
Impairment on financial instruments	651.18	1,700.25
Employee share based payments	333.70	389.23
Interest expense on lease liability	21.06	28.70
Interest income on security deposit	(2.02)	(2.44)
Modification (gain)/ loss	-	(1.69)
Re-measurement of defined benefit plan	12.48	11.95
Provisions for employee benefits	-	
Operating profit/(loss) before working capital changes	**(1,878.84)**	**(2,385.34)**
Adjustments for (increase) / decrease in operating assets:		
Bank balance other than cash and cash equivalents		
Other receivables	(16.03)	1.57
Loans	8,061.04	(9,124.36)
Other financial assets	(12.14)	(16.78)
Other non-financial assets	(37.65)	(147.30)
Adjustments for increase / (decrease) in operating liabilities		
Trade payables	(13.10)	20.23
Other financial liabilities	2,976.84	-
Provisions	2.63	29.65
Other non-financial liabilities	(27.55)	(1.39)
Net cash generated/(used) in operating activities	**9,055.19**	**(11,623.72)**
Cash inflow from interest income on loans	1,275.33	1,341.14
Net cash used in operating activities	**10,330.52**	**(10,282.58)**
CASH FLOW FROM INVESTING ACTIVITIES :		
Proceeds from sale of investment	3,641.56	20,302.11
Proceeds (net) from Maturity of Fixed Deposits	723.19	673.99
Proceeds from sale of intangible assets	(0.26)	-
Purchase of property, plant and equipments	(1.25)	(1.94)
Purchase of investments	(18,575.33)	(11,238.04)
Redemption/(Purchase) of mutual fund	2,421.49	1,300.12
Income from Investment / fixed deposits	605.51	-
Purchase of intangible assets	-	(16.24)
Net cash generated from investing activities	**(11,185.09)**	**11,020.00**
CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from issue of shares	751.60	7.57
Proceeds from securities premium	3,999.51	-
Payment of lease liability	(62.25)	(83.51)
Net cash used in financing activities	**4,688.87**	**(75.94)**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**3,834.30**	**661.48**
Add : Cash and cash equivalents at the beginning of the year	780.19	118.71
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**4,614.49**	**780.19**

Amounts in ₹ lakhs

Particulars	For Year ended	
	31-03-2021	31-03-2020
Components of Cash and Cash Equivalents		
- Cash on hand	-	-
- Balance with bank in current account	4,614.49	780.19
Total	**4,614.49**	**780.19**

Note: The above statement of cash flow has been prepared under the 'Indirect method' as set out in Ind AS 7 on 'Statement of cash flows'.

As per our report of even date.

For **MSKA & Associates**
Chartered Accountants
Firm's Registration No: 105047W

Swapnil Kale
Partner
Membership No: 117812

Place: Mumbai
Date: 19 May 2021

For and on behalf of the Board of Directors of
Niyogin Fintech Limited
CIN No: L65910-TN1988-PLC13-1102

Makarand Patankar
Director
DIN : 01584128

Rumit Dugar
Chief Financial Officer

Mumbai
19 May 2021

Amit Rajpal
Chairman & Non-Executive Director
DIN : 07557866
Hong Kong

Neha Agarwal
Company Secretary
Membership No: 41425

Standalone Statement of Changes in Equity

For the year ended 31 March 2021

A. EQUITY SHARE CAPITAL

Amounts in ₹ lakhs

Particulars	Number	Amount
As at 31 March 2019	**8,47,66,883**	**8,476.69**
Changes in equity share capital during the year	12,18,592	121.86
As at 31 March 2020	**8,59,85,475**	**8,598.55**
Changes in equity share capital during the year	75,15,991	751.60
As at 31 March 2021	**9,35,01,466**	**9,350.15**

B. OTHER EQUITY

Amounts in ₹ lakhs

Particulars	Reserves and surplus					Total other equity
	Securities premium	Capital Redemption reserve	Special reserve	Retained earnings	Share based options outstanding account	
As at 31 March 2019	**18,297.33**	**-**	**1.89**	**(1,564.73)**	**374.11**	**17,108.60**
Loss for the year	-	-	-	(2,329.31)	-	(2,329.31)
Other comprehensive income	-	-	-	11.95	-	11.95
Total comprehensive loss for the year	**-**	**-**	**-**	**(2,317.36)**	**-**	**(2,317.36)**
Additions	515.05	-	-	-	-	515.05
Charge during the year	-	-	-	-	295.92	295.92
As at 31 March 2020	**18,812.38**	**-**	**1.89**	**(3,882.09)**	**670.03**	**15,602.21**
Loss for the year	-	-	-	(643.85)	-	(643.85)
Other comprehensive income	-	-	-	12.48	-	12.48
Total comprehensive loss for the year	**-**	**-**	**-**	**(631.37)**	**-**	**(631.37)**
Transfer to special Reserve	-	-	-	-	-	-
Additions	4,181.15	-	-	-	-	4,181.15
Charge during the year	-	-	-	-	152.06	152.06
As at 31 March 2021	**22,993.53**	**-**	**1.89**	**(4,513.45)**	**822.09**	**19,304.06**

As per our report of even date.

For **MSKA & Associates**
Chartered Accountants
Firm's Registration No: 105047W

Swapnil Kale
Partner
Membership No: 117812

Place: Mumbai
Date: 19 May 2021

For and on behalf of the Board of Directors of
Niyogin Fintech Limited
CIN No: L65910-TN1988-PLC13-1102

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Mumbai
19 May 2021

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Chairman & Non-Executive Director
DIN : 07557866
Hong Kong

Neha Agarwal
Company Secretary
Membership No: 41425

Notes Forming Part of the Standalone Financial Statements

For the year ended 31 March 2021

1. CORPORATE INFORMATION

Niyogin Fintech Limited (erstwhile M3 Global Finance limited) ('the Company') has been issued a new Certificate of Incorporation dated 12 May 2017 pursuant to the name change. It is a Non-Banking Financial Company ('NBFC') holding a valid Certificate of Registration Number B-13.02061 dated 29 May 2017 with the Reserve Bank of India ('the RBI'). It is a non-deposit taking non-systemically important Non-Banking Financial Company ('NBFC-ND-NSI').

2. BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

The standalone financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (the 'Ind AS') prescribed under section 133 of the Companies Act, 2013 (the 'Act').

For all periods up to and including the year ended 31 March 2020, the Company had prepared its standalone financial statements in accordance with accounting standards notified under section 133 of the Act, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP).

2.2 BASIS OF MEASUREMENT

The standalone financial statements have been prepared on historical cost basis except for following assets and liabilities which have been measured at fair value amount:

i) Investment in scheme of Mutual funds at fair value through profit and loss ('FVTPL')

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

The standalone financial statements are presented in Indian Rupees (₹) which is the currency of the primary economic environment in which the Company operates (the 'functional currency'). The values are rounded to the nearest lakhs, except when otherwise indicated.

2.4 USE OF ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

The preparation of the standalone financial statements in conformity with Ind AS requires management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Actual results may differ from the estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Following are the areas that involved a higher degree of estimates and judgement or complexity in determining the carrying amount of some assets and liabilities.

i) Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. For further details about determination of fair value refer note 3.8 and note 42.

ii) Effective interest rate ('EIR') method

The Company's EIR methodology, as explained in Note 3.1(A), recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behavior and life-cycle of the instruments, as well as expected changes to interest rates and other fee income/ expense that are integral parts of the instrument.

iii) Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's expected credit loss ('ECL') calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

a) The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life time expected credit loss ('LTECL') basis.

b) Development of ECL models, including the various formulas and the choice of inputs.

c) Determination of associations between macroeconomic scenarios and economic inputs as gross domestic products, and the effect on probability of default ('PD'), exposure at default ('EAD') and loss given default ('LGD').

d) Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into ECL models.

iv) Provisions and other contingent liabilities

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations.

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the outflow is considered to be probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

For further details on provisions and other contingencies refer note 3.16.

These estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Management believes that the estimates used in preparation of the standalone financial statements are prudent and reasonable.

2.5 PRESENTATION OF THE STANDALONE FINANCIAL STATEMENTS

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented in Note 43.

Financial assets and financial liability are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

i) The normal course of business

ii) The event of default

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 RECOGNITION OF INTEREST INCOME

A. EIR method

Under Ind AS 109, interest income is recorded using the effective interest rate method for all financial instruments measured at amortised cost and financial instrument measured at Fair Value through other comprehensive income ('FVOCI'). The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the financial instrument.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the statement of profit and loss.

B. Interest income

The Company calculates interest income by applying EIR to the gross carrying amount of financial assets other than credit impaired assets.

When a financial asset becomes credit impaired and is, therefore, regarded as 'stage 3', the Company calculates interest income on the net basis. If the financial asset cures and is no longer credit impaired, the Company reverts to calculating interest income on a gross basis.

3.2 FINANCIAL INSTRUMENT - INITIAL RECOGNITION

A. Date of recognition

Debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

B. Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments (Refer note 3.3(A)). Financial instruments are initially measured at their fair value (as defined in Note 3.8). Transaction costs are added to, or subtracted from this amount at initial recognition except in the case of financial assets and financial liabilities recorded at FVTPL. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in Statement of profit and loss.

C. Measurement categories of financial assets and liabilities

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

i) Amortised cost

ii) FVOCI

iii) FVTPL

3.3 FINANCIAL ASSETS AND LIABILITIES

A. Financial assets

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

a) How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel.

b) The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.

c) The expected frequency, value and timing of sales are also important aspects of the Company's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Solely payments of principal and interest (SPPI) test

As a second step of its classification process, the Company assesses the contractual terms of financial to identify whether they meet SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Accordingly, financial assets are measured as follows:

i) Financial assets carried at amortised cost ('AC')

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii) Financial assets measured at FVOCI

A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii) Financial assets measured at FVTPL

A financial asset which is not classified in any of the above categories are measured at FVTPL.

iv) Investment in subsidiaries

The Company has accounted for its investments in subsidiaries at cost less impairment, if any.

B. Financial liabilities

i) Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method.

3.4 RECLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in the year ended 31 March 2020 and 31 March 2019.

3.5 DERECOGNITION OF FINANCIAL ASSETS AND LIABILITIES

i) Financial assets

A. Derecognition of financial assets due to substantial modification of terms and conditions

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes.

B. Derecognition of financial assets other than due to substantial modification

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit and loss.

ii) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the

original financial liability and the consideration paid is recognised in the statement of profit and loss.

3.6 IMPAIRMENT OF FINANCIAL ASSETS

A. Overview of ECL principles

In accordance with Ind AS 109, the Company uses ECL model, for evaluating impairment of financial assets other than those measured at FVTPL.

Expected credit losses are measured through a loss allowance at an amount equal to:

i) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

ii) Full lifetime expected credit losses ('LTECL') (expected credit losses that result from all possible default events over the life of the financial instrument)

Both LTECLs and 12 months ECLs are calculated on collective basis.

Based on the above, the Company categorizes its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12 months ECL. Stage 1 loans includes those loans where there is no significant credit risk observed and also includes facilities where the credit risk has been improved and the loan has been reclassified from stage 2 or stage 3.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the life time ECL. Stage 2 loans also includes facilities where the credit risk has improved and the loan has been reclassified from stage 3.

Stage 3: Loans considered credit impaired are the loans which are past due for more than 90 days. The Company records an allowance for life time ECL.

One time restructuring (OTR) of loan accounts allowed by RBI vide circular resolution framework for COVID-19 related stress, all borrowers, wherein resolution plan has been invoked and completed within 90 days shall be continued to be classified as Stage 1.

Based on the above, the Company categorizes its investments and balances with banks into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When investments and balances with banks are first recognised, it is categorised as Stage 1.Stage 1 would include all investments and balances with bank, not impaired or, have not experienced a significant increase in credit risk since initial recognition.

Stage 2:

- For facilities with rating grade AAA to B, three notch downgrades (without modifiers) shall be taken as stage 2.

- Any financial instrument with rating grade CCC or below classified as Stage 2 at origination.

Stage 3: All the investments and balances with banks will be considered as credit impaired which are past due for more than 90 days.

B. Calculation of ECLs

The mechanics of ECL calculations are outlined below and the key elements are, as follows:

PD Probability of Default ('PD') is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. For investments and balances with banks, the Company uses external ratings for determining the PD of respective instruments.

EAD Exposure at Default ('EAD') is an estimate of the amount outstanding when the borrower defaults.It is the total amount of an asset the entity is exposed to at the time of default. It is defined based on characteristics of the asset.

LGD Loss Given Default ('LGD') is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The Company has calculated PD, EAD and LGD to determine impairment loss on the portfolio of loans. At every reporting date, the above calculated PDs, EAD and LGDs are reviewed and changes in the forward looking estimates are analysed.

The mechanics of the ECL method are summarised below:

Stage 1: The 12 months ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-months default probabilities are applied to a EAD and multiplied by the expected LGD.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument.

Stage 3: For loans considered credit-impaired, the Company recognises the lifetime expected credit losses for these loans. The method is similar to that for stage 2 assets, with the PD set at 100%.

C. Forward looking information

In its ECL models, the Company relies on a broad range of forward looking macro parameters and estimated the impact on the default at a given point of time.

i) Gross fixed investment (% of GDP)

3.7 WRITE-OFFS

Financial assets are written off when there are no prospects of recovery which are subject to management decision . If the amount

to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to other income in the statement of profit and loss.

3.8 DETERMINATION OF FAIR VALUE

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company has taken into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 financial instruments: Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date;

- Level 2 financial instruments: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads; and market-corroborated inputs.

- Level 3 financial instruments: Those that include one or more unobservable input that is significant to the measurement as whole.

3.9 (I) RECOGNITION OF OTHER INCOME

Revenue (other than for those items to which Ind AS 109 - Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 - Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs.

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115 :

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation

A. Other interest income

Interest income on security deposits and FD is recognised on a time proportionate basis.

B. Fees and other income

Processing fees not considered in EIR , service income, bounce charges, penal charges and foreclosure charges etc. are recognised on point in time basis.

3.9 (II) RECOGNITION OF OTHER EXPENSE

A. Borrowing costs

Borrowing costs are the interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

All other borrowing costs are charged to the statement of profit and loss for the period for which they are incurred.

3.10 CASH AND CASH EQUIVALENTS

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

3.11 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment ('PPE') are carried at cost, less accumulated depreciation and impairment losses, if any. The cost of PPE comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses. Subsequent expenditure on PPE after its purchase is capitalized only if it is probable that the future economic benefits will flow to the enterprise and the cost of the item can be measured reliably.

Depreciation is calculated using the straight line method to write down the cost of property and equipment to their residual values over their estimated useful lives as specified under schedule II of the Act. Land is not depreciated.

The estimated useful lives are, as follows:

i) Computer Equipments - 3 years

ii) Office equipment - 5 years

iii) Furniture and fixtures - 10 years

Depreciation is provided on a pro-rata basis from the date on which such asset is ready for its intended use.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

PPE is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised.

3.12 INTANGIBLE ASSETS

The Company's intangible assets include the value of software. An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives (three years) using the straight-line method, and is included in depreciation and amortisation in the statement of profit and loss.

3.13 IMPAIRMENT OF NON FINANCIAL ASSETS - PROPERTY, PLANT AND EQUIPMENTS AND INTANGIBLE ASSETS

The carrying values of assets / cash generating units at the each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and if the carrying amount of these assets exceeds their recoverable amount, impairment loss is recognised in the statement of profit and loss as an expense, for such excess amount. The recoverable amount is the greater of the net selling price and value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss.

3.14 LEASES

Ind AS 116 - Leases sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The company has opted for two recognition exemptions for lessees :

– leases of 'low-value' assets (e.g., personal computers)

– and short-term leases (i.e., leases with a lease term of 12 months or less).

At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset (cost model).

The Company has Lease agreements for taking office premises along with furniture and fixtures as applicable and premises on rental basis range of 36 months to 60 months wherein the Company is a lessee.

3.15 RETIREMENT AND OTHER EMPLOYEE BENEFITS

Defined contribution plans

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation / retirement. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

As per Ind AS 19, the service cost and the net interest cost are charged to the statement of profit and loss. Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI.

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.16 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, and

it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

B. Contingent liability

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or; present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for.

C. Contingent asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are neither recognised not disclosed in the financial statements.

3.17 TAXES

A. Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. Current tax is the amount of tax payable on the taxable income for the period as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or equity.

B. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

A deferred tax asset is recognised for the carryforward of unused tax losses and accumulated depreciation to the extent that it is probable that future taxable profit will be available against which the unused tax losses and accumulated depreciation can be utilised.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or equity.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off.

C. Goods and services tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax paid, except when the tax incurred on a purchase of assets or availing of services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

3.18 EARNINGS PER SHARE

Basic earnings per share ('EPS') is computed by dividing the profit after tax (i.e. profit attributable to ordinary equity holders) by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the profit after tax (i.e. profit attributable to ordinary equity holders) as adjusted for after-tax amount of dividends and interest recognised in the period in respect of the dilutive potential ordinary shares and is adjusted for any other changes in income or expense that would result from the conversion of the dilutive potential ordinary shares, by the weighted average number of equity shares considered for deriving basic earnings per share as increased by the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits, right issue and bonus shares, as appropriate.

3.19 DIVIDENDS ON ORDINARY SHARES

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Act, final dividend is authorised when it is approved by the shareholders and interim dividend is authorised when it is approved by the Board of Directors of the Company. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

3.20 CASH FLOW STATEMENT

Cash flows are reported using the indirect method as prescribed under Ind AS 7, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

4. CASH AND CASH EQUIVALENTS

Amounts in ₹ lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Cash on hand	-	-
Balance with banks		
- In current accounts	4,614.49	780.19
- In fixed deposits (with original maturity of 3 months or less)	-	-
Total	**4,614.49**	**780.19**

5. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS ABOVE

Amounts in ₹ lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Fixed deposits (with original maturity of more than 3 months) #	3,129.34	3,783.56
Less: Allowance for impairment loss	(80.80)	(11.83)
Total	**3,048.54**	**3,771.73**

As at 31 March 2021 : ₹ Nil (As at 31 March 2020 : ₹ 15 lakhs) earmarked for guarantee provided for lease of tablets.

6. OTHER RECEIVABLES

Amounts in ₹ lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Trade receivables	21.33	-
Other receivables	6.23	11.52
Total	**27.56**	**11.52**
Secured - Considered good		-
Unsecured - Considered good	27.56	11.52
Receivables which have significant increase in Credit Risk	-	-
Receivables - credit impaired	-	-
Total - Gross	**27.56**	**11.52**
(Less): Impairment loss allowance	-	-
Total - Net	**27.56**	**11.52**

7. LOANS

Amounts in ₹ lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Loans at amortised cost		
Term Loans	5,596.18	14,236.46
Total (A) - Gross	**5,596.18**	**14,236.46**
(Less): Impairment loss allowance	(1,037.72)	(1,616.96)
Total (A) - Net	**4,558.46**	**12,619.50**
Secured by tangible assets	1,034.92	2,136.76
Secured by intangible assets	-	-
Covered by bank/government guarantees	-	-
Unsecured	4,561.26	12,099.70
Total (B) - Gross	**5,596.18**	**14,236.46**
(Less): Impairment loss allowance	(1,037.72)	(1,616.96)
Total (B) - Net	**4,558.46**	**12,619.50**
Loans in India		
- Public sector	-	-
- Others	5,596.18	14,236.46
Loans within India - Gross	**5,596.18**	**14,236.46**
(Less): Impairment loss allowance	(1,037.72)	(1,616.96)
Loans within India -Net - (C)(i)	**4,558.46**	**12,619.50**
Loans Outside India (C) (ii)	-	-
Total (C) - Gross	**5,596.18**	**14,236.46**
(Less): Impairment loss allowance	(1,037.72)	(1,616.96)
Total (C) - Net	**4,558.46**	**12,619.50**
Loans at fair value through profit and loss		
Loans	-	-
Total (D)	**-**	**-**
Loans outside India	-	-
Loans in India	-	-
Total (D)	**-**	**-**
Grand total - Gross [(A) + (D)]	**5,596.18**	**14,236.46**
Grand total - Net [(C) + (D)]	**4,558.46**	**12,619.50**

7.1 An analysis of changes in the gross carrying amount and the corresponding ECL allowances

Amounts in ₹ lakhs

	As at 31 March 2021				As at 31 March 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**13,293.90**	**250.69**	**691.87**	**14,236.46**	**4,860.10**	**231.72**	**108.83**	**5,200.65**
Assets derecognised or repaid (excluding write offs)	(7,599.67)	(78.81)	(33.48)	(7,711.96)	(2,840.77)	(23.63)	(7.93)	(2,872.33)
Transfers from Stage 1	(1,255.38)	379.27	876.11	-	(611.23)	145.11	466.12	-
Transfers from Stage 2	-	(153.29)	153.29	-	-	(59.75)	59.75	-
Transfers from Stage 3	-	-	-	-	-	-	-	-
Amounts written off	-	-	(1225.74)	(1255.74)	(22.44)	(135.98)	(93.62)	(252.04)
New assets originated*	288.27	9.15	-	297.42	11,908.24	93.22	158.72	12,160.18
Gross carrying amount closing balance	**4,727.12**	**407.01**	**462.05**	**5,596.18**	**13,293.90**	**250.69**	**691.87**	**14,236.46**

* New assets originated are those assets which have either remained in stage 1 or have become stage 2 or 3 at the year end.

7.2 Reconciliation of ECL balance is given below:

Amounts in ₹ lakhs

	As at 31 March 2021				As at 31 March 2020			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
ECL allowance - opening balance	**825.64**	**175.79**	**615.53**	**1,616.96**	**47.60**	**124.74**	**73.50**	**245.84**
Addition during the year	165.76	229.76	614.66	1,010.18	787.57	132.31	615.53	1,535.41
Reversal during the year	(593.28)	(139.41)	(856.73)	(1,589.42)	(9.53)	(81.26)	(73.50)	(164.29)
ECL allowance - closing balance	**398.12**	**266.14**	**373.46**	**1,037.72**	**825.64**	**175.79**	**615.53**	**1,616.96**

Increase in ECLs of the portfolio was driven by an increase in the gross size of the portfolio and movements between stages as a result of increases in credit risk.

8. INVESTMENTS

Amounts in ₹ lakhs

Particulars	**At cost**	**At amortised cost**	**At fair value through profit and loss**	**Total**
As at 31 March 2021				
Investment in Non Convertible Debentures (NCDs)	-	4,047.11	-	4,047.11
Investment in pass through certificates (PTC)		3,958.57		3,958.57
Investment in Mutual funds	-	-	-	-
Investment in Subsidiary **	11,399.07	-	-	11,399.07
Total (A) - Gross	**11,399.07**	**8,005.68**	**-**	**19,404.75**
Less: Allowance for impairment loss	-	(76.65)	-	(76.65)
Total (A) - Net	**11,399.07**	**7,929.03**	**-**	**19,328.10**
Investments outside India				
Investments in India	11,399.07	8,005.68	-	19,404.75
Total (B) - Gross	**11,399.07**	**8,005.68**	**-**	**19,404.75**
Less: Allowance for impairment loss	-	(76.65)	-	(76.65)
Total (B) - Net	**11,399.07**	**7,929.03**	**-**	**19,328.10**
As at 31 March 2020				
Investment in Non Convertible Debentures (NCDs)	-	2,143.75	-	2,143.75
Investment in Mutual funds	-	-	3,845.38	3,845.38
Investment in Subsidiary **	829.42	-	-	829.42
Total (A) - Gross	**829.42**	**2,143.75**	**3,845.38**	**6,818.55**
Less: Allowance for impairment loss	-	(69.65)	-	(69.65)
Total (A) - Net	**829.42**	**2,074.10**	**3,845.38**	**6,748.90**
Investments outside India	-	-	-	-
Investments in India	829.42	2,143.75	3,845.38	6,818.55
Total (B) - Gross	**829.42**	**2,143.75**	**3,845.38**	**6,818.55**
Less: Allowance for impairment loss	-	(69.65)	-	(69.65)
Total (B) - Net	**829.42**	**2,074.10**	**3,845.38**	**6,748.90**

** As per para 10 of Ind AS 27, the Company has opted to value the investments in subsidiary entity at cost.

9. OTHER FINANCIAL ASSETS

Amounts in ₹ lakhs

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Security deposits	37.99	33.66
Advances to Employees	1.70	0.99
Other Assets	21.89	14.79
Total	**61.58**	**49.44**

28. INCOME TAX ASSETS

Amounts in ₹ lakhs

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Tax deducted at source	160.79	129.45
Less: Provision for tax	-	-
Total	**160.79**	**129.45**

10. PROPERTY, PLANT AND EQUIPMENT & INTANGIBLE ASSETS

Amounts in ₹ lakhs

FY 2020-21	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 1-Apr-20	Additions	Deletions/ Adjustments	As at 31-Mar-21	As at 1-Apr-20	For the period	Deductions/ Adjustments	As at 31-Mar-21	As at 31-Mar-21	As at 31-Mar-20
Property, Plant and Equipment										
Leasehold improvements	0.30	-	-	0.30	0.30		-	0.30	-	-
Furniture and fixtures	3.04	-	-	3.04	0.63	0.31	-	0.94	2.10	2.41
Office equipments	10.30	-	-	10.30	4.78	2.09	-	6.87	3.43	5.52
Computer equipments	51.81	1.26	-	53.07	34.28	12.86	-	47.14	5.93	17.53
Total (A)	**65.45**	**1.26**	**-**	**66.71**	**39.99**	**15.26**	**-**	**55.25**	**11.46**	**25.46**
Intangible assets										
Computer software	720.03	3.14		723.17	495.76	209.50	-	705.26	17.91	224.27
Total (B)	**720.03**	**3.14**	**-**	**723.17**	**495.76**	**209.50**	**-**	**705.26**	**17.91**	**224.27**
GRAND TOTAL (A+B)	**785.48**	**4.40**	**-**	**789.88**	**535.75**	**224.76**	**-**	**760.51**	**29.37**	**249.73**
Intangible under development	**2.88**	**1.57**	**4.45**	**-**	**-**	**-**	**-**	**-**	**-**	**2.88**

Amounts in ₹ lakhs

FY 2019-20	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 1-Apr-19	Additions	Deletions/ Adjustments	As at 31-Mar-20	As at 1-Apr-19	For the period	Deductions/ Adjustments	As at 31-Mar-20	As at 31-Mar-20	As at 31-Mar-19
Property, Plant and Equipment										
Leasehold improvements	0.30	-	-	0.30	0.30	-	-	0.30	-	-
Furniture and fixtures	3.04	-	-	3.04	0.31	0.32	-	0.63	2.41	2.73
Office equipments	10.30	-	-	10.30	2.43	2.35	-	4.78	5.52	7.87
Computer equipments	49.87	1.94	-	51.81	15.13	19.15	-	34.28	17.53	34.74
Total (A)	**63.51**	**1.94**	**-**	**65.45**	**18.17**	**21.82**	**-**	**39.99**	**25.46**	**45.34**
Intangible assets										
Computer software	705.36	14.67	-	720.03	242.31	253.45	-	495.76	224.27	463.05
Total (B)	**705.36**	**14.67**	**-**	**720.03**	**242.31**	**253.45**	**-**	**495.76**	**224.27**	**463.05**
GRAND TOTAL (A+B)	**768.87**	**16.61**	**-**	**785.48**	**260.48**	**275.27**	**-**	**535.75**	**249.73**	**508.39**
Intangible under development	**1.32**	**1.56**		**2.88**	**-**	**-**	**-**	**-**	**2.88**	**1.32**

11. OTHER NON FINANCIAL ASSETS

Amounts in ₹ lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Prepaid expenses	17.30	61.62
Advance to Vendors	-	3.04
Duties and taxes	290.25	236.58
Total	**307.55**	**301.24**

12. TRADE PAYABLES

Amounts in ₹ lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
a) Total outstanding dues of micro enterprises and small enterprises	13.50	11.96
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	67.99	82.63
Total	**81.49**	**94.59**

13. OTHER FINANCIAL LIABILITIES

Amounts in ₹ lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Lease liability	180.81	218.03
Payable to borrowers	5.73	-
Contingent consideration	3,055.67	43.37
Total	**3,242.21**	**261.40**

14. PROVISIONS

Amounts in ₹ lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Provisions for employee benefits		
Gratuity	32.78	27.12
Bonus	45.00	11.18
Provision for expenses	186.53	223.37
Total	**264.31**	**261.67**

15. OTHER NON FINANCIAL LIABILITIES

Amounts in ₹ lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Statutory dues payable	29.00	35.39
Revenue received in advance	-	0.10
Total	**29.00**	**35.49**

16. EQUITY

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number	₹ in lakhs	Number	₹ in lakhs
Authorised shares				
10,40,00,000 Equity Shares of ₹ 10 each (As at 31 March 2020: 8,90,00,000 Equity Shares of ₹ 10 each)	10,40,00,000	1,04,00,000.00	8,90,00,000	8,900.00
90,00,000 Preference Shares of ₹ 10 each (As at 31 March 2020: 90,00,000 Preference Shares of ₹ 10 each)	90,00,000	900.00	90,00,000	900.00
Issued, subscribed & fully paid-up shares				
9,35,01,466 Equity Shares of ₹ 10 each (As at 31 March 2020: 8,59,85,475 Equity Shares of ₹ 10 each)	9,35,01,466	9,350.15	8,59,85,475	8,598.55
Total	**9,35,01,466**	**9,350.15**	**8,59,85,475**	**8,598.55**

a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year.

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number	₹ in lakhs	Number	₹ in lakhs
Outstanding at the beginning of the year	8,59,85,475	8,598.55	8,47,66,883	8,476.69
Issued during the year	75,15,991	751.60	12,18,592	121.86
Outstanding at the end of the year	**9,35,01,466**	**9,350.15**	**8,59,85,475**	**8,598.55**

b) Terms / rights /restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend, if any in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting.

During the Year ended 31 March 2021, the amount of per share dividend recognised as distributions to Equity Shareholders was Nil (31 March 2020 : Nil).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exists currently. The distribution will be in proportion to the number of equity shares held by the shareholder.

c) Details of Equity shares held by each shareholder holding more than 5% Equity shares (Face value ₹ 10 per Share):

Class of shares / Name of shareholder	As at 31 March 2021		As at 31 March 2020	
	Number	%	Number	%
Equity shares				
Information Interface India Private Limited	3,44,35,567	36.8%	3,44,35,567	40.0%
Strategic India Equity Fund	1,01,01,125	10.8%	1,27,59,925	14.8%
WF Asian Reconnaissance Fund Limited	1,21,69,500	13.0%	1,21,69,500	14.2%
Vikasa India EIF I Fund	70,20,067	7.5%	71,20,067	8.3%
Carmignac Portfolio	64,05,000	6.9%	64,05,000	7.4%
	7,01,31,259	**75.0%**	**7,28,90,059**	**84.8%**

d) No Bonus shares have been issued during the year and in immediately preceding 5 years.

e) There has been no buy back of shares during the year and in immediately preceding 5 years.

17. OTHER EQUITY

Amounts in ₹ lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Securities premium account	22,993.53	18,812.38
Retained earnings	(4,513.45)	(3,882.09)
Employee stock option reserve	822.09	670.03
Special Reserve under section 45 IC of RBI Act, 1934	1.89	1.89
Total	**19,304.06**	**15,602.21**

Amounts in ₹ lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Securities premium account		
Opening balance	18,812.38	18,297.33
Add: Changes during the year	4,181.15	515.05
Closing balance	**22,993.53**	**18,812.38**
Retained earnings		
Opening balance	(3,882.09)	(1,564.73)
Add: Profit/(Loss) for the year	(643.84)	(2,329.31)
Add: Other comprehensive income for the year	12.48	11.95
Less: Transfer to Special Reserve under section 45 IC of RBI Act, 1934	-	-
Add: Transfer from share based payment reserve	-	-
Closing balance	**(4,513.45)**	**(3,882.09)**
Employee stock option reserve		
Opening balance	670.03	374.11
Add: Charge during the year	152.06	295.92
Closing balance	**822.09**	**670.03**
Special Reserve under section 45 IC of RBI Act, 1934		
Opening balance	1.89	1.89
Add/(Less) : Transfer to special reserve	-	-
Closing balance	**1.89**	**1.89**
Total	**19,304.06**	**15,602.21**

Nature and purpose of the reserve

a) Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act,2013.

b) Retained earnings

Retained earnings represents the deficit in profit and loss account.

The Company recognises change on account of remeasurement of the net defined benefit liability/(asset) as part of retained earnings with separate disclosure, which comprises of actuarial gains and losses.

c) Employee stock option reserve

The share options outstanding account reserve is created as required by Ind AS 102 “Share based payments” for the Employee Stock Option Scheme operated by the Company for employees of the group.

d) Special Reserve under section 45 IC of RBI Act, 1934

As per section 45-IC of the Reserve Bank of India Act, 1934, the Company is required to create a reserve fund at the rate of 20% of the net profit after the tax of the Company every year. The Company has not transferred any amount in the current and in previous year to Statutory Reserve as the Company has incurred lossess. No appropriation of any sum from this reserve fund shall be made by the non-banking financial company except for the purpose as may be specified by Reserve Bank of India.

18. INTEREST INCOME

Amounts in ₹ lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
On financial assets measured at amortised costs:		
Interest on loans	1,747.23	1,504.64
Interest on Investments	280.67	643.71
Interest on deposits with banks	439.84	317.98
Interest income on security deposit	2.02	2.44
Total	**2,469.76**	**2,468.77**

19. FEES AND COMMISSION INCOME

Amounts in ₹ lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Processing fees on loan	1.49	5.71
Total	**1.49**	**5.71**

20. NET GAIN / (LOSS) ON FAIR VALUE CHANGES

Amounts in ₹ lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Net gain /(loss) on financial instruments at FVTPL		
Gain on mutual fund investments	66.93	266.68
Total (A)	**66.93**	**266.68**

21. OTHERS

Amounts in ₹ lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Bounce charges	0.79	2.15
Penal charges	3.49	3.69
Foreclosure charges	5.10	6.38
Total	**9.38**	**12.22**

22. OTHER INCOME

Amounts in ₹ lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Sale of service	42.94	3.75
Interest on Income Tax refund	4.12	-
Bad debts recovery	-	3.73
Derecognition gain on leases	-	1.69
Other Income	5.00	-
Total	**52.06**	**9.17**

23. FINANCE COST

Amounts in ₹ lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest expenses on lease liability	21.06	28.70
Total	**21.06**	**28.70**

24. IMPAIRMENT ON FINANCIAL INSTRUMENTS

Amounts in ₹ lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
On financial instruments measured at amortised cost:		
Loans	575.22	1,623.17
Investments	75.96	77.08
Total	**651.18**	**1,700.25**

25. EMPLOYEE BENEFIT EXPENSES

Amounts in ₹ lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries	1,107.35	1,282.06
Contribution to provident fund	52.70	60.51
Employee stock option expense (Refer Note No.30 on ESOP)	333.70	389.23
Staff welfare expenses	0.21	16.02
Gratuity Expense	18.14	19.41
Total	**1,512.10**	**1,767.23**

26. DEPRECIATION AND AMORTIZATION

Amounts in ₹ lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation on Property, plant and equipment	15.25	21.82
Amortisation of Intangible assets	209.51	253.45
Amortisation of Right of use asset	58.51	69.36
Total	**283.27**	**344.63**

27. OTHER EXPENSES

Amounts in ₹ lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Legal and professional fees	190.78	324.48
Technology and software expenses	290.15	358.05
Commission and brokerage	72.81	62.43
Business development expenses	12.44	165.25
Training and recruitment	6.80	24.59
Lease rent	7.84	0.26
Loan origination cost	7.05	86.41
Office and administrative expenses	17.55	29.28
Travelling and conveyance	9.95	52.28
Director sitting fees	19.75	20.50
Payments to auditors	19.78	52.08
Communication expenses	7.45	8.71
Printing and stationery expenses	1.31	3.63
Annual listing fees	4.91	4.12
Repairs and maintenance	1.38	2.17
Advertisement and publicity	0.43	1.30
Insurance expenses	31.63	16.81
Miscellaneous expenses	73.85	38.70
Total	**775.86**	**1,251.05**

Breakup of Auditors' remuneration

Amounts in ₹ lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Statutory Audit	10.00	21.75
Limited review	3.00	18.00
Tax audit	1.50	1.00
Other Services	3.75	5.00
Out of pocket expenses (including taxes)	1.53	6.33
Total	**19.78**	**52.08**

29. EARNINGS PER SHARE (EPS)

Basic EPS is calculated in accordance with Ind AS 33 'Earnings per share' by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares of the Company.

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
a) The basic earnings per share has been calculated based on the following:		
Net profit after tax available for equity shareholders (Amounts in ₹ lakhs)	(643.85)	(2,329.31)
Weighted average number of equity shares	8,81,62,406	8,54,86,876
b) The reconciliation between the basic and the diluted earnings per share is as follows:		
Basic earnings per share (₹)	(0.73)	(2.72)
Diluted earnings per share (₹)	(0.73)	(2.72)
c) Weighted average number of equity shares is computed for the purpose of calculating diluted earning per share, after giving the dilutive impact of the outstanding stock options for the respective years.		
Weighted average number of shares for computation of Basic EPS	8,81,62,406	8,54,86,876
Dilution (no. of shares)	8,09,812	9,54,973
On shares exercised during the period	94,713	14,271
Contingent consideration	16,26,713	92,483
Weighted average number of shares for computation of Diluted EPS	9,06,93,644	8,65,48,603

30. EMPLOYEE SHARE BASED PAYMENTS

a) Employee stock option scheme (equity settled)

The Company approved the grant of equity share options under NFL-Employee Stock Option Plan 2018 in July 2018 ('Plan 2018'), Niyogin Employee Stock Option Plan 2019 in December 2019 ('Plan 2019'), Niyogin Employees Stock Option Plan 2020 in October 2020 ('Plan 2020').

Under the terms of each of these Plans, the Company may issue to its employees and Directors, Equity Stock Options ('ESOPs') each of which is convertible into one equity share. Under Plan 2019, the Company may issue to the employees and Directors of the subsidiaries, Equity Stock Options ('ESOPs') each of which is convertible into one equity share. All the plans were framed in accordance with the SEBI (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999 as amended from time to time and as applicable at the time of the grant. The accounting for the stock options has been in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014 to the extent applicable.

The vesting conditions applicable to the options are at the discretion of the Nomination and Remuneration Committee ('NRC').These options are exercisable on vesting, for a period as set forth by the NRC at the time of the grant. The period in which the options may be exercised cannot exceed five years from date of vesting period. During the years ended March 31, 2020 and March 31, 2021, no modifications were made to the terms and conditions of ESOPs.

The Company uses fair value method to account for the compensation cost of stock options to employees of the Company.

b) The Company introduced ESOP schemes which covers eligible employees of the Company and its subsidiaries. The vesting of the options for Plan 2018 and Plan 2019 is from expiry of one year till five years and for Plan 2020 is expiry of one year till Ten years. Each Option entitles the holder thereof to apply for and be allotted/transferred one equity Share of the Company upon payment of the exercise price during the exercise period.

Details of scheme of Employee Stock Option Plans are as under:

Tranch details	Employee Stock Option Plan	No. of options	Date of Grant	Price of Underlying Stock (₹)	Exercise Price (₹)
I	Plan 2018	2,37,110	13-Aug-18	89.44	10.00
II	Plan 2018	6,74,296	05-Sep-18	134.13	10.00
III	Plan 2018	7,153	11-Feb-19	60.96	10.00
IV	Plan 2018	5,37,473	09-Aug-19	43.67	10.00
V	Plan 2018	8,884	23-Jan-20	34.65	10.00
VI	Plan 2018	7,69,000	23-Jul-20	14.28	29.40
I	Plan 2019	31,225	10-Nov-20	27.68	51.24
I	Plan 2020	34,39,416	10-Nov-20	31.72	64.05

Set out below is a summary of options granted under the plan:

Particulars	For the year ended 31 March 2021		For the year ended 31 March 2020	
	Weighted Average exercise price	Number of options	Weighted Average exercise price	Number of options
Outstanding at the beginning of the year	10.00	11,51,723	10.00	9,06,605
Granted during the year	57.67	42,39,641	10.00	5,46,357
Exercised during the year	10.00	(1,84,159)	10.00	(75,697)
Forfeited during the year	-	-	-	-
Lapsed during the year	11.85	(2,82,519)	10.00	(2,25,542)
Outstanding at the end of the year	**50.93**	**49,24,686**	**10.00**	**11,51,723**
Exercisable at the end of the year	10.00	3,39,715	10.00	2,01,292

c) Fair value of options granted

The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The options are granted for no consideration and will vest upon the completion of service condition as specified in scheme in graded manner. Vested options are exercisable for the period of five years after the vesting.

The model inputs for options granted included:

Assumptions / Tranches / Plan	Expected - Weighted average volatility (%)	Expected term (In years)	Risk free rate	Fair value	Grant date
I - 2018	62.23%	3.50	7.80%	89.44	13-Aug-18
II - 2018	66.55%	3.50	8.07%	134.13	05-Sep-18
III - 2018	66.38%	1.50	7.20%	60.96	11-Feb-19
IV - 2018	70.67%	4.00	6.36%	43.67	09-Aug-19
V - 2018	62.75%	1.50	6.63%	34.65	23-Jan-20
VI - 2018	67.86%	4.00	4.93%	14.28	23-Jul-20
I - 2019	57.73%	2.00	5.17%	27.68	10-Nov-20
I - 2020	65.19%	5.50	5.17%	31.72	10-Nov-20

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

The yield of Government of India Bond as on the date of Grant has been taken as the risk-free interest rate.

d) Expense arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised in profit or loss as part of employee benefit expense were as follows:

Amounts in ₹ lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Employee stock option scheme (equity settled)	333.70	389.23
Total	**333.70**	**389.23**

31. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(A) Contingent liabilities

There are no contingent liabilities as at 31st March 2021:Nil (As at 31st March 2020: Nil).

(B) Commitments

I) Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31st March 2021:Nil (As at 31st March 2020: Nil).

32. LEASES :

Disclosures as required under IND AS 116 - Leases

a) On adoption of Ind AS 116, the Company has recognized lease liabilities for all leases which were previously classified as operating leases under earlier GAAP. Ind AS 116 does not provide classification of leases into operating and finance lease for the lessee accounting. The lease liability is measured at present value of the lease payments.

Lease liabilities is disclosed under the "Other financial liabilities"

Amounts in ₹ lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest expense on lease liability	21.06	28.70
Total	**21.06**	**28.70**

b) The Company has recognised Right of use (ROU) assets corresponding to the lease liabilities as per the requirements of Ind AS 116. The ROU assets are amortized at SLM basis over the lease term.Reconciliation of Carrying amount of Right of use asset for a lessee as per IND AS 116 :

Particulars	Amounts in ₹ lakhs
As at 31 March 2019	**274.63**
(+) Recognition of Right of use asset during the year	7.85
(-) Derecognition of Right of use asset during the year	23.79
(-) Amortisation of Right of use asset	69.36
As at 31 March 2020	**189.33**
(+) Recognition of Right of use asset during the year	-
(+) modification gain/(loss) during the year	3.97
(-) Derecognition of Right of use asset during the year	
(-) Amortisation of Right of use asset	58.51
As at 31 March 2021	**134.78**

c) Low value lease assets

Amounts in ₹ lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Low value lease expense reognised in Profit and Loss	-	6.48
Total	**-**	**6.48**

d) Short term lease : A lease that at the commencement date, has a lease term of 12 months or less.

Amounts in ₹ lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Short term lease expense reognised in Profit and Loss	7.84	0.26
Total	**7.84**	**0.26**

Short term lease commitment

Amounts in ₹ lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
For a period of one year from Balance sheet date	10.90	1.80
Total	**10.90**	**1.80**

33. CORPORATE SOCIAL RESPONSIBILITY ('CSR') EXPENSES:

Provisions of Section 135 of the Act are not applicable to the Company.

34. SEGMENT REPORTING:

Operating segment are components of the Company whose operating results are regularly reviewed by the Chief Operating Decision Maker ('CODM') to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Company is engaged primarily on the business of "Financing" only, taking into account the risks and returns, the organization structure and the internal reporting systems. All the operations of the Company are in India. All non-current assets of the Company are located in India. Accordingly, there are no separate reportable segments as per Ind AS 108 – "Operating segments".

35. RELATED PARTY DISCLOSURES:

(a) Related party disclosures as required by Ind AS 24 - Related Party Disclosures.

List of related parties and relationships:

Sr. No.	Nature of relationship	
1	**Subsidiaries**	
	Iserveu Technology Private Limited	
	Investdirect Capital Services Private Limited	
	MoneyMap Investment Advisors Private Limited	
2	**Entity having Significant Influence**	
	Information Interface India Private Limited	
3	**Key management personnel**	
	Amit Rajpal (Non Executive Chairman)	
	Makarand Patankar (Whole time Director)	
	Noorallah Charania (Whole time Director)	w.e.f - 10 Novemeber 2020
	Tashwinder Singh (CEO)	w.e.f - 10 Novemeber 2020
	Gaurav Patankar (Director)	w.e.f - 10 Novemeber 2020
	Kapil Kapoor (Director)	
	Sutapa Banerjee (Director)	
	Eric Wetlaufer (Director)	
	Subhasri Sriram (Director)	
	Mohit Gang (CEO) Investdirect Capital Services Private Limited	
	Rumit Dugar (Chief Financial Officer)	
	Neha Agarwal (Company Secretary)	
4	**Relatives of Key Management Personnel**	
	Gaurav Patankar	

Transactions with related parties are as follows:

Amounts in ₹ lakhs

Transaction with KMP	Year ended 31 March 2021			Year ended 31 March 2020		
	Compensation	ESOP	Total	Compensation	ESOP	Total
Salary/Bonus						
Makarand Patankar	2.50	-	2.50	30.00	-	30.00
Noorallah Charania	43.44	15.71	59.15	-	-	-
Tashwinder Singh	46.51	1,090.91	1,137.42	-	-	-
Rumit Dugar	74.20	22.14	96.34	12.37	-	12.37
Neha Agarwal	10.18	2.86	13.04	-	-	-
Mohit Gang		8.64	8.64	-	-	-
Sitting fees						
Kapil Kapoor	5.25	-	5.25	5.50	-	5.50
Sutapa Banerjee	5.75	-	5.75	6.75	-	6.75
Eric Wetlaufer	4.50	-	4.50	4.50	-	4.50
Subhasri Sriram	4.25	-	4.25	0.75	-	0.75

Amounts in ₹ lakhs

Transaction other than those with KMP	Year ended 31 March 2021			
	Subsidiary	Entity having Significant Influence	Relatives of Key Management Personnel	Total
Sourcing commission received	0.21	-	-	0.21
Sourcing commission paid	1.04	-	-	1.04
Other payments	-	7.10	-	7.10
Investment	10,569.65	-	-	10,569.65

Amounts in ₹ lakhs

Transaction other than those with KMP	Year ended 31 March 2020			
	Subsidiary	Entity having Significant Influence	Relatives of Key Management Personnel	Total
Other payments	-	14.79	10.43	25.22
Investment	829.42	-	-	829.42

Notes :

All Related Party Transactions entered during the year were in ordinary course of the business and are on arm's length basis.

Expenses towards gratuity provisions are determined actuarially on overall company basis at the end of each year and accordingly, have not been considered in the above information.

Balances outstanding from related parties are as follows:

Amounts in ₹ lakhs

	As at 31 March 2021		Total
	Subsidiary	Entity having Significant Influence	
Sourcing commission paid	(1.04)	-	(1.04)
Other payments	-	21.89	21.89
Investment	11,399.07	-	11,399.07

Amounts in ₹ lakhs

	As at 31 March 2020		Total
	Subsidiary	Entity having Significant Influence	
Other payments	-	14.79	14.79
Investment	829.42	-	829.42

(b) Disclosures as per Regulation 53(f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements Regulations, 2015).

Loans and advances in the nature of loans to companies in which directors are interested as under:

Sr. No.	Name	As at 31 March 2021	Maximum balance out-standing during the year ended 31 March 2021	As at 31 March 2020	Maximum balance out-standing during the year ended 31 March 2020
1		N.A	N.A	N.A	N.A

36. Based on and to the extent of the information received by the Company from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'), the total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 are given below:

Amounts in ₹ lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Principal amount payable to suppliers as at year-end	13.50	11.96
Interest due thereon as at year end	-	-
Interest amount for delayed payments to suppliers pursuant to provisions of MSMED Act actually paid during the year, irrespective of the year to which the interest relates	-	-
Amount of delayed payment actually made to suppliers during the year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
Interest accrued and remaining unpaid at the end of the year	-	-

Amounts in ₹ lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
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 enterprises for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006.	-	-

37. Disclosures as required by Annex III of the Master Direction - Non-Banking Financial Company - Non Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 issued by the Reserve Bank of India ("RBI") vide their Notification No. RBI/DNBR/2016-17/44 Master Direction DNBR. PD. 007/03.10.119/2016-17 dated September 1, 2016 (the "Notification")

Amounts in ₹ lakhs

		Year ended 31 March 2021		Year ended 31 March 2020	
		Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
	Liabilities side :				
37.1	**Loans and advances availed by the Non Banking Financial Company's Inclusive of interest accrued thereon but not paid**				
	(a) Debentures: Secured	-	-	-	-
	: Unsecured	-	-	-	-
	(other than falling within the meaning of Public deposits*)				
	(b) Deferred credits	-	-	-	-
	(c) Term loans	-	-	-	-
	(d) Inter-corporate loans and borrowing	-	-	-	-
	(e) Commercial paper	-	-	-	-
	(f) Public deposits*	-	-	-	-
	(g) Other loans	-	-	-	-
	*Please see note 1 below	-	-	-	-
37.2	**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :**				
	(a) In the form of Unsecured debentures	-	-		
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-		
	(c) Other public deposits	-	-		
	*Please see note 1 below	-	-		

Amounts in ₹ lakhs

Particulars		As at 31 March 2021	As at 31 March 2020
		Amount outstanding	Amount outstanding
	Assets side:		
37.3	**Break-up of loans and advances including bills receivables [other than those included in (4) below] :**		
	(a) Secured	988.34	1,997.87
	(b) Unsecured	3,570.12	10,621.63
37.4	**Break up of leased assets and stock on hire and other assets counting towards asset financing activities**		
	(i) Lease assets including lease rentals under sundry debtors:	-	-
	(a) Financial lease	-	-
	(b) Operating lease	-	-
	(ii) Stock on hire including hire charges under sundry debtors :	-	-
	(a) Assets on hire	-	-
	(b) Repossessed assets	-	-
	(iii) Other loans counting towards AFC activities	-	-
	(a) Loans where assets have been repossessed	-	-
	(b) Loans other than (a) above	-	-

Amounts in ₹ lakhs

Particulars		As at 31 March 2021	As at 31 March 2020
		Amount outstanding	Amount outstanding
37.5	**Break-up of investments :**		
	Current investments :		
	1. Quoted :		
	(i) Shares :	-	-
	(a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government securities	-	-
	(v) Others	-	-
	2. Unquoted :		
	(i) Shares :	-	-
	(a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and bonds	7,929.03	2,074.10
	(iii) Units of mutual funds	-	3,845.38
	(iv) Government securities	-	-
	(v) Others	-	-
	Long term investments :		
	1 Quoted :		
	(i) Shares : (a) Equity	-	-
	(b)Preference	-	-
	(ii) Debentures and bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government securities	-	-
	(v) Others	-	-
	2. Unquoted :		
	(i) Shares :		
	(a) Equity	10,949.06	579.42
	(b) Preference	450.00	250.00
	(ii) Debentures and bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government securities	-	-
	(v) Others	-	-

Amounts in ₹ lakhs

37.6 Category	Amount net of provisions					
	Year ended 31 March 2021			Year ended 31 March 2020		
	Secured	Unsecured	Total	Secured	Unsecured	Total
Borrower group-wise classification of assets financed as in (2) above:						
Please see Note 2 below						
1. Related parties **						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	-	-	-	-	-
(c) Other related parties	-	-	-	-	-	-
2. Other than related parties	**988.34**	**3,570.12**	**4,558.46**	**1,997.87**	**10,621.63**	**12,619.50**

Amounts in ₹ lakhs

37.7 Category	Year ended 31 March 2021		Year ended 31 March 2020	
	Market value / break up or fair value or NAV	Book value (net of provisions)	Market value / break up or fair value or NAV	Book value (net of provisions)
Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :				
1. Related parties **				
(a) Subsidiaries (refer note below)	11,399.07	11,399.07	829.42	829.42
(b) Companies in the same group			-	-
(c) Other related parties			-	-
2. Other than related parties	7,929.03	7,929.03	5,919.41	5,919.48
Total	**19,328.10**	**19,328.10**	**6,748.83**	**6,748.90**

** As per Ind AS issued by MCA (refer note 3 below)

Note: Subsidiary company has been carried at cost.

Amounts in ₹ lakhs

37.8 Other Information	As at 31 March 2021	As at 31 March 2020
	Amount outstanding	Amount outstanding
(i) Gross non-performing assets		
(a) Related parties		-
(b) Other than related parties *	462.05	691.87
(ii) Net non-performing assets		
(a) Related parties		-
(b) Other than related parties *	88.59	76.34
(iii) Assets acquired in satisfaction of debt		-
* Based on Stage 3 Assets as per IND AS		

Notes:

1. As defined in Paragraph 3 (xiii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016.

2. Provisioning norms are as per IND AS issued by MCA.

3. All Ind AS issued by MCA are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in (5) above.

38. In view of the loss incurred by the Company during the year under review, your Directors do not recommend any dividend for the financial year ended 31st March 2021.

39 DISCLOSURE AS REQUIRED BY RBI CIRCULAR DOR (NBFC).CC.PD.NO.109/22.10.106/2019-20 DATED MARCH 13, 2020

Amounts in ₹ lakhs

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	4,727.12	398.12	4,329.00	11.82	386.30
	Stage 2	407.01	266.14	140.87	1.02	265.12
Subtotal		5,134.12	664.26	4469.86	12.84	651.42
Non-Performing Assets (NPA)						
Doubtful - up to 1 year	Stage 3	462.05	373.46	88.59	230.51	142.95

Amounts in ₹ lakhs

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage 3			-		-
Subtotal for NPA		462.05	373.46	88.59	230.51	142.95
Other items such as guarantees,loan,commitments, etc. which are in the scope of Ind as 109 but not covered under current income recognition, asset classification and provisioning (Iracp) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	**Stage 1**	**4727.12**	**398.12**	**4329.00**	**11.82**	**386.30**
	Stage 2	**407.01**	**266.14**	**140.87**	**1.02**	**265.12**
	Stage 3	**462.05**	**373.46**	**88.59**	**230.51**	**142.95**
	Total	**5596.18**	**1,037.72**	**4558.46**	**243.35**	**794.37**

*Above disclosure is related to loans and advances.

40 EMPLOYEE BENEFIT PLAN

Disclosure in respect of employee benefits under Ind AS 19 - Employee Benefit are as under:

(a) Defined contribution plan

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans. The Company's contribution to provident fund aggregating ₹ 52.70 lakhs (31 March 2020: ₹ 60.51 lakhs) has been recognised in the statement of profit and loss under the head employee benefits expense.

(b) Defined benefit plan:

Gratuity

Financial assets not measured at fair value

The Company operates a defined benefit plan (the 'gratuity plan') covering eligible employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age/ resignation date.

The defined benefit plans expose the Company to risks such as actuarial risk, liquidity risk, market risk, legislative risk. These are discussed as follows:

Actuarial risk: It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse salary growth experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption then the gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

Liquidity risk: Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the Company, there can be strain on the cash flows.

Market risk: Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in defined benefit obligation of the plan benefits and vice versa. This assumption depends on the yields on the government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

Legislative risk: Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act, 1972, thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the defined benefit obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

The status of gratuity plan as required under Ind AS-19 is as under:

Amounts in ₹ lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
i. Reconciliation of opening and closing balances of defined benefit obligation		
Present value of defined benefit obligations at the beginning of the year	27.12	19.66
Current service cost	16.24	17.94
Past service cost	-	-
Interest cost	1.90	1.47
Acquisition adjustment	-	-
Benefit paid	-	-
Change in financial assumptions	0.52	1.51
Experience variance (i.e. Actual experience vs assumptions)	(13.00)	(13.46)
Present value of defined benefit obligations at the end of the year	**32.78**	**27.12**
ii. Reconciliation of opening and closing balances of the fair value of plan assets	**-**	**-**
Fair value of plan assets at the end of the year	**-**	**-**
iii. Reconciliation of the present value of defined benefit obligation and fair value of plan assets		
Present value of defined benefit obligations at the end of the year	32.78	27.12
Fair value of plan assets at the end of the year	-	-
Unrecognised past service cost	-	-
hoh5	-	-
Net asset / (liability) recognized in the balance sheet as at the end of the year	**(32.78)**	**(27.12)**

Amounts in ₹ lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
iv. Expense recognised during the Year		
Current service cost	16.24	17.94
Interest cost	1.90	1.47
Past service cost	-	-
Expenses recognised in the statement of profit and loss	**18.14**	**19.41**
v. Other comprehensive income		
Opening amount Recognized in other comprehensive Income	(12.64)	(0.69)
Due to change in financial assumptions	0.52	1.51
Due to change in demographic assumption	-	-
Due to experience adjustments	(13.00)	(13.46)
Return on plan assets excluding amounts included in interest income	-	-
Closing amount Recognized in other comprehensive Income	**(25.12)**	**(12.64)**

Amounts in ₹ lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
vi. Amount recognized in balance sheet		
Present value of unfunded defined benefit obligation	32.78	27.12
Net defined benefit liability recognised in Balance Sheet	32.78	27.12

Particulars	As at 31 March 2021	As at 31 March 2020
vii. Principal actuarial assumptions		
Discount rate (per annum)	6.85%	7.00%
Annual increase in salary cost	7.00%	7.00%
Withdrawal rates per annum		
21 to 30	15.00%	15.00%

Particulars	As at 31 March 2021	As at 31 March 2020
31 to 34	10.00%	10.00%
35 to 44	5.00%	5.00%
45 to 50	3.00%	3.00%
51 to 54	2.00%	2.00%
55 to 57	1.00%	1.00%

The discount rate is based on the prevailing market yields of Government of India's bond as at the balance sheet date for the estimated term of the obligations.

viii. Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase . The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

	For the year ended 31 March 2021		For the year ended 31 March 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (- / + 0.5%)	7.35%	6.35%	7.50%	6.50%
(% change compared to base due to sensitivity	-5.12%	5.52%	-10.70%	12.49%
Salary growth rate (- / + 0.5%)	7.50%	6.50%	7.50%	6.50%
(% change compared to base due to sensitivity)	5.48%	-5.14%	12.37%	-10.80%

ix. Effect of plan on the Company's future cash flows

a) Maturity profile of defined benefit obligation

The average outstanding term of the obligations (years) as at valuation date is 10.63 years.

Particulars	Cash flows (Amount in ₹ lakhs)	Distribution (%)
Expected cash flows over the next (valued on undiscounted basis):		
1st Following Year	0.48	0.62%
2nd Following year	0.82	1.07%
3rd Following Year	1.23	1.60%
4th Following Year	1.62	2.11%
5th Following Year	9.05	11.82%
6th Following Year	1.34	1.75%
7th Following Year	1.26	1.65%
8th Following Year	1.22	1.59%
9th Following Year	1.24	1.61%
Sum of years 10 and above	58.35	76.18%

The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employement and post-employment, has received Presidential assent on September 2020. The Code has been published in Gazette of India. Futher, The ministry of Labour and Employment has released the draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.

The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the code becomes effective and related rules to determine the financial impact are published.

41. CLASSIFICATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Amounts in ₹ lakhs

Particulars	Mandatorily at FVTPL	At cost	Amortised cost	Total carrying amount
As at 31 March 2021				
ASSETS				
Cash and cash equivalents	-	-	4,614.49	4,614.49
Bank balance other than cash and cash equivalents	-	-	3,048.54	3,048.54
Loans and advances to customers	-	-	4,558.46	4,558.46
Investment securities	-	-	-	-
Measured at fair value	-	-	-	-
Measured at cost	-	11,399.07	-	11,399.07
Measured at amortised cost	-	-	7,929.03	7,929.03

Amounts in ₹ lakhs

Particulars	Mandatorily at FVTPL	At cost	Amortised cost	Total carrying amount
Other Receivables	-	-	27.56	27.56
Other financial assets	-	-	61.58	61.58
Total Financial assets	**-**	**11,399.07**	**20,239.66**	**31,638.73**
Trade Payables	-	-	81.49	81.49
Other financial liabilities	-	-	3,242.21	3,242.21
Total Financial liabilities	**-**	**-**	**3,323.70**	**3,323.70**
As at 31 March 2020				
ASSETS				
Cash and cash equivalents	-	-	780.19	780.19
Bank balance other than cash and cash equivalents	-	-	3,771.73	3,771.73
Loans and advances to customers	-	-	12,619.50	12,619.50
Investment securities	-	-	-	-
Measured at fair value	3,845.38	-	-	3,845.38
Measured at cost	-	829.42	-	829.42
Measured at amortised cost	-	-	2,074.10	2,074.10
Other Receivables	-	-	11.52	11.52
Other financial assets	-	-	49.44	49.44
Total Financial assets	**3,845.38**	**829.42**	**19,306.48**	**23,981.28**
Trade Payables	-	-	94.59	94.59
Other financial liabilities	-	-	261.40	261.40
Total Financial liabilities	**-**	**-**	**355.99**	**355.99**

42. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation tehniques.

Financial Instrument by Category

Amounts in ₹ lakhs

	Year ended 31 March 2021		Year ended 31 March 2020	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Asset				
Investments				
- Bonds and Debentures	-	7,929.03	-	2,074.10
- Mutual Funds	-	-	3,845.38	-
Other Receivables	-	27.56	-	11.52
Loans	-	4,558.46	-	12,619.50
Cash And Cash Equivalents	-	4,614.49	-	780.19
Bank balance other than cash and cash equivalents	-	3,048.54	-	3,771.73
Other Financial Assets	-	61.58	-	49.44
Total Financial Assets	**-**	**20,239.66**	**3,845.38**	**19,306.48**
Financial Liability				
Trade Payables	-	81.49	-	94.59
Other Financial Liabilities	-	3,242.21	-	261.40
Total Financial Liabilities	**-**	**3,323.70**	**-**	**355.99**

Fair value Hierarchy

This section explains the judgments and estimates made in determining the fair value of the financial instrument that are (a) recognized and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath table

As at 31 March 2021

Amounts in ₹ lakhs

Particulars	Carrying amount	Fair value measurements using			
		Level 1	Level 2	Level 3	Total
Financial assets*					
Investments					
- Bonds and Debentures	7,929.03	-	7,929.03	-	7,929.03
- Mutual Funds	-	-	-	-	-
Loans and advances	4,558.46	-	4,511.61	-	4,511.61
Other Receivables	27.56	-	-	-	-
Cash And Cash Equivalents	4,614.49	-	-	-	-
Bank balance other than cash and cash equivalents	3,048.54	-	-	-	-
Security Deposits	37.99	-	37.99	-	37.99
Other Financial assets	23.59	-	-	-	-
Total Financial Asset	**20,239.66**	**-**	**12,478.63**	**-**	**12,478.63**
Financial Liabilities*					
Trade Payables	81.49	-	-	-	-
Lease Liability	180.81	-	180.81	-	180.81
Contingent Consideration	3,055.67	-	-	3,055.67	3,055.67
Total Financial Liabilities	**3317.97**	**-**	**180.81**	**3,055.67**	**3,236.48**

As at 31 March 2020

Amounts in ₹ lakhs

Particulars	Carrying amount	Fair value measurements using			
		Level 1	Level 2	Level 3	Total
Financial assets*					
Investments					
- Bonds and Debentures	2,074.10	-	2,074.03	-	2,074.03
- Mutual Funds	3,845.38	3,845.38	-	-	3,845.38
Loans and advances	12,619.50	-	13,015.72	-	13,015.72
Other Receivables	11.52	-	-	-	-
Cash And Cash Equivalents	780.19	-	-	-	-
Bank balance other than cash and cash equivalents	3,771.73	-	-	-	-
Security Deposits	33.66	-	33.66	-	33.66
Other Financial assets	15.78	-	-	-	-
Total Financial Asset	**23,151.86**	**3,845.38**	**15,123.41**	**-**	**18,968.79**
Financial Liabilities*					
Trade Payables	94.59	-	-	-	-
Lease Liability	218.03	-	218.03	-	218.03
Contingent Consideration	43.37	-	-	43.37	43.37
Total Financial Liabilities	**355.99**	**-**	**218.03**	**43.37**	**261.40**

Level 1 : Level 1 hierarchy includes financial instruments measured using unadjusted quoted prices in active markets that the Company has the ability to access for the identical assets or liabilities. A financial instrument is classified as a Level 1 measurement if it is listed on an exchange. This includes mutual funds that have quoted price. The mutual funds are valued at the closing NAV.

Level 2 : The fair value of financial instruments that are not traded in active markets is determined using valuation techniques which maximize the use of observable market data either directly or indirectly, such as quoted prices for similar assets and liabilities in active markets, for substantially the full term of the financial instrument but do not qualify as Level 1 inputs. Fair value of loans and advances of the Company is measured using the last month's lending rate. If all significant inputs required to fair value an instrument are observable the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based in observable market data, the instruments is included in level 3. The company has measured contingent consideration based on Level 3.

Financial instruments valued at carrying value

The respective carrying values of certain on-balance sheet financial instruments approximated their fair value. These financial instruments include cash in hand, balances with Banks, financial institutions and money at call and short notice, accrued interest receivable, acceptances, deposits payable on demand, accrued interest payable, and certain other assets and liabilities that are considered financial instruments. Carrying values were assumed to be approximate fair values for these financial instruments as they are short-term in nature and their recorded amounts approximate fair values or are receivable or payable on demand.

Financial instruments recorded at fair value

Investment in debt securities

Securities classified as fair value through profit or loss, are carried at fair value based on quoted market prices. The Company records mutual funds at closing NAV.

Fair value of financial instruments carried at amortised cost

Loans and advances

The fair values of loans that do not reprice or mature frequently are estimated using discounted cash flow models. Loans and advances are fair valued basis the future expected cash flows discounted at the lending rate.

Security deposits

Security deposits have been accounted at amortised cost using SBI MCLR rates.

Bonds and debentures

The fair value of bonds and debentures are discounted using cash flow models. Bonds and debentures are fair valued basis the future expected cash flows discounted at the interest rate.

Fair value of contingent consideration

a) Investdirect Capital Services Private Ltd. - The value of contingent consideration is calculated using Binomial Option Pricing Model. The binomial tree is arrived by using profitability scenarios specified in the agreement entered between the acquirer and the acquiree and the value of contingent liability is arrived by assigning probability weights to each profitability scenario considered.

b) Iserveu Technology Private Ltd. - The value of contingent consideration is calculated using fair value measurement.

c) The table below shows the movement in the valuation of contingent consideration:

Amounts in ₹ lakhs

Particulars	Amounts
As at 31 March 2019	**-**
(+) Initial recognition	43.37
Change during the year	-
As at 31 March 2020	**43.37**
Change during the year	3,012.30
As at 31 March 2021	**3,055.67**

d) Sensitivity analysis

Amounts in ₹ lakhs

Tranch details	Contingent consideration	Increase / decrease
5% increase in profitability situation i.e. probability is (55:45)	47.71	4.34
5% decrease in profitability situation i.e. probability is (45:55)	39.04	(4.33)

43. FINANCIAL RISK MANAGEMENT

The Company has operations in India which expose it to liquidity risk and credit risk. The risks are managed through a management established framework of identification and measurement of risk.

This note explains the sources of risk which the Company is exposed to and how the Company manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Loans and advances, cash and cash equivalents, trade receivables, financial assets measured at amortized cost.	Aging analysis of loans and advances held at amortized cost Credit ratings in case of investments held at amortized cost	Diversification of Company's investments into NCDs and FDs Monitoring of credit risk on loans and advances basis the days past dues.
Liquidity risk	Trade liabilities	Maturity analysis	Maintaining sufficient cash and cash equivalents and marketable investments

The Company's board of directors is the highest decision-making body within the organisation. The Board of directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management committee is established to

• Recommend changes to the risk Policy for approval by the Audit Committee.

• Monitors and supervises the ECL process, identifies and analyses the risks faced by the Company

• Authorize any overrides on the provisioning model of assets to achieve provisioning objectives in line with the approval policy

• Reviewing the adequacy of ECL training across the key departments

• Establishing that the businesses comply with the risk Policy

• Review and address concerns raised by the internal Credit Committee, Statutory Auditors or the Internal Auditors in any ECL exceptions

• Delegate such roles and responsibilities to the Company's internal Credit Committee to ensure that this policy is in line with the board approved policy and the applicable accounting standards.

The audit committee oversees the recommmendations of the risk management committe and how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee ensures adequate provisioning for the financial statements in line with the approved policies and ensures that the scope of the External Auditor covers adequate assurance in complying with the Company's approved provisioning and risk policy.

A. Credit risk

Credit risk arises from loans and advances, cash and cash equivalents, investments carried at amortized cost and deposits held by the Company.

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

i) Credit risk management

The primary organizational groups forming part of the Company risk governance are Board of Directors, Audit Committee, Risk committee and Credit committee. In regards to loans and advances of the Company, the credit risk is managed in accordance with the ECL policy by monitoring of credit risk basis the days past dues.

For the investments, the ECL policy provides that the Company uses the external ratings for estimation of forward looking PDs to estimate ECL.The Company reviews the creditworthiness of these counterparties on an on-going basis.

The Company classifies its financial assets in following category:

Stage 1

As soon as a financial instrument originates or is purchased, it is categorized as Stage 1. This is applicable across all the loan facilities, investments and bank balances. Stage 1 would include all residual facilities, not impaired or, have not experienced a significant increase in credit risk since initial recognition.

Stage 2 and stage 3

Loans

The following staging criteria based on Days Past Dues (DPDs) fixed for Loan portfolio as per the Ind AS 109:

Stage 1 to Stage 2: More than 30 Days Past Due as criteria for Stage 2 classification.

Stage 2 to Stage 3: More than 90 Days Past Due as criteria for Stage 3 classification.

Investments and Balances with Bank

Following is the staging criteria for investments:

• For facilities with rating grade AAA to B, three notch downgrades (without modifiers) shall be taken as stage 2.

• Any financial instrument with rating grade CCC or below classified as Stage 2 at origination.

ii) Provision for expected credit losses

The Company provides for expected credit loss based on following:

Category	Description for category	Probability of default (PD)	Exposure at default (EAD)	Loss given default (LGD)
Loans	The Company is engaged in the business of providing unsecured loans to SMEs and individuals with proprietary businesses, the borrower profiles are having similar risk characteristics across the loan book.	The PD estimation is based on transition matrix approach, gross flow analysis and net flow analysis with application of single factor Vasicek model for incorporation of macro-economic factor (GDP). The Company has used cohort framework for computation of PDs on loans. As the default definition for loan portfolio is 90 days past due, the Company taken quarterly transition matrix for estimation of PDs across following behavioral buckets: Ranking 1: Current (DPD up to 0) Ranking 2: Up to 30 Days past due Ranking 3: Up to 60 days past due Ranking 4: Up to 90 days past due Ranking 5: Default PD estimates grouped as per the above ranking grades. For Stage 3 assets PD is taken to be 100%.	Exposure at Default gives an estimate of the amount outstanding when the borrower defaults. It is the total amount of an asset the entity is exposed to at the time of default. The exposure at default for the loans is: Principle outstanding + accrued interest	LGD for loan portfolio will be calculated at a portfolio level based upon the actual recovery data. In case of insufficient recovery information due to low/no defaults, a proxy LGD based on industry practice would be used.
Investments and bank balances	The Company holds investments in non-convertible debentures as a part of its investment portfolio. Additionally, the Company also holds balances with Banks in fixed deposits and current account	As the default data set is low or near to zero for the investment portfolio, the Company uses external ratings for assessment of forward looking PDs to estimate ECL. Vasichek model is used for incorporation of economic factor (i.e. GDP in case of the Company) For Stage 3 assets PD is taken to be 100%.	Exposure at Default is the total amount of an asset the Company is exposed to at the time of default. The exposure at default for the investments and bank balances is: Principle outstanding + accrued interest	For India Sovereign exposures, the LGD value remains at 0%. Going forward, subject to availability of adequate default data, the LGD will be calculated at instrument level (Corporate bonds, Sovereign bonds) based the above workout procedure in the Company's ECL policy.

Year ended 31 March 2021

Amounts in ₹ lakhs

Particulars	Asset group	Estimated gross carrying amount at default	Expected credit loss (%)	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Investments at amortised cost				
	- NCD	8,005.68	0.96%	76.65	7,929.03
	- FD	3,129.34	2.58%	80.80	3,048.54
	Loans at amortised cost	4727.12	8.42%	398.12	4,329.00
Loss allowance measured at life-time expected credit losses, not credit impaired	Investments at amortised cost				
	- NCD	-	-	-	-
	- FD	-	-	-	-
	Loans at amortised cost	407.01	65.39%	266.14	140.87

Amounts in ₹ lakhs

Particulars	Asset group	Estimated gross carrying amount at default	Expected credit loss (%)	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at life-time expected credit losses, credit impaired	Investments at amortised cost				
	- NCD	-	-	-	-
	- FD	-	-	-	-
	Loans at amortised cost	462.05	80.82%	373.46	88.59

Year ended 31 March 2020

Amounts in ₹ lakhs

	Asset group	Estimated gross carrying amount at default	Expected credit loss (%)	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Investments at amortised cost				
	- NCD	2,143.75	3.25%	69.65	2,074.10
	- FD	3,783.56	0.31%	11.83	3,771.73
	Loans at amortised cost	13,293.90	6.21%	825.64	12,468.26
Loss allowance measured at life-time expected credit losses, not credit impaired	Investments at amortised cost				
	- NCD	-	-	-	-
	- FD	-	-	-	-
	Loans at amortised cost	250.69	70.12%	175.79	74.90
Loss allowance measured at life-time expected credit losses, credit impaired	Investments at amortised cost				
	- NCD	-	-	-	-
	- FD	-	-	-	-
	Loans at amortised cost	691.87	88.97%	615.53	76.34

Investments in NCD and FD

The company has invested in NCDs and FDs having Credit rating ranging from AAA to BBB-.

Measurement of Expected Credit Losses

The Company has applied a three-stage approach to measure expected credit losses (ECL) on debt instruments accounted for at amortised cost. Assets migrate through following three stages based on the changes in credit quality since initial recognition:

(a) Stage 1: 12- months ECL: For exposures where there is no significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12- months is recognized.

(b) Stage 2: Lifetime ECL, not credit-impaired: For credit exposures where there has been a significant increase in credit risk since initial recognition but are not credit-impaired, a lifetime ECL is recognized. Marginal PDs are used to compute lifetime ECL.

(c) Stage 3: Lifetime ECL, credit-impaired: Financial assets are assessed as credit impaired upon occurrence of one or more events that have a detrimental impact on the estimated future cash flows of that asset. For financial assets that have become credit-impaired, a lifetime ECL is recognized and interest revenue is calculated by applying the effective interest rate to the amortised cost

At each reporting date, the Company assesses whether there has been a significant increase in credit risk of its financial assets since initial recognition by comparing the risk of default occurring over the expected life of the asset. In determining whether credit risk has increased significantly since initial recognition, the Company uses information that is relevant and available without undue cost or effort. This is based on the historical default rates or delinquency status of account across various internal rating grades, products or sectors.

The portfolios for which external benchmark information represents a significant input into measurement of ECL are as follows.

	Exposure	External benchmarks used
		LGD
Loans at amortised cost	3,344.47	65%

The Company assesses whether the credit risk on a financial asset has increased significantly on an individual and collective basis. In determining whether the credit risk on a financial asset has increased significantly, the Company considers the change in the risk of a default occurring since initial recognition. The default definition used for such assessment is consistent with that used for internal credit risk management purposes.

The Company considers defaulted assets as those which are contractually past due 90 days, other than those assets where there is empirical evidence to the contrary. Financial assets which are contractually past due 30 days are classified under Stage 2 - life time ECL, not credit impaired, barring those where there is empirical evidence to the contrary. An asset can move into and out of the lifetime expected credit losses category (Stage 2 and 3) based on a predefined pattern obtained from the historical default rates or delinquency status of account across various internal rating grades, products or sectors. Credit exposures transition back from stage 2 to stage 1 when the credit quality of the credit facility shows significant improvement. Primarily, when factors that previously triggered an exposure moving to Stage 2 no longer meet, such exposures move back to Stage 1 and a 12-month ECL measured instead of Lifetime ECL. Credit exposures may transition from stage 3 to stage 2 /stage 1, if the exposures are current, no longer meet the definition of default / credit impaired and if the factors that previously triggered an exposure to move to stage 3 are no longer met.

The Company measures the amount of ECL on a financial instrument in a way that reflects an unbiased and probability-weighted amount. The Company considers its historical loss experience and adjusts the same for current observable data. The key inputs into the measurement of ECL are the probability of default, loss given default and exposure at default. These parameters are derived from the Company's internally developed statistical models and other historical data. In addition, the Company has used reasonable and supportable information on future economic conditions by using GDP as suitable macroeconomic factors . Since incorporating these forward looking information increases the judgment as to how the changes in these macroeconomic factor will affect ECL, the methodology and assumptions are reviewed regularly. The following table presents the key macroeconomic indicators used for the purposes of measurement of ECL in the periods presented.

Macro economic indicator	As at 31 March 2021	As at 31 March 2020
GDP	2.00%	2.00%

iii) Reconciliation of loss allowance provision

For loans

Amounts in ₹ lakhs

Reconciliation of loss allowance	Loss allowance measured at 12 month expected losses	Loss allowance measured at life-time expected losses	
		Financial assets for which credit risk has increased significantly and not credit-impaired	Financial assets for which credit risk has increased significantly and credit-impaired
Loss allowance on 31 March 2019	**47.60**	**124.74**	**73.50**
Changes in loss allowances due to			
Assets originated or purchased	639.90	68.78	132.80
Write – offs	(9.53)	(81.26)	(73.50)
Addition/ (Recoveries) for assets originated in Previous years	147.67	63.53	482.73
Loss allowance on 31 March 2020	**825.64**	**175.79**	**615.53**
Changes in loss allowances due to			
Assets originated or purchased	102.42	9.15	
Write – offs	(403.47)	(117.35)	(610.32)
Addition/ (Recoveries) for assets originated in Previous years	(126.47)	198.55	368.24
Loss allowance on 31 March 2021	**398.12**	**266.14**	**373.46**

For investments and Bank balance other than Cash and Cash Equivalents

Amounts in ₹ lakhs

Reconciliation of loss allowance	Loss allowance measured at 12 month expected losses	Loss allowance measured at life-time expected losses	
		Financial assets for which credit risk has increased significantly and not credit-impaired	Financial assets for which credit risk has increased significantly and credit-impaired
Loss allowance on 31 March 2019	**4.41**	**-**	**-**
Changes in loss allowances due to			
Assets originated or purchased	81.37	-	-
Addition/ (Recoveries) for assets originated in Previous years	(4.30)	-	-
Loss allowance on 31 March 2020	**81.48**	**-**	**-**
Changes in loss allowances due to			
Assets originated or purchased	157.43	-	-
Addition/ (Recoveries) for assets originated in Previous years	(81.48)	-	-
Loss allowance on 31 March 2021	**157.44**	**-**	**-**

B. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Due to the dynamic nature of the underlying businesses, Company's treasury maintains flexibility in funding by maintaining availability under committed credit lines.

a) The table below shows an analysis of assets and liabilities analysed (maturity analysis) according to when they are to be recovered or settled.

Amounts in ₹ lakhs

	Year ended 31 March 2021			Year ended 31 March 2020		
	Carrying amount	Within 12 months	After 12 months	Carrying amount	Within 12 months	After 12 months
Financial liabilities						
Trade payables	81.49	81.49	-	94.59	94.59	-
Other financial liabilities	3,242.21	3123.02	119.19	261.40	107.82	153.58
Non Financial liabilities						
Provisions	264.31	231.53	32.78	261.67	234.55	27.12
Other non-financial liabilities	29.00	29.00	-	35.49	35.49	-
Financial assets						
Cash and cash equivalents	4,614.49	4,614.49	-	780.19	780.19	-
Bank balance other than cash and cash equivalents above	3,048.54	3,048.54	-	3,771.73	3,771.73	-
Receivables	27.56	27.56	-	11.52	11.52	-
Loans and advances to customers	4,558.46	3,728.92	829.54	12,619.50	9,812.70	2,806.80
Investment securities	19,328.10	19,328.10	-	6,748.90	6,748.90	-
Other financial assets	61.58	1.70	59.88	49.44	20.78	28.66
Non-financial Assets						
Income tax assets	160.79	160.79	-	129.45	129.45	-
Right of use asset	134.78	54.34	80.44	189.33	66.97	122.36
Property, plant and equipment	11.46	6.13	5.33	25.46	15.21	10.25
Intangible assets under development	-	-	-	2.88	2.88	-
Intangible assets	17.91	15.30	2.61	224.27	209.66	14.61
Other non-financial assets	307.55	307.55	-	301.24	301.24	-

b) Maturity Pattern

The table below summarises the maturity profile of the undiscounted cashflow of the Company's financial liabilities:

Amounts in ₹ lakhs

As at 31 March 2021	Within 12 months	1-2 years	2-5 years	Total
Trade payables	81.49	-	-	81.49
Other financial liabilities				
- Lease liability	77.45	92.98	34.43	204.85
- Contingent consideration	3,055.67	-	-	3,055.67

Amounts in ₹ lakhs

As at 31 March 2020	Within 12 months	1-2 years	2-5 years	Total
Trade payables	94.59	-	-	94.59
Other financial liabilities				
- Lease liability	85.29	89.40	81.50	256.19
- Contingent consideration	43.37	-	-	43.37

c) The following table sets out the carrying amounts of non-derivative financial assets and financial liabilities expected to be recovered or settled more than 12 months after the reporting date.

Amounts in ₹ lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Financial assets		
Bank balance other than cash and cash equivalents above	-	-
Loans and advances to customers	829.54	2,806.80
Investment securities	-	-
Other financial assets	59.88	28.66
Financial liabilities		
Lease Liability	119.19	153.58

d) The following table sets out the components of the Company's liquidity reserves.

Amounts in ₹ lakhs

Particulars	Year ended 31 March 2021		Year ended 31 March 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Cash And Cash Equivalents	4,614.49	4,614.49	780.19	780.19
Bank balance other than cash and cash equivalents	3,048.54	3,048.54	3,771.73	3,771.73
Total liquidity reserves	**7,663.03**	**7,663.03**	**4,551.92**	**4,551.92**

e) All the financial assets of the Company as at 31 March 2021 and as at 31 March 2020 are unencumbered.

44. REVENUE FROM CONTRACTS WITH CUSTOMERS

Set out below is the disaggregation of the Company's revenue from contracts with customers and reconciliation to profit and loss account:

Amounts in ₹ lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Type of income		
Services charges	42.94	3.75
Bounce charges	0.79	2.15
Penal charges	3.49	3.69
Foreclosure charges	5.10	6.38
Processing fees	1.49	5.71
Total revenue from contracts with customers	**53.81**	**21.68**

Amounts in ₹ lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Geographical markets		
India	53.81	21.68
Outside India	-	-
Total revenue from contracts with customers	**53.81**	**21.68**
Timing of revenue recognition		
Services transferred at a point in time	10.87	17.93
Services transferred over time	42.94	3.75
Total revenue from contracts with customers	**53.81**	**21.68**

45. There have been no events after the reporting date that require disclosure in these financial statements except for impact of COVID-19 as disclosed in Note no. 46.

46. IMPACT OF COVID -19 PANDEMIC

The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. Reserve Bank of India (RBI) has issued guidelines relating to COVID-19 Regulatory Package dated 27 March 2020 and 17 April 2020 and in accordance therewith, the Company has proposed a moratorium of three months on the payment of all principal instalments and/ or interest, as applicable, falling due between 1 March 2020 and 31 May 2020 to all eligible borrowers classified as standard even if overdue as on 29 February 2020, excluding the collections made already in the month of March 2020. For all such accounts where the moratorium is granted, the asset classification will remain standstill during the moratorium period (i.e. the number of days past due shall exclude the moratorium period for the purposes of asset classification as per the Company's policy)

The extent to which the COVID-19 pandemic will impact the Company's financial statements will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Company. Given the uncertainty over the potential macro-economic condition, the impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

47. DISCLOSURE AS REQUIRED UNDER RBI NOTIFICATION NO. RBI/2019-20/220 DOR.NO.BP.BC.63/21.04.048/2019-20 DATED 17 APRIL 2020 ON COVID-19 REGULATORY PACKAGE - ASSET CLASSIFICATION AND PROVISIONING.

Amounts in ₹ lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Amount in overdue categories where mortorium is extended*	281.69	355.99
Amount where asset classification benefits is extended	281.11	84.08
Provision made on the cases where asset classification benefit is extended **	Nil	Nil
Provisions adjusted during the respective accounting periods against slippages and the residual provisions	Nil	Nil

*Outstanding as on 31 March 2021 on account of all cases where moratorium benefit and asset classification benefit extended by the Company up to 31 August 2020.

** The Company has made adequate provision for impairment loss allowance (as per ECL model) for the period ended 31 March 2021.

48. SUPREME COURT ORDER ON REFUND OF INTEREST ON INTEREST AND PENAL INTEREST

Pursunat to the order passed by the honourable Supreme Court read along with the RBI Circular No. RBI/2021-22/17 DOR.STR. REC.4/21.04.048/2021-22 dated April 7, 2021 and the methodology for calculation of interest on interest based on guidance issued by Indian Banks' Association, the Company has put in place a Board approved policy to refund / adjust interest on interest charged to borrowers during the moratorium period, i.e. March 1, 2020 to August 31, 2020. The Company has estimated the said amount and made a provision in the financial statements for the year ended March 31, 2021. As on March 31, 2021, the Company holds a specific liability of ₹ 5.73 lakhs which is debited to interest income to meet its obligation towards refund of interest on interest to eligible borrowers as prescribed by the RBI. Accordingly, interest income for the quarter and year ended March 31, 2021 is lower by ₹ 5.73 lakhs.

49. DISCLOSURE PURSUANT TO RBI NOTIFICATION -RBI/2020-21/17 DOR.NO.BP.BC/4/21.04.048/2020-21 DATED 6 AUGUST 2020 (FOR RESTRUCTURING OF ACCOUNTS OF MICRO, SMALL AND MEDIUM ENTERPRISES (MSME) SECTOR – RESTRUCTURING OF ADVANCES HAVING EXPOSURE LESS THAN OR EQUAL TO ₹ 25 CRORES)

Type of Borrower	(A)	(B)	(C)
	Number of accounts where resolution plan has been implemented under this window	Exposure to accountsmentioned at (A) before implementation of the plan	Overall provision for expected credit loss (ECL)
MSMEs	11	107.29	107.29

As per our report of even date.

For **MSKA & Associates**
Chartered Accountants
Firm's Registration No: 105047W

Swapnil Kale
Partner
Membership No: 117812

Place: Mumbai
Date: 19 May 2021

For and on behalf of the Board of Directors of
Niyogin Fintech Limited
CIN No: L65910-TN1988-PLC13-1102

Makarand Patankar
Director
DIN : 01584128

Rumit Dugar
Chief Financial Officer

Mumbai
19 May 2021

Amit Rajpal
Chairman & Non-Executive Director
DIN : 07557866
Hong Kong

Neha Agarwal
Company Secretary
Membership No: 41425

Independent Auditor's Report

To the Members of Niyogin Fintech Limited

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying consolidated financial statements of Niyogin Fintech Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2021, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements and on the other financial information of subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2021, of its consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

BASIS FOR OPINION

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

EMPHASIS OF MATTER

We draw attention to Note 51 to the consolidated financial statements, which describes that the extent to which the COVID 19 Pandemic will impact the Group's financial statements will depend on ongoing and future developments.

Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

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

Key Audit Matter	**How the Key Audit Matter was addressed in our audit**
Classification and Measurement of Loans and Provision for Expected Credit Loss (ECL) on Financial Assets – Loans Charge to the Statement of Profit and Loss for the year ended March 31, 2021- ₹ 575.22 lakhs Total ECL Provision as at March 31, 2021 - ₹ 1037.72 lakhs at March 31, 2021 Refer accounting policies in Note 3.6 to the Consolidated Financial Statements.	
Under Ind AS 109 "Financial Instruments", allowance for loan losses is determined using Expected Credit Loss (ECL) estimation model. The estimation of ECL on financial instruments involves significant judgement and estimates. The key areas where we identified greater levels of management judgement and therefore increased the levels of audit focus in the company's estimation of ECLs are: • Data Inputs – The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model. • Model estimation – Inherently, judgmental models are used to estimate ECL which involves determining Probabilities of Default ("PD"), Loss Given Default ("LGD"), and Exposures at Default ("EAD"). The PD and LGD are the key drivers of estimation complexity in ECL and as a result are considered the most significant judgmental aspect of the company's modelling approach.	• We performed end to end process walkthroughs to identify the key systems, applications and controls used in the ECL process. We tested the relevant Manual Controls, general IT and application controls over key systems used in ECL process. • Reviewed the Board approved policy on ECL for impairment of financial assets and assessed compliance with Ind AS 109. • Understood the process of ECL computation and tested design and operating effectiveness of key controls around data extraction and validation. • Evaluating management's controls over collation of relevant information used for determining estimates for management overlays on account of COVID-19. • Involved specialists to review the methodology of the computation of staging of loans, estimation of probability of default, its calibration, and estimation of loss given default.

• Economic Scenarios – Ind AS 109 requires the company to measure ECLs on a unbiased forward looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them especially when considering the current uncertain economic environment arising from COVID-19. • During the financial year ended March 31, 2021, RBI has issued various circulars related to the Covid -19 Regulatory Packages which has covered the moratorium, restructuring and other benefits for to ease the repayment terms for affected customers due to– 19 Pandemic. • Additionally, the Company has considered the impact of judgment, on identification of NPA and provision thereof, which was vacated as per Honourable Supreme Court Order on March 23, 2021 and the RBI circular dated April 7, 2021 in that connection. **Disclosures** The disclosures (including disclosures prescribed by RBI) regarding the company's application of Ind AS 109 are the key to explaining the key judgements and material inputs to the Ind AS 109 ECL results. We have identified the measurement of ECL as a key audit matter in view of the significant judgement and assumptions involved.	• Reconciled the total financial assets considered for ECL estimation with the books of accounts to ensure the completeness. Involvement of Experts – We have involved Financial Risk Modelling experts for the following: • Evaluating the appropriateness of the Company's Ind AS 109 Impairment methodologies and reasonableness of assumptions used. • The reasonableness of the Company's considerations of the impact of the current economic environment due to COVID-19 on the ECL determination. Performed Substantive Procedures for testing the ECL Model and computation of ECL amount included and not limited to the following: • Reviewed the assumptions used for and computation of probability of default and loss given default for different stage of financial assets as per their nature and risk assessment. • Tested the appropriate staging of assets basis their days past due and other loss indicators considering the various Covid – 19 Regulatory Packages related to moratorium, restructuring as per RBI circular dated August 06, 2020 on sample basis. • Reviewed the appropriate stagging of assets as per Honorable Supreme Court Order on March 23, 2021 and the RBI circular dated April 7, 2021 in that connection. • Reviewed the assessment performed for forward looking macro-economic factor. • Tested the ECL computation and ensured application of correct underlying factor like PD, LGD and weights on the financial assets. • Tested the mathematical accuracy of the computation by reperforming the formulas. Assessing disclosures – Assessed whether the disclosures on key judgements, assumptions, and quantitative data with respect to impairment of loans (including restructuring and NPA related disclosures) in the Consolidated Financial Statements are appropriate and sufficient.
Business combination - Acquisition of Iserveu Technology Private Limited	
During the Financial year ended March 31, 2021, the Holding Company has completed the acquisition of Iserveu Technology Private Limited ('Iservu'). We considered the audit of accounting for this acquisition to be a key audit matter as this is a significant transaction during the year which require significant management judgement regarding: • Assessment of control or joint control over acquisition of Iserveu. • Allocation of the purchase price to the assets and liabilities acquired and adjustments made to align accounting policies of the newly acquired entities with the Group.	Our audit procedures included the following: • We have read the shareholder's agreements, approval of the Securities and Exchange Board of India and other related documents to obtain an understanding of the transactions and the key terms and conditions. • Evaluated the control assessment made by management and assess whether the appropriate accounting treatment has been applied to the transaction.

• Fair valuation of the assets and liabilities acquired and to identify intangible assets acquired in the acquisition. • Accounting and disclosures given in the consolidated financial statements in accordance with the Ind AS 103.	• Read the valuation reports for the purchase price considerations paid for the acquisition. We tested the identification and fair valuation of the tangible and intangible assets acquired and liabilities by evaluating this identification based on our discussion with management and understanding of the business. • Understood valuation methodologies used by management and the external valuation experts in the fair valuation of acquired assets and liabilities. • Used valuation experts to challenge the methodology and key assumptions used in allocation of the purchase price to various assets and liabilities acquired and the resultant fair values arrived at. • We have also involved IND AS Experts as required. • We also assessed the compliance of the disclosures made in the consolidated financial statements with the relevant accounting standards.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Director's report but does not include the consolidated financial statements and our Director's report thereon.

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

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

When we read the Director's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those Charged with Governance.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended issued thereunder. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has 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 ability of the Group 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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 consolidated 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.

OTHER MATTERS

a. We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of ₹ 3,768.08 lakhs as at 31st March, 2021, total revenues of ₹ 2,466.39 lakhs and net cash flows amounting to ₹ 536.74 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

b. The consolidated Ind AS financial statements of the Company for the year ended 31st March, 2020, were audited by another auditor whose report dated May 12, 2020 expressed an unmodified opinion on those statements.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit and consideration of the report of the other auditors on separate financial statements as noted in the 'Other Matter' paragraph, we report, to the extent applicable, that:

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

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

   c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

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

e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India are disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of internal financial controls over financial reporting of the Group 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. There were no pending litigations which would impact the consolidated financial position of the Group.

ii. The Group, its associates and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies incorporated in India.

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

In our opinion and according to the information and explanation given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 193 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration Number: 105047W

Swapnil Kale
Partner
Membership Number: 117812
UDIN: 21117812AAAAFM9917

Mumbai
May 19, 2021

Annexure A to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Niyogin Fintech Limited

[Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Niyogin Fintech Limited on the consolidated Financial Statements for the year ended March 31, 2021.

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to consolidated financial statements of Niyogin Fintech Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding company, its subsidiary companies which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing 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 consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of 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 consolidated financial statements, whether due to fraud or error.

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

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

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

OPINION

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary companies which are companies incorporated in India, have, in all material respects, adequate internal financial controls with reference

to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

OTHER MATTERS

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

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration Number: 105047W

Swapnil Kale
Partner
Membership Number: 117812
UDIN: 21117812AAAAFM9917

Mumbai
May 19, 2021

Consolidated Balance Sheet

As at 31 March 2021

Amounts in ₹ lakhs

Particulars	Note	As at 31 March, 2021	As at 31 March, 2020
ASSETS			
Financial assets			
Cash and cash equivalents	4	6,812.33	809.98
Bank balance other than cash and cash equivalents above	5	3,048.54	3,771.73
Receivables			
(i) Trade receivables	6(a)	144.65	4.03
(ii) Other receivables	6(b)	6.23	11.52
Loans	7	4,583.86	12,619.50
Investments	8	8,026.14	5,971.82
Other financial assets	9	957.32	54.62
Total financial assets		**23,579.07**	**23,243.20**
Non-financial Assets			
Inventories	10	91.82	-
Income tax assets	36	324.55	129.45
Right of use asset		192.74	208.88
Property, plant and equipment	11(a)	63.50	27.95
Intangible assets under development		7.90	6.65
Intangible assets	11(b)	4,200.50	663.03
Goodwill		8,033.52	450.94
Other non-financial assets	12	315.45	308.39
Total non-financial assets		**13,229.98**	**1,795.29**
TOTAL ASSETS		**36,809.05**	**25,038.49**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables	13		
(I)Trade payables			
a) total outstanding dues of micro enterprises and small enterprises		13.50	11.96
b) total outstanding dues of creditors other than micro enterprises and small enterprises		210.91	106.00
Borrowings (other than debt securities)	14	29.10	22.10
Contract liabilities	15	-	1.92
Other financial liabilities	16	4,425.90	282.26
Total financial liabilites		**4,679.41**	**424.24**
Non-financial liabilities			
Provisions	17	614.38	261.68
Deferred tax liabilities (net)	18	76.98	99.50
Other non-financial liabilities	19	198.34	46.35
Total non-financial liabilites		**889.72**	**407.53**
EQUITY			
Equity share capital	20	9,350.15	8,598.55
Other equity	21	19,194.54	15,540.97
Equity attributable to owners of Niyogin Fintech Limited		**28,544.69**	**24,139.52**
Non-controlling interests		**2,695.23**	**67.20**
Total Equity		**31,239.92**	**24,206.72**
TOTAL LIABILITIES AND EQUITY		**36,809.05**	**25,038.49**
Summary of significant accounting policies	3		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date.

For **MSKA & Associates**
Chartered Accountants
Firm's Registration No: 105047W

Swapnil Kale
Partner
Membership No: 117812

Place: Mumbai
Date: 19 May 2021

For and on behalf of the Board of Directors of
Niyogin Fintech Limited
CIN No: L65910-TN1988-PLC13-1102

Makarand Patankar
Director
DIN : 01584128

Rumit Dugar
Chief Financial Officer

Mumbai
19 May 2021

Amit Rajpal
Chairman & Non-Executive Director
DIN : 07557866
Hong Kong

Neha Agarwal
Company Secretary
Membership No: 41425

Consolidated Statement of Profit and Loss

For the year ended 31 March 2021

Amounts in ₹ lakhs

Particulars	Note	As at 31 March, 2021	As at 31 March, 2020
Revenue from operations			
Interest income	22	2,467.12	2,469.02
Fees and commission Income	23	1,933.12	5.71
Sales of Products	24	209.25	-
Net gain on fair value changes	25	69.62	267.94
Other Operating Income	26	331.35	48.53
Total revenue from operations		**5,010.46**	**2,791.20**
Other income	27	52.59	13.62
Total income		**5,063.05**	**2,804.82**
Expenses			
Purchases of Stock in trade	28	932.04	-
Changes in Inventories	29	2.55	-
Fees and commission Expenses	30	770.30	-
Finance costs	31	23.93	30.38
Impairment on financial instruments	32	651.18	1,700.25
Employee benefits expenses	33	1,873.15	1,843.00
Depreciation and amortization	34	501.48	408.99
Others expenses	35	1,033.60	1,287.11
Total expenses		**5,788.23**	**5,269.73**
Loss before tax		**(725.18)**	**(2,464.91)**
Tax expense:	36		
(1) Current tax		56.50	-
(2) Deferred tax		(39.60)	(13.14)
Total tax expense		**16.90**	**(13.14)**
Loss for the year		**(742.08)**	**(2,451.77)**
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
- Re-measurement of defined benefit plan		12.48	11.95
- Income tax relating to items that will not be reclassified to profit or loss		-	-
Total Other comprehensive income		**12.48**	**11.95**
Total comprehensive loss for the year		**(729.60)**	**(2,439.82)**
Profit is attributable to:			
Owners of Niyogin Fintech Limited		(692.11)	(2,390.55)
Non-controlling interests		(49.97)	(61.22)
Other comprehensive income is attributable to:			
Owners of Niyogin Fintech Limited		12.48	11.95
Non-controlling interests			-
Total comprehensive loss is attributable to:			
Owners of Niyogin Fintech Limited		**(679.64)**	**(2,378.60)**
Non-controlling interests		**(49.97)**	**(61.22)**
Earnings per equity share			
Basic (₹)		(0.79)	(2.80)
Diluted (₹)		(0.79)	(2.80)
Summary of Significant accounting policies	3		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date.

For **MSKA & Associates**
Chartered Accountants
Firm's Registration No: 105047W

Swapnil Kale
Partner
Membership No: 117812

Place: Mumbai
Date: 19 May 2021

For and on behalf of the Board of Directors of
Niyogin Fintech Limited
CIN No: L65910-TN1988-PLC13-1102

Makarand Patankar
Director
DIN : 01584128

Rumit Dugar
Chief Financial Officer

Mumbai
19 May 2021

Amit Rajpal
Chairman & Non-Executive Director
DIN : 07557866
Hong Kong

Neha Agarwal
Company Secretary
Membership No: 41425

Consolidated Statement of Cash Flows

For year ended 31 March 2021

Amounts in ₹ lakhs

Particulars	For Year ended	
	31-03-2021	31-03-2020
CASH FLOW FROM OPERATING ACTIVITIES :		
Loss before tax:	**(725.18)**	**(2,464.91)**
Adjustments :		
Interest Income on Loans	(1,744.27)	(1,504.64)
Interest on Investments	(280.67)	(643.71)
Interest on deposits with banks	(439.84)	(317.98)
Depreciation, amortisation and impairment	501.48	408.99
Net unrealised gain on fair value changes	(23.61)	(61.58)
Impairment on financial instruments	651.18	1,700.25
Employee share based payments	333.70	389.23
Interest expense on lease liability	23.40	28.70
Interest income on security deposit	(2.23)	(2.68)
Derecognition Gain on Leases	-	(1.69)
Finance cost classified as financing activity	-	1.68
Re-measurement of defined benefit plan	-	11.95
Operating profit/(loss) before working capital changes	**(1,706.04)**	**(2,456.40)**
Adjustments for (increase) / decrease in operating assets:		
Inventories	(91.82)	-
Other receivables	(135.32)	(1.99)
Loans	8,035.64	(9,103.42)
Other financial assets	(1,097.81)	(165.30)
Other non-financial assets	9.09	0.35
Adjustments for increase / (decrease) in operating liabilities		
Trade payables	106.45	9.95
Other financial liabilities	4,143.64	(29.21)
Provisions	352.72	29.65
Other non-financial liabilities	150.08	11.15
Net cash generated/(used) in operating activities	**9,766.63**	**(11,705.22)**
Cash inflow from interest income on loans	1,275.33	1,341.14
Net cash used in operating activities	**11,041.96**	**(10,364.08)**
CASH FLOW FROM INVESTING ACTIVITIES :		
Proceeds (net) from Maturity of Fixed Deposits	723.19	673.99
Income from investment/Fixed Deposits	605.51	-
Purchase of property, plant and equipments	(35.55)	(4.26)
Proceeds / (Purchase) of investments	(9,527.50)	10,520.11
Purchase of intangible assets	(3,537.46)	(26.48)
Purchase of intangible assets underdevelopment	(1.25)	-
Net cash generated from investing activities	(11,773.07)	11,163.35
CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from issue of shares	**751.60**	**52.57**
Proceeds from securities premium	**3,999.51**	**-**
Increase in borrowing during the year (net)	7.00	
Repayment of borrowings other than debt securities	-	(76.00)
Payment of lease liability	(73.44)	(88.12)
Finance cost classified as financing activity	**-**	**(1.68)**
Net cash used in financing activities	**4,684.67**	**(113.23)**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	3,953.56	686.05
Add : Cash and cash equivalents at the beginning of the year (Refer Note no.1)	**2,858.77**	**123.93**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**6,812.33**	**809.98**

Amounts in ₹ lakhs

Particulars	For Year ended	
	31-03-2021	31-03-2020
Components of Cash and Cash Equivalents		
- Cash on hand	0.34	-
- Balance with bank in current account	6,811.99	809.98
Total	**6,812.33**	**809.98**

Note:

1. The cash at the beginning of the year includes cash and cash equivalents of new acquired subsidiary as on the date of acquisition.
2. The above statement of cash flow has been prepared under the 'Indirect method' as set out in Ind AS 7 on 'Statement of cash flows'.

As per our report of even date.

For **MSKA & Associates**
Chartered Accountants
Firm's Registration No: 105047W

Swapnil Kale
Partner
Membership No: 117812

Place: Mumbai
Date: 19 May 2021

For and on behalf of the Board of Directors of
Niyogin Fintech Limited
CIN No: L65910-TN1988-PLC13-1102

Makarand Patankar
Director
DIN : 01584128

Rumit Dugar
Chief Financial Officer

Mumbai
19 May 2021

Amit Rajpal
Chairman & Non-Executive Director
DIN : 07557866
Hong Kong

Neha Agarwal
Company Secretary
Membership No: 41425

Consolidated Statement of Changes in Equity

For the year ended 31 March 2021

A. EQUITY SHARE CAPITAL

Amounts in ₹ lakhs

Particulars	Number	Amount
As at 31 March 2019	**8,47,66,883**	**8,476.69**
Changes in equity share capital during the year	12,18,592	121.86
As at 31 March 2020	**8,59,85,475**	**8,598.55**
Changes in equity share capital during the year	75,15,991	751.60
As at 31 March 2021	**9,35,01,466**	**9,350.15**

B. OTHER EQUITY

Amounts in ₹ lakhs

Particulars	Reserves and surplus					Total other equity
	Securities premium	Capital Redemption reserve	Special reserve	Retained earnings	Share based options outstanding account	
As at 31 March 2019	**18,297.33**	**-**	**1.89**	**(1,564.73)**	**374.11**	**17,108.60**
Loss for the year	-	-	-	(2,390.55)	-	(2,390.55)
Other comprehensive income	-	-	-	11.95	-	11.95
Total comprehensive loss for the year	**-**	**-**	**-**	**(2,378.60)**	**-**	**(2,378.60)**
Additions	515.05	-	-	-	-	515.05
Transfer to retained earnings	-	-	-	-	-	-
Charge during the year	-	-	-	-	295.92	295.92
As at 31 March 2020	**18,812.38**	**-**	**1.89**	**(3,943.33)**	**670.03**	**15,540.97**
Loss for the year	-	-		(692.11)	-	(692.11)
Other comprehensive income	-	-		12.48	-	12.48
Total comprehensive loss for the year	**-**	**-**	**-**	**(679.63)**	**-**	**(679.63)**
Transfer to special Reserve	-	-	-	-	-	-
Additions	4,181.15	-	-	-	-	4,181.15
Transfer to retained earnings	-	-	-	-	-	-
Charge during the year	-	-	-	-	152.05	152.05
As at 31 March 2021	**22,993.53**	**-**	**1.89**	**(4,622.96)**	**822.08**	**19,194.54**

As per our report of even date.

For **MSKA & Associates**
Chartered Accountants
Firm's Registration No: 105047W

Swapnil Kale
Partner
Membership No: 117812

Place: Mumbai
Date: 19 May 2021

For and on behalf of the Board of Directors of
Niyogin Fintech Limited
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Neha Agarwal
Company Secretary
Membership No: 41425

Notes Forming Part of the Consolidated Financial Statements

For the year ended 31 March 2021

1. CORPORATE INFORMATION

Niyogin Fintech Limited (erstwhile M3 Global Finance limited) ('the Parent Company') has been issued a new Certificate of Incorporation dated 12 May 2017 pursuant to the name change. It is a Non-Banking Financial Company ('NBFC') holding a valid Certificate of Registration Number B-13.02061 dated 29 May 2017 with the Reserve Bank of India ('the RBI'). It is a non-deposit taking non-systemically important Non-Banking Financial Company ('NBFC-ND-NSI').The Parent Company together with its subsidiaries hereinafter collectively referred to as the 'Group'.

2. BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (the 'Ind AS') prescribed under section 133 of the Companies Act, 2013 (the 'Act').

These consolidated financial statements for the year ended 31 March 2020 are the Group's first consolidated financial statements and are prepared in accordance with Ind AS.

2.2 BASIS OF MEASUREMENT

The consolidated financial statements have been prepared on historical cost basis except for following assets and liabilities which have been measured at fair value amount:

i) Investment in scheme of Mutual funds at fair value through profit and loss ('FVTPL')

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

The consolidated financial statements are presented in Indian Rupees (₹) which is the currency of the primary economic environment in which the Group operates (the 'functional currency'). The values are rounded to the nearest lakhs, except when otherwise indicated.

2.4 PRINCIPLES OF CONSOLIDATION

(i) The consolidated financial statements incorporate the financial statements of the Parent Company and all its subsidiaries (from the date control is gained), being the entities that it controls. Control is evidenced where the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power is demonstrated through existing rights that give the ability to direct relevant activities, which significantly affect the entity returns. The financial statements of subsidiaries are prepared for the same reporting year as the Parent Company. Where necessary, adjustments are made to the financial statements of subsidiaries to align the accounting policies in line with accounting policies of the Parent Company. The Parent Company holds more than 50.00% shareholding in its subsidiaries and there are no contractual arrangements which rebut the control of the Parent Company over its subsidiaries.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses from the effective date of acquisition, as appropriate. IntraGroup balances and transactions, and any intraGroup borrowings and loans and other such balances arising from intraGroup transactions, are eliminated in preparing the consolidated financial statements.

(ii) The Consolidated financial statements include results of the subsidiaries of Niyogin Fintech Limited (Parent Company) consolidated in accordance with Ind AS 110 'Consolidated Financial Statements'.

Name of the company	Country of incorporation	Proportion of ownership as at reporting date	Consolidated as
Iserveu Technology Private Limited (ISU)	India	51.00%	Subsidiary
Investdirect Capital Services Private Limited (ICSPL)	India	50.01%	Subsidiary

The Parent Company acquired 51% stake in Iserveu Technology Private Limited on 18 December 2020

Figures for preparation of consolidated financial statements have been derived from the audited financial statements of the respective companies in the Group.

(iii) Disclosure in terms of Schedule III of the Companies Act, 2013

Name of entities of the Group	Net assets (i.e. total assets minus total liabilities)		Share in Profit or (Loss)		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount in ₹ lakhs	As a % of consolidated profit or loss	Amount in ₹ lakhs	As a % of consolidated other comprehensive income	Amount in ₹ lakhs	As a % of consolidated total comprehensive income	Amount in ₹ lakhs
Parent	55.23%	17,255.15	86.76%	(643.85)	100%	12.48	86.54%	(631.37)
Subsidiary	44.77%	13,984.77	13.24%	(98.23)	-	-	13.46%	(98.23)
Total	**100.00%**	**31,239.92**	**100.00%**	**(742.08)**	**100%**	**12.48**	**100.00%**	**(729.60)**

2.5 USE OF ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Actual results may differ from the estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Following are the areas that involved a higher degree of estimates and judgement or complexity in determining the carrying amount of some assets and liabilities.

i) Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. For further details about determination of fair value refer note 3.8 and note 47.

ii) Effective interest rate ('EIR') method

The Group's EIR methodology, as explained in Note 3.1(A), recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behavior and life-cycle of the instruments, as well as expected changes to interest rates and other fee income/ expense that are integral parts of the instrument.

iii) Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Group's expected credit loss ('ECL') calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

a) The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life time expected credit loss ('LTECL') basis.

b) Development of ECL models, including the various formulas and the choice of inputs.

c) Determination of associations between macroeconomic scenarios and economic inputs as gross domestic products, and the effect on probability of default ('PD'), exposure at default ('EAD') and loss given default ('LGD').

d) Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into ECL models.

iv) Provisions and other contingent liabilities

The Group operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations.

When the Group can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Group records a provision against the case. Where the outflow is considered to be probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Group takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

For further details on provisions and other contingencies refer note 3.16.

2.6 PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Group presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented in Note 48.

Financial assets and financial liability are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

i) The normal course of business

ii) The event of default

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 RECOGNITION OF INTEREST INCOME

A. EIR method

Under Ind AS 109, interest income is recorded using the effective interest rate method for all financial instruments measured at amortised cost and financial instrument measured at Fair Value through other comprehensive income ('FVOCI'). The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Group recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the financial instrument.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the statement of profit and loss.

B. Interest income

The Group calculates interest income by applying EIR to the gross carrying amount of financial assets other than credit impaired assets.

When a financial asset becomes credit impaired and is, therefore, regarded as 'stage 3', the Group calculates interest income on the net basis. If the financial asset cures and is no longer credit impaired, the Group reverts to calculating interest income on a gross basis.

3.2 FINANCIAL INSTRUMENT - INITIAL RECOGNITION

A. Date of recognition

Debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

B. Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments (Refer note 3.3(A)). Financial instruments are initially measured at their fair value (as defined in Note 3.8). Transaction costs are added to, or subtracted from this amount at initial recognition except in the case of financial assets and financial liabilities recorded at FVTPL.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in Statement of profit and loss.

C. Measurement categories of financial assets and liabilities

The Group classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

i) Amortised cost

ii) FVOCI

iii) FVTPL

3.3 FINANCIAL ASSETS AND LIABILITIES

A. Financial assets

Business model assessment

The Group determines its business model at the level that best reflects how it manages Groups of financial assets to achieve its business objective.

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

a) How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Group's key management personnel.

b) The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.

c) The expected frequency, value and timing of sales are also important aspects of the Group's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Solely payments of principal and interest (SPPI) test

As a second step of its classification process, the Group assesses the contractual terms of financial to identify whether they meet SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Accordingly, financial assets are measured as follows:

i) Financial assets carried at amortised cost ('AC')

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii) Financial assets measured at FVOCI

A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii) Financial assets measured at FVTPL

A financial asset which is not classified in any of the above categories are measured at FVTPL.

B. Financial liability

i) Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method.

3.4 RECLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

The Group does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Group did not reclassify any of its financial assets or liabilities in the year ended 31 March 2020.

3.5 DERECOGNITION OF FINANCIAL ASSETS AND LIABILITIES

i) Financial assets

A. Derecognition of financial assets due to substantial modification of terms and conditions

The Group derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes.

B. Derecognition of financial assets other than due to substantial modification

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit and loss.

ii) Financial liability

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in the statement of profit and loss.

3.6 IMPAIRMENT OF FINANCIAL ASSETS

A. Overview of ECL principles

In accordance with Ind AS 109, the Group uses ECL model, for evaluating impairment of financial assets other than those measured at FVTPL.

Expected credit losses are measured through a loss allowance at an amount equal to:

i) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

ii) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

Both LTECLs and 12 months ECLs are calculated on collective basis.

Based on the above, the Group categorizes its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When loans are first recognised, the Group recognises an allowance based on 12 months ECL. Stage 1 loans includes those loans where there is no significant credit risk observed and also includes facilities where the credit risk has been improved and the loan has been reclassified from stage 2 or stage 3.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the life time ECL. Stage 2 loans also includes facilities where the credit risk has improved and the loan has been reclassified from stage 3.

Stage 3: Loans considered credit impaired are the loans which are past due for more than 90 days. The Group records an allowance for life time ECL.

Based on the above, the Group categorizes its investments and balances with banks into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When investments and balances with banks are first recognised, it is categorised as Stage 1.Stage 1 would include all investments and balances with bank, not impaired or, have not experienced a significant increase in credit risk since initial recognition.

Stage 2:

- For facilities with rating grade AAA to B, three notch downgrades (without modifiers) shall be taken as stage 2.

- Any financial instrument with rating grade CCC or below classified as Stage 2 at origination.

Stage 3: All the investments and balances with banks will be considered as credit impaired which are past due for more than 90 days.

B. Calculation of ECLs

The mechanics of ECL calculations are outlined below and the key elements are, as follows:

PD Probability of Default ('PD') is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. For investments and balances with banks, the Group uses external ratings for determining the PD of respective instruments.

EAD Exposure at Default ('EAD') is an estimate of the amount outstanding when the borrower defaults.It is the total amount of an asset the entity is exposed to at the time of default. It is defined based on characteristics of the asset.

LGD Loss Given Default ('LGD') is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The Group has calculated PD, EAD and LGD to determine impairment loss on the portfolio of loans and discounted at an approximation to the EIR. At every reporting date, the above calculated PDs, EAD and LGDs are reviewed and changes in the forward looking estimates are analysed.

The mechanics of the ECL method are summarised below:

Stage 1: The 12 months ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-months default probabilities are applied to a EAD and multiplied by the expected LGD.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument.

Stage 3: For loans considered credit-impaired, the Group recognises the lifetime expected credit losses for these loans. The method is similar to that for stage 2 assets, with the PD set at 100%.

C. Forward looking information

In its ECL models, the Group relies on a broad range of forward looking macro parameters and estimated the impact on the default at a given point of time.

i) Gross fixed investment (% of GDP)

3.7 WRITE-OFFS

Financial assets are written off when there are no prospects of recovery which are subject to management decision . If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to other income in the statement of profit and loss.

3.8 DETERMINATION OF FAIR VALUE

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group has taken into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 financial instruments: Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date;

- Level 2 financial instruments: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads; and market-corroborated inputs.

- Level 3 financial instruments: Those that include one or more unobservable input that is significant to the measurement as whole.

3.9 (I) RECOGNITION OF OTHER INCOME

Revenue (other than for those items to which Ind AS 109 - Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 - Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs.

The Group recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115 :

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation.

A. Other interest income

Interest income on security deposits and FD is recognised on a time proportionate basis.

B. Fees and other income

Processing fees not considered in EIR, service income, bounce charges, penal charges and foreclosure charges etc. are recognised on point in time basis

3.9 (II) RECOGNITION OF OTHER EXPENSE

A. Borrowing costs

Borrowing costs are the interest and other costs that the Group incurs in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

All other borrowing costs are charged to the statement of profit and loss for the period for which they are incurred.

3.10 CASH AND CASH EQUIVALENTS

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

3.11 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment ('PPE') are carried at cost, less accumulated depreciation and impairment losses, if any. The cost of PPE comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses. Subsequent expenditure on PPE after its purchase is capitalized only if it is probable that the future economic benefits will flow to the enterprise and the cost of the item can be measured reliably.

Depreciation is calculated using the straight line method to write down the cost of property and equipment to their residual values over their estimated useful lives as specified under schedule II of the Act. Land is not depreciated.

The estimated useful lives are, as follows:

i) Computer Equipments - 3 years

ii) Office equipment - 5 years

iii) Furniture and fixtures - 10 years

Depreciation is provided on a pro-rata basis from the date on which such asset is ready for its intended use.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

PPE is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised.

3.12 INTANGIBLE ASSETS

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

The Group's intangible assets include the value of software. An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Group.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives (three years) using the straight-line method, and is included in depreciation and amortisation in the statement of profit and loss.

3.13 IMPAIRMENT OF NON FINANCIAL ASSETS - PROPERTY, PLANT AND EQUIPMENTS AND INTANGIBLE ASSETS

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

The carrying values of assets / cash generating units at the each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and if the carrying amount of these assets exceeds their recoverable amount, impairment loss is recognised in the statement of profit and loss as an expense, for such excess amount. The recoverable amount is the greater of

the net selling price and value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss.

3.14 LEASES

Ind AS 116 - Leases sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The Group has opted for two recognition exemptions for lessees :

– leases of 'low-value' assets (e.g., personal computers)

– and short-term leases (i.e., leases with a lease term of 12 months or less).

At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset (cost model).

The Group has Lease agreements for taking office premises along with furniture and fixtures as applicable and premises on rental basis range of 36 months to 60 months wherein the Group is a lessee.

3.15 RETIREMENT AND OTHER EMPLOYEE BENEFITS

Defined contribution plans

The Group's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

The Group pays gratuity to the employees whoever has completed five years of service with the Group at the time of resignation / retirement. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

As per Ind AS 19, the service cost and the net interest cost are charged to the statement of profit and loss. Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI.

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.16 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Group determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

B. Contingent liability

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or; present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for.

C. Contingent asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are neither recognised not disclosed in the financial statements.

3.17 TAXES

A. Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. Current tax is the amount of tax payable on the taxable income for the period as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or equity.

B. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

A deferred tax asset is recognised for the carryforward of unused tax losses and accumulated depreciation to the extent that it is probable that future taxable profit will be available against which the unused tax losses and accumulated depreciation can be utilised.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or equity.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Group has a legally enforceable right for such set off.

C. Goods and services tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax paid, except when the tax incurred on a purchase of assets or availing of services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

3.18 EARNINGS PER SHARE

Basic earnings per share ('EPS') is computed by dividing the profit after tax (i.e. profit attributable to ordinary equity holders) by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the profit after tax (i.e. profit attributable to ordinary equity holders) as adjusted for after-tax amount of dividends and interest recognised in the period in respect of the dilutive potential ordinary shares and is adjusted for any other changes in income or expense that would result from the conversion of the dilutive potential ordinary shares, by the weighted average number of equity shares considered for deriving basic earnings per share as increased by the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits, right issue and bonus shares, as appropriate.

3.19 DIVIDENDS ON ORDINARY SHARES

The Group recognises a liability to make cash or non-cash distributions to equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the Act, final dividend is authorised when it is approved by the shareholders and interim dividend is authorised when the it is approved by the Board of Directors of the Group. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

3.20 CASH FLOW STATEMENT

Cash flows are reported using the indirect method as prescribed under Ind AS 7, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

4. CASH AND CASH EQUIVALENTS

Amounts in ₹ lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Cash on hand	0.34	0.23
Balance with banks		
- In current accounts	6,811.99	809.75
- In fixed deposits (with original maturity of less than 3 months)	-	-
Total	**6,812.33**	**809.98**

5. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS ABOVE

Amounts in ₹ lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Fixed deposits (with original maturity of more than 3 months)#	3,129.34	3,783.56
Less: Allowance for impairment loss	(80.80)	(11.83)
Total	**3,048.54**	**3,771.73**

As at 31 March 2021 : ₹ Nil (As at 31 March 2020 : ₹ 15 lakhs) earmarked for guarantee provided for lease of tablets.

6. RECEIVABLES

Amounts in ₹ lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
a) Trade receivables	144.65	4.03
b) Other receivables	6.23	11.52
Total	**150.88**	**15.55**
Secured - Considered good	-	-
Unsecured - Considered good	150.88	15.55
Receivables which have significant increase in Credit Risk	-	-
Receivables - credit impaired	-	-
Total - Gross	150.88	15.55
(Less): Impairment loss allowance	-	-
Total - Net	**150.88**	**15.55**

7. LOANS

Amounts in ₹ lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Loans at amortised cost		
Term Loans	5,621.58	14,236.46
Total (A) - Gross	**5,621.58**	**14,236.46**
(Less): Impairment loss allowance	(1,037.72)	(1,616.96)
Total (A) - Net	**4,583.86**	**12,619.50**
Secured by tangible assets	1,034.92	2,136.76
Secured by intangible assets	-	-
Covered by bank/government guarantees	-	-
Unsecured	5,621.58	12,099.70
Total (B) - Gross	**5,621.58**	**14,236.46**
(Less): Impairment loss allowance	(1,037.72)	(1,616.96)
Total (B) - Net	**4,583.86**	**12,619.50**
Loans in India		
- Public sector	-	-
- Others	5,621.58	14,236.46
Loans within India - Gross	**5,621.58**	**14,236.46**
(Less): Impairment loss allowance	(1,037.72)	(1,616.96)
Loans within India -Net - (C)(i)	**4,583.86**	**12,619.50**
Loans Outside India (C) (ii)	-	-
Total (C) - Gross	**5,621.58**	**14,236.46**

7. LOANS

Amounts in ₹ lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
(Less): Impairment loss allowance	(1,037.72)	(1,616.96)
Total (C) - Net	**4,583.86**	**12,619.50**
Loans at fair value through profit and loss		
Loans	-	-
Total (D)	**-**	**-**
Loans outside India	-	-
Loans in India	-	-
Total (D)	**-**	**-**
Grand total - Gross [(A) + (D)]	**5,621.58**	**14,236.46**
Grand total - Net [(C) + (D)]	**4,583.86**	**12,619.50**

7.1 An analysis of changes in the gross carrying amount and the corresponding ECL allowances

Amounts in ₹ lakhs

	As at 31 March 2021			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**13,293.90**	**250.69**	**691.87**	**14,236.46**
Assets derecognised or repaid (excluding write offs)	(7,599.67)	(78.81)	(33.48)	(7,711.96)
Transfers from Stage 1	(1,255.38)	379.27	876.11	-
Transfers from Stage 2	-	(153.29)	153.29	-
Transfers from Stage 3	-	-	-	-
Amounts written off	-	-	(1,225.74)	(1,225.74)
New assets originated*	313.67	9.15	-	322.82
Gross carrying amount closing balance	**4,752.52**	**407.01**	**462.05**	**5,621.58**

Amounts in ₹ lakhs

	As at 31 March 2020			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**4,860.10**	**231.72**	**108.83**	**5,200.65**
Assets derecognised or repaid (excluding write offs)	(2,840.77)	(23.63)	(7.93)	(2,872.33)
Transfers from Stage 1	(611.23)	145.11	466.12	-
Transfers from Stage 2	-	(59.75)	59.75	-
Transfers from Stage 3	-	-	-	-
Amounts written off	(22.44)	(135.98)	(93.62)	(252.04)
New assets originated*	11,908.24	93.22	158.72	12,160.18
Gross carrying amount closing balance	**13,293.90**	**250.69**	**691.87**	**14,236.46**

* New assets originated are those assets which have either remained in stage 1 or have become stage 2 or 3 at the year end.

7.2 Reconciliation of ECL balance is given below:

Amounts in ₹ lakhs

	As at 31 March 2021			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**825.64**	**175.79**	**615.53**	**1,616.96**
Addition during the year	165.76	229.76	614.66	1,010.18
Reversal during the year	(593.28)	(139.41)	(856.73)	(1,589.42)
ECL allowance - closing balance	**398.12**	**266.14**	**373.46**	**1,037.72**

Amounts in ₹ lakhs

	As at 31 March 2020			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**47.60**	**124.74**	**73.50**	**245.84**
Addition during the year	787.57	132.31	615.53	1,535.41
Reversal during the year	(9.53)	(81.26)	(73.50)	(164.29)
ECL allowance - closing balance	**825.64**	**175.79**	**615.53**	**1,616.96**

Increase in ECLs of the portfolio was driven by an increase in the gross size of the portfolio and movements between stages as a result of increases in credit risk.

8. INVESTMENTS

Amounts in ₹ lakhs

Particulars	At amortised cost	At fair value through profit and loss	Total
As at 31 March 2021			
Investment in NCDs	8,005.67	-	8,005.67
Investment in Mutual funds	-	97.10	97.10
Investment in Subsidiary	-	-	-
Total (A) - Gross	**8,005.67**	**97.10**	**8,102.77**
Less: Allowance for impairment loss	(76.63)	-	(76.63)
Total (A) - Net	**7,929.04**	**97.10**	**8,026.14**
Investments outside India			
Investments in India	8,005.67	97.10	8,102.77
Total (B) - Gross	**8,005.67**	**97.10**	**8,102.77**
Less: Allowance for impairment loss	(76.63)	-	(76.63)
Total (B) - Net	**7,929.04**	**97.10**	**8,026.14**
As at 31 March 2020			
Investment in NCDs	2,143.75	-	2,143.75
Investment in Mutual funds	-	3,897.72	3,897.72
Investment in Subsidiary			
Total (A) - Gross	**2,143.75**	**3,897.72**	**6,041.47**
Less: Allowance for impairment loss	(69.65)	-	(69.65)
Total (A) - Net	**2,074.10**	**3,897.72**	**5,971.82**
Investments outside India	-	-	-
Investments in India	2,143.75	3,897.72	6,041.47
Total (B) - Gross	**2,143.75**	**3,897.72**	**6,041.47**
Less: Allowance for impairment loss	(69.65)	-	(69.65)
Total (B) - Net	**2,074.10**	**3,897.72**	**5,971.82**

9. OTHER FINANCIAL ASSETS

Amounts in ₹ lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Security deposits	49.24	38.84
Advances to Employees	1.70	0.99
Other Assets	906.38	14.79
Total	**957.32**	**54.62**

10. INVENTORIES

Amounts in ₹ lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Stock In Trade	91.82	-
Total	**91.82**	**-**

36. INCOME TAX ASSETS

Amounts in ₹ lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Tax deducted at source	324.55	129.45
Les: Provision for tax	-	-
Total	**324.55**	**129.45**

11. PROPERTY, PLANT AND EQUIPMENT & INTANGIBLE ASSETS

Amounts in ₹ lakhs

FY 2020-21	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK	
	As at 1-Apr-20	Additions	Additions due to acquisition	Deletion	As at 31-Mar-21	As at 1-Apr-20	For the period	Additions due to acquisition	Deletion	As at 31-Mar-21	As at 31-Mar-21	As at 31-Mar-20
Property, Plant and Equipment												
Leasehold improvements	0.30	-	-	-	0.30	0.30	-	-	-	0.30	-	-
Furniture and fixtures	3.21		2.94	-	6.15	0.71	0.34	0.57	-	1.62	4.54	2.50
Office equipments	10.61		18.09	-	28.70	4.99	2.13	2.22	-	9.34	19.35	5.62
Computer equipments	55.12	2.40	42.70	-	100.22	35.29	22.35	2.97	-	60.61	39.61	19.83
Total (A)	**69.24**	**2.40**	**63.73**	**-**	**135.37**	**41.29**	**24.82**	**5.76**	**-**	**71.87**	**63.50**	**27.95**
Intangible assets												
Computer software	722.83	4.89	2.87	-	730.59	496.03	205.28	-	-	701.31	29.28	226.80
Mobile App	17.28	4.24	-	-	21.52	2.71	3.54	-	-	6.25	15.27	14.57
Web Platform	41.28	-	10.84	-	52.12	15.02	5.31	-	-	20.33	31.79	26.26
Trademark	14.38	-	-	-	14.38	1.69	2.87	-	-	4.56	9.82	12.69
Technical Knowhow	415.88	-	1,129.50	-	1,545.38	48.52	158.48	44.81	-	251.81	1293.57	367.36
Channel Partner network	17.38	-	1,017.20	-	1,034.58	2.03	26.08		-	28.11	1,006.47	15.35
Brand	-		1,814.30	-	1,814.30	-	-	-	-		1,814.30	
Total (B)	**1,229.03**	**9.13**	**3,974.71**	**-**	**5,212.87**	**566.00**	**401.56**	**44.81**	**-**	**1,012.37**	**4,200.50**	**663.03**
GRAND TOTAL (A+B)	**1,298.27**	**11.53**	**4,038.44**	**-**	**5,348.24**	**607.29**	**426.38**	**50.57**	**-**	**1,084.24**	**4,264.00**	**690.98**
Intangible under development	**6.65**	**5.70**	**4.45**		**7.90**		**-**	**-**		**-**	**7.90**	**6.65**

Amounts in ₹ lakhs

FY 2019-20	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK	
	As at 1-Apr-19	Additions	Additions due to acquisition	Deletion	As at 31-Mar-20	As at 1-Apr-19	For the period	Additions due to acquisition	Deletion	As at 31-Mar-20	As at 31-Mar-20	As at 31-Mar-19
Property, Plant and Equipment												
Leasehold improvements	0.30	-	-	-	0.30	0.30	-	-	-	0.30	-	-
Furniture and fixtures	3.04	-	0.17	-	3.21	0.31	0.34	0.06	-	0.71	2.50	2.72
Office equipments	10.30	-	0.31	-	10.61	2.43	2.40	0.16	-	4.99	5.62	7.87
Computer equipments	49.87	1.94	3.31	-	55.12	15.13	19.64	0.52	-	35.29	19.83	34.75
Total (A)	**63.51**	**1.94**	**3.79**	**-**	**69.24**	**18.17**	**22.38**	**0.74**	**-**	**41.29**	**27.95**	**45.34**
Intangible assets												
Computer software	705.36	14.67	2.80	-	722.83	242.31	253.72	-	-	496.03	226.80	463.05
Mobile App	-	-	17.28	-	17.28	-	1.46	1.25	-	2.71	14.57	-
Website	-	-	41.28	-	41.28	-	3.98	11.04	-	15.02	26.26	-
Trademark	-	-	14.38	-	14.38	-	1.68	0.01	-	1.69	12.69	-
Technology	-	-	415.88	-	415.88	-	48.49	0.03	-	48.52	367.36	-
Customer Relationship	-	-	17.38	-	17.38	-	2.03	-	-	2.03	15.35	-
Total (B)	**705.36**	**14.67**	**509.00**	**-**	**1,229.03**	**242.31**	**311.36**	**12.33**	**-**	**566.00**	**663.03**	**463.05**
GRAND TOTAL (A+B)	**768.87**	**16.61**	**512.79**	**-**	**1,298.27**	**260.48**	**333.74**	**13.07**	**-**	**607.29**	**690.98**	**508.39**
Intangible under development	**1.32**	**1.56**	**3.77**		**6.65**	**-**	**-**	**-**		**-**	**6.65**	**1.32**

12. OTHER NON FINANCIAL ASSETS

Amounts in ₹ lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Prepaid expenses	23.54	63.66
Advance to vendors	-	3.04
Duties and taxes	290.26	239.02
Advance against salary	1.65	2.67
Total	**315.45**	**308.39**

13. TRADE PAYABLES

Amounts in ₹ lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
a) Total outstanding dues of micro enterprises and small enterprises	13.50	11.96
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	210.91	106.00
Total	**224.41**	**117.96**

14. BORROWINGS (OTHER THAN DEBT SECURITIES)

Amounts in ₹ lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Borrowings (other than debt securities)	29.10	22.10
Total	**29.10**	**22.10**

15. CONTRACT LIABILITIES

Amounts in ₹ lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Contract liabilities	-	1.92
Total	**-**	**1.92**

16. OTHER FINANCIAL LIABILITIES

Amounts in ₹ lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Lease liability	240.95	238.89
Payable to borrowers	5.73	-
Contingent consideration	3,055.67	43.37
Other financial liabilities	1,123.55	-
Total	**4,425.90**	**282.26**

17. PROVISIONS

Amounts in ₹ lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Provisions for employee benefits		
Gratuity	36.78	27.12
Bonus	145.00	11.18
Provision for expenses	432.61	223.38
Total	**614.39**	**261.68**

18. DEFERRED TAX LIABILITIES

Amounts in ₹ lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred tax liabilities	76.98	99.50
Total	**76.98**	**99.50**

19. OTHER NON FINANCIAL LIABILITIES

Amounts in ₹ lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Statutory dues payable	198.35	46.25
Revenue received in advance	-	0.10
Total	**198.35**	**46.35**

20. EQUITY

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number	₹ in lakhs	Number	₹ in lakhs
Authorised shares				
10,40,00,000 Equity Shares of ₹ 10 each (As at 31 March 2020: 8,90,00,000 Equity Shares of ₹ 10 each)	10,40,00,000	1,04,00,000.00	8,90,00,000	8,900.00
90,00,000 Preference Shares of ₹ 10 each (As at 31 March 2020: 90,00,000 Preference Shares of ₹ 10 each)	90,00,000	900.00	90,00,000	900.00
Issued, subscribed & fully paid-up shares				
9,35,01,466 Equity Shares of ₹ 10 each (As at 31 March 2020: 8,59,85,475 Equity Shares of ₹ 10 each)	9,35,01,466	9,350.15	8,59,85,475	8,598.55
Total	**9,35,01,466**	**9,350.15**	**8,59,85,475**	**8,598.55**

a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year.

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number	₹ in lakhs	Number	₹ in lakhs
Outstanding at the beginning of the year	8,59,85,475	8,598.55	8,47,66,883	8,476.69
Issued during the year	75,15,991	751.60	12,18,592	121.86
Outstanding at the end of the year	**9,35,01,466**	**9,350.15**	**8,59,85,475**	**8,598.55**

b) Terms / rights / restrictions attached to equity shares

The Parent Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend, if any in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting.

During the Year ended 31 March 2021, the amount of per share dividend recognised as distributions to Equity Shareholders was Nil (31 March 20 : Nil).

In the event of liquidation of the Parent Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Parent Company, after distribution of all preferential amounts. However, no such preferential amounts exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of Equity shares held by each shareholder holding more than 5% Equity shares (Face value ₹ 10 per Share):

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number	%	Number	%
Equity shares				
Information Interface India Private Limited	3,44,35,567	36.8%	3,44,35,567	40.0%
Strategic India Equity Fund	1,01,01,125	10.8%	1,27,59,925	14.8%
WF Asian Reconnaissance Fund Limited	1,21,69,500	13.0%	1,21,69,500	14.2%
Vikasa India EIF I Fund	70,20,067	7.5%	71,20,067	8.3%
Carmignac Portfolio	64,05,000	6.9%	64,05,000	7.4%
	7,01,31,259	**75.0%**	**7,28,90,059**	**84.8%**

d) No Bonus shares have been issued during the year and in immediately preceding 5 years.

e) There has been no buy back of shares during the year and in immediately preceding 5 years.

21. OTHER EQUITY

Amounts in ₹ lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Securities premium account	22,993.53	18,812.38
Retained earnings	(4,622.96)	(3,943.33)
Employee stock option reserve	822.08	670.03
Special Reserve under section 45 IC of RBI Act, 1934	1.89	1.89
Total	**19,194.54**	**15,540.97**

a) Securities premium account

Amounts in ₹ lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Opening balance	18,812.38	18,297.33
Add/(Less) : Changes during the year	4,181.15	515.05
Closing balance	**22,992.53**	**18,812.38**

b) Retained earnings

Amounts in ₹ lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Opening balance	(3,947.33)	(1,564.73)
Add: Loss for the year	(692.11)	(2,390.55)
Add: Other comprehensive income for the year	12.48	11.95
Less: Transfer to Special Reserve under section 45 IC of RBI Act, 1934	-	-
Add: Transfer from share based payment reserve	-	-
Closing balance	**(4,622.96)**	**(3,943.33)**

c) Employee stock option reserve

Amounts in ₹ lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Opening balance	670.03	374.11
Add: Charge during the year	152.05	295.92
Closing balance	**822.08**	**670.03**

d) Special Reserve under section 45 IC of RBI Act, 1934

Amounts in ₹ lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Opening balance	1.89	1.89
Add/(Less) : Transfer to special reserve		-
Closing balance	**1.89**	**1.89**
Total (a+b+c+d)	**19,194.54**	**15,540.97**

a) Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act,2013.

b) Retained earnings

Retained earnings represents the deficit in profit and loss account.

The Group recognises change on account of remeasurement of the net defined benefit liability/(asset) as part of retained earnings with separate disclosure, which comprises of actuarial gains and losses.

c) Employee stock option reserve

The share options outstanding account reserve is created as required by Ind AS 102 “Share based payments” for the Employee Stock Option Scheme operated by the Company for employees of the group.

d) Special Reserve under section 45 IC of RBI Act, 1934

As per section 45-IC of the Reserve Bank of India Act, 1934, the Company is required to create a reserve fund at the rate of 20% of the net profit after the tax of the Company every year. The Company has not transferred any amount in the current and in previous year to Statutory Reserve as the Company has incurred losses. No appropriation of any sum from this reserve fund shall be made by the non-banking financial company except for the purpose as may be specified by Reserve Bank of India.

22. INTEREST INCOME

Amounts in ₹ lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
On financial assets measured at amortised costs:		
Interest on loans	1,744.27	1,504.64
Interest on Investments	280.67	643.71
Interest on FD	439.84	317.98
Interest Income on security deposit	2.34	2.69
Total	**2467.12**	**2,469.02**

23. FEES AND COMMISSION INCOME

Amounts in ₹ lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Processing fees on loan	1.49	5.71
Commission Income	1,931.63	-
Total	**1,933.12**	**5.71**

24. SALES OF PRODUCTS

Amounts in ₹ lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Device Sales	209.25	-
Total	**209.25**	**-**

25. NET GAIN / (LOSS) ON FAIR VALUE CHANGES

Amounts in ₹ lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Net gain /(loss) on financial instruments at FVTPL		
Gain on mutual fund investments	69.62	267.94
Total (A)	**69.62**	**267.94**

26. OTHER INCOME (REVENUE FROM OPERATIONS)

Amounts in ₹ lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Bounce charges	0.79	2.15
Penal charges	3.49	3.69
Foreclosure charges	5.10	6.38
Brokerage received	32.70	15.22
Sale of subscription services	9.97	3.86
Sale of value added services	90.10	17.23
License integration fees	189.20	-
Total	**331.35**	**48.53**

27. OTHER INCOME

Amounts in ₹ lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Bad debt recovery	-	3.73
Sales of services	42.94	5.02
Interest on income tax refund	4.13	0.08
Marketing Fees	0.52	-
Provision write back	-	3.10
Derecognition Gain on Leases	-	1.69
Miscellaneous Income	5.00	-
Total	**52.59**	**13.62**

28. PURCHASES OF STOCK IN TRADE

Amounts in ₹ lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Purchases for Stock	932.04	-
Total	**932.04**	**-**

29. CHANGE IN INVENTORIES

Amounts in ₹ lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Opening stock	236.08	-
Less : Closing Stock	(233.53)	-
Total	**2.55**	**-**

30. FEES AND COMMISSION EXPENSES

Amounts in ₹ lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Commission expenses	770.30	-
Total	**770.30**	**-**

31. FINANCE COST

Amounts in ₹ lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest expenses on loan liability	-	0.23
Interest expenses on lease liability	23.93	30.15
Total	**23.93**	**30.38**

32. IMPAIRMENT ON FINANCIAL INSTRUMENTS

Amounts in ₹ lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
On financial instruments measured at amortised cost:		
Loans	575.22	1,623.17
Investment	75.96	77.08
Total	**651.18**	**1,700.25**

33. EMPLOYEE BENEFIT EXPENSES

Amounts in ₹ lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries	1,457.79	1,356.51
Contribution to provident fund	55.27	60.51
Employee stock option expense (Refer Note No. 38 on ESOP)	333.70	389.23
Staff welfare expenses	1.58	17.34
Gratuity Expense	24.81	19.41
Total	**1,873.15**	**1,843.00**

34. DEPRECIATION AND AMORTIZATION

Amounts in ₹ lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation on Property, plant and equipment	24.82	22.38
Amortisation of Intangible assets	401.56	311.36
Amortisation of Right of use asset	75.10	75.25
Total	**501.48**	**408.99**

35. OTHER EXPENSES

Amounts in ₹ lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Legal and professional fees	255.66	337.95
Technology and software expenses	348.67	358.05
Commission and brokerage	96.78	62.43
Business development expenses	20.89	165.25
Training and recruitment	6.80	24.59
Lease rent	12.41	0.26
Loan origination cost	7.05	86.42
Office and administrative expenses	17.88	29.35
Travelling and conveyance	13.10	53.39
Director sitting fees	19.75	20.50
Payments to auditors	27.76	56.06
Communication expenses	15.50	10.65
Printing and stationery expenses	1.38	4.01
Annual listing fees	4.91	4.12
Repairs and maintenance	15.92	2.82
Advertisement and publicity	11.98	1.30
Insurance expenses	31.63	16.81
Bank Charges	38.01	-
Miscellaneous expenses	87.52	53.15
Total	**1,033.60**	**1,287.11**

Breakup of Auditors' remuneration

Amounts in ₹ lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Statutory Audit	14.75	22.75
Limited review	3.00	18.00
Tax audit	1.50	1.00
Other Services	6.98	7.98

Amounts in ₹ lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Out of pocket expenses (including taxes)	1.53	6.33
Total	**27.76**	**56.06**

37. EARNINGS PER SHARE (EPS)

Basic EPS is calculated in accordance with Ind AS 33 'Earnings per share' by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares of the Company.

a) The basic earnings per share has been calculated based on the following:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Net profit after tax available for equity shareholders (Amounts in ₹ lakhs)	(692.11)	(2,390.55)
Weighted average number of equity shares	8,81,62,406	8,54,86,876

b) The reconciliation between the basic and the diluted earnings per share is as follows:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Basic earnings per share (₹)	(0.79)	(2.80)
Diluted earnings per share (₹)	(0.79)	(2.80)

c) Weighted average number of equity shares is computed for the purpose of calculating diluted earning per share, after giving the dilutive impact of the outstanding stock options for the respective years.

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Weighted average number of shares for computation of Basic EPS	8,81,62,406	8,54,86,876
Dilution (no. of shares)	8,09,812	9,54,973
On shares exercised during the period	94,713	14,271
Contingent consideration	16,26,713	92,483
Weighted average number of shares for computation of Diluted EPS	9,06,93,644	8,65,48,603

38. EMPLOYEE SHARE BASED PAYMENTS

a) Employee stock option scheme (equity settled)

The Parent Company approved the grant of equity share options under NFL-Employee Stock Option Plan 2018 in July 2018 ('Plan 2018'), Niyogin Employee Stock Option Plan 2019 in December 2019 ('Plan 2019'), Niyogin Employees Stock Option Plan 2020 in October 2020 ('Plan 2020').

Under the terms of each of these Plans, the Parent Company may issue to its employees and directors, Equity Stock Options ('ESOPs') each of which is convertible into one equity share. Under Plan 2019, the Company may issue to the employees and directors of the subsidiaries, Equity Stock Options ('ESOPs') each of which is convertible into one equity share. All the plans were framed in accordance with the SEBI (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999 as amended from time to time and as applicable at the time of the grant. The accounting for the stock options has been in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014 to the extent applicable.

The vesting conditions applicable to the options are at the discretion of the Nomination and Remuneration Committee ('NRC').These options are exercisable on vesting, for a period as set forth by the NRC at the time of the grant. The period in which the options may be exercised cannot exceed five years from the date of vesting period. During the years ended March 31, 2020 and March 31, 2021, no modifications were made to the terms and conditions of ESOPs.

The Parent Company uses a fair value method to account for the compensation cost of stock options to employees of the Groups.

b) The Parent Company introduced an ESOP scheme which covers eligible employees of the Parent Company. The vesting of the options for Plan 2018 and Plan 2019 is from expiry of one year till five years and for Plan 2020 is expiry of one year till Ten years. Each Option entitles the holder thereof to apply for and be allotted/transferred one equity share of the Parent Company upon payment of the exercise price during the exercise period.

Details of scheme of Employee Stock Option Plans are as under :

Tranch details	Employee Stock Option Plan	No. of options	Date of Grant	Price of Underlying Stock (₹)	Exercise Price (₹)
I	Plan 2018	2,37,110	13-Aug-18	89.44	10.00
II	Plan 2018	6,74,296	05-Sep-18	134.13	10.00
III	Plan 2018	7,153	11-Feb-19	60.96	10.00
IV	Plan 2018	5,37,473	09-Aug-19	43.67	10.00
V	Plan 2018	8,884	23-Jan-20	34.65	10.00
VI	Plan 2018	7,69,000	23-Jul-20	14.28	29.40
I	Plan 2019	31,225	10-Nov-20	27.68	51.24
I	Plan 2020	34,39,416	10-Nov-20	31.72	64.05

Set out below is a summary of options granted under the plan:

Particulars	As at 31 March 2021		As at 31 March 2020	
	Weighted Average exercise price	Number of options	Weighted Average exercise price	Number of options
Outstanding at the beginning of the year	10.00	11,51,723	10.00	9,06,605
Granted during the year	57.67	42,39,641	10.00	5,46,357
Exercised during the year	10.00	(1,84,159)	10.00	(75,697)
Forfeited during the year	-	-	-	-
Lapsed during the year	11.85	(2,82,519)	10.00	(2,25,542)
Outstanding at the end of the year	**50.93**	**49,24,686**	**10.00**	**11,51,723**
Exercisable at the end of the year	10.00	3,39,715	10.00	2,01,292

c) Fair value of options granted

The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The options are granted for no consideration and will vest upon the completion of service condition as specified in scheme in graded manner. Vested options are exercisable for the period of five years after the vesting.

The model inputs for options granted included:

Tranches / Plan	Expected - Weighted average volatility (%)	Expected term (In years)	Risk free rate	Fair value	Grant date
I - 2018	62.23%	3.50	7.80%	89.44	13-Aug-18
II - 2018	66.55%	3.50	8.07%	134.13	05-Sep-18
III - 2018	66.38%	1.50	7.20%	60.96	11-Feb-19
IV - 2018	70.67%	4.00	6.36%	43.67	09-Aug-19
V - 2018	62.75%	1.50	6.63%	34.65	23-Jan-20
VI - 2018	67.86%	4.00	4.93%	14.28	23-Jul-20
I - 2019	57.73%	2.00	5.17%	27.68	10-Nov-20
I - 2020	65.19%	5.50	5.17%	31.72	10-Nov-20

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

The yield of Government of India Bond as on the date of Grant has been taken as the risk-free interest rate.

d) Expense arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised in profit or loss as part of employee benefit expense were as follows:

Amounts in ₹ lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Employee stock option scheme (equity settled)	333.70	389.23
Total	**333.70**	**389.23**

39. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(A) Contingent liabilities

There are no contingent liabilities as at 31 March 2021.

(B) Commitments

I) Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31st March 2021:Nil (As at 31st March 2020: Nil).

40. LEASES

Disclosures as required under IND AS 116 - Leases

a) On adoption of Ind AS 116, the Group has recognized lease liabilities for all leases which were previously classified as operating leases under earlier GAAP. Ind AS 116 does not provided classification of leases into operating and finance lease for the lessee accounting. The lease liability is measured at present value of the lease payments discounted at incremental borrowing rate as on 1 April 2019. The lessee's incremental rate applied to these lease liabilities on 1 April 2019 is 11%.

Lease liabilities is disclosed under the 'Other financial liabilities'

Amounts in ₹ lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest expense on lease liability	23.40	30.15
Total	**23.40**	**30.15**

b) The Group has recognised Right of use (ROU) assets corresponding to the lease liabilities as per the requirements of Ind AS 116. The ROU assets are amortized at SLM basis over the lease term.Reconciliation of Carrying amount of Right of use asset for a lessee as per IND AS 116 :

Amounts in ₹ lakhs

Particulars	Amount
As at 31 March 2019	**274.63**
(+) Recognition of Right of use asset during the year	33.29
(-) Derecognition of Right of use asset during the year	23.79
(-) Amortisation of Right of use asset	75.25
As at 31 March 2020	**208.88**
(+) Recognition of Right of use asset during the year	54.99
(+) Modification of Gain/loss during the year	3.97
(-) Derecognition of Right of use asset during the year	-
(-) Amortisation of Right of use asset	75.10
As at 31 March 2021	**192.74**

c) Low value lease assets

Amounts in ₹ lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Low value lease expense reognised in Profit and Loss	-	6.48
Total	**-**	**6.48**

d) Short term lease : A lease that at the commencement date, has a lease term of 12 months or less.

Amounts in ₹ lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Short term lease expense reognised in P&L	12.41	0.26
Total	**12.41**	**0.26**

Short term lease commitment

Amounts in ₹ lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
For a period of one year from Balance sheet date	10.90	1.80
Total	**10.90**	**1.80**

e) Cash outflow on lease. (Refer Cash flow statement)

41. CORPORATE SOCIAL RESPONSIBILITY ('CSR') EXPENSES:

Provisions of Section 135 of the Act are not applicable to the Group.

42. SEGMENT REPORTING:

Operating segment are components of the Group whose operating results are regularly reviewed by the Chief Operating Decision Maker ("CODM") to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Company is engaged primarily on the business of 'Financing' only, taking into account the risks and returns, the organization structure and the internal reporting systems. All the operations of the Company are in India. All non-current assets of the Company are located in India. Accordingly, there are no separate reportable segments as per Ind AS 108 – "Operating segments".

43. RELATED PARTY DISCLOSURES:

Since consolidated financial statement present information about the holding & its subsidiary as a single reporting entity intraGroup transactions are not disclosured.

(a) Related party disclosures as required by Ind AS 24 - Related Party Disclosures.

Sr. No.	Nature of relationship	
1	**Subsidiaries**	
	Iserveu Technology Private Limited	
	Investdirect Capital Services Private Limited	
	MoneyMap Investment Advisors Private Limited	
2	**Entity having Significant Influence**	
	Information Interface India Private Limited	
3	**Key management personnel**	
	Amit Rajpal (Non Executive Chairman)	
	Makarand Patankar (Whole time Director)	
	Noorallah Charania (Whole time Director)	w.e.f - 10 Novemeber 2020
	Tashwinder Singh (CEO)	w.e.f - 10 Novemeber 2020
	Gaurav Patankar (Director)	w.e.f - 10 Novemeber 2020
	Kapil Kapoor (Director)	
	Sutapa Banerjee (Director)	
	Eric Wetlaufer (Director)	
	Subhasri Sriram (Director)	
	Mohit Gang (CEO - Investdirect Capital Services Private Limited)	
	Rumit Dugar (Chief Financial Officer)	
	Neha Agarwal (Company Secretary)	
4	**Relatives of Key Management Personnel**	
	Gaurav Patankar	

Transactions with related parties are as follows:

Amounts in ₹ lakhs

Transaction with KMP	Year ended 31 March 2021			Year ended 31 March 2020		
	Salary/Bonus /Sitting fees	ESOP	Total	Salary/Bonus / Sitting fees	ESOP	Total
Salary/Bonus						
Makarand Patankar	2.50	-	2.50	30.00	-	30.00
Noorallah Charania	43.44	15.71	59.15	-	-	-
Tashwinder Singh	46.51	1,090.91	1,137.41	-	-	-
Rumit Dugar	74.20	22.14	96.34	12.37	-	12.37
Neha Agarwal	10.18	2.86	13.04	-	-	-
Mohit Gang		8.64	8.64	-	-	-
Sitting fees						
Kapil Kapoor	5.25	-	5.25	5.50	-	5.50
Sutapa Banerjee	5.75	-	5.75	6.75	-	6.75
Eric Wetlaufer	4.50	-	4.50	4.50	-	4.50
Subhasri Sriram	4.25	-	4.25	0.75	-	0.75

Amounts in ₹ lakhs

Transaction with other than those KMP	Year ended 31 March 2021			
	Subsidiary	Entity having Significant Influence	Relatives of Key Management Personnel	Total
Other payments	-	7.10	-	7.10

Amounts in ₹ lakhs

Transaction with other than those KMP	Year ended 31 March 2020			
	Subsidiary	Entity having Significant Influence	Relatives of Key Management Personnel	Total
Other payments	-	14.79	10.43	25.22

Notes :

All Related Party Transactions entered during the year were in ordinary course of the business and are on arm's length basis.

Expenses towards gratuity provisions are determined actuarially on overall company basis at the end each year and, accordingly, have not been considered in the above information.

Balances outstanding from related parties are as follows:

Amounts in ₹ lakhs

Particulars	Year ended 31 March 2021		
	Subsidiary	Entity having Significant Influence	Total
Other payments	-	21.89	21.89

Balances outstanding from related parties are as follows:

Amounts in ₹ lakhs

Particulars	Year ended 31 March 2020		
	Subsidiary	Entity having Significant Influence	Total
Other payments	-	14.79	14.79

(b) Disclosures as per Regulation 53(f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements Regulations, 2015).

Loans and advances in the nature of loans to companies in which directors are interested as under:

Sr. No.	Name	As at 31 March 2021	Maximum balance out-standing during the year ended 31 March 2021	As at 31 March 2020	Maximum balance out-standing during the year ended 31 March 2020
1		N.A	N.A	N.A	N.A

44. Based on and to the extent of the information received by the Group from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'), the total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 are given below:

Amounts in ₹ lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Principal amount payable to suppliers as at year-end	13.50	11.96
Interest due thereon as at year end	-	-
Interest amount for delayed payments to suppliers pursuant to provisions of MSMED Act actually paid during the year, irrespective of the year to which the interest relates	-	-
Amount of delayed payment actually made to suppliers during the year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
Interest accrued and remaining unpaid at the end of the year	-	-
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 enterprises for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006.	-	-

45. EMPLOYEE BENEFIT PLAN

Disclosure in respect of employee benefits under Ind AS 19 - Employee Benefit are as under:

(a) Defined contribution plan

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans. The Company's contribution to provident fund aggregating ₹ 55.27 lakhs (31 March 2020: ₹ 62.81 lakhs) has been recognised in the statement of profit and loss under the head employee benefits expense.

(b) Defined benefit plan:

Gratuity

Financial assets not measured at fair value

The Company operates a defined benefit plan (the 'gratuity plan') covering eligible employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age/ resignation date.

The defined benefit plans expose the Company to risks such as actuarial risk, liquidity risk, market risk, legislative risk. These are discussed as follows:

Actuarial risk: It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse salary growth experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption then the gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

Liquidity risk: Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the Company, there can be strain on the cash flows.

Market risk: Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in defined benefit obligation of the plan benefits and vice versa. This assumption depends on the yields on the government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

Legislative risk: Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act, 1972, thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the defined benefit obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

The status of gratuity plan as required under Ind AS-19 is as under:

Amounts in ₹ lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
i. Reconciliation of opening and closing balances of defined benefit obligation		
Present value of defined benefit obligations at the beginning of the year	27.12	19.66
Current service cost	19.94	17.94
Past service cost	-	-
Interest cost	1.90	1.47
Acquisition adjustment	-	-
Benefit paid	-	-
Change in demographic assumptions	-	-
Change in financial assumptions	0.52	1.51
Experience variance (i.e. Actual experience vs assumptions)	(13.00)	(13.46)
Present value of defined benefit obligations at the end of the year	**36.48**	**27.12**
ii. Reconciliation of opening and closing balances of the fair value of plan assets	**-**	**-**
iii. Reconciliation of the present value of defined benefit obligation and fair value of plan assets	**-**	**-**
Present value of defined benefit obligations at the end of the year	36.47	27.12
Fair value of plan assets at the end of the year	-	-
Unrecognised past service cost	-	-
Net asset / (liability) recognized in the balance sheet as at the end of the year	**(36.47)**	**(27.12)**

Amounts in ₹ lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
iv. Expenses recognised to the Statement of Profit & Loss		
Current service cost	19.94	17.94
Interest cost	1.90	1.47
Past service cost	-	-
Expenses recognised in the statement of profit and loss	21.84	19.41
v. Other comprehensive income		
Components of actuarial gain/losses on obligations:	(12.64)	(0.69)
Due to change in financial assumptions	0.52	1.51
Due to change in demographic assumption	-	-
Due to experience adjustments	(13.00)	(13.46)
Return on plan assets excluding amounts included in interest income	-	-
Closing amount Recognized in other comprehensive Income	(25.12)	(12.64)

Amounts in ₹ lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
vi. Amount recognized in balance sheet		
Present value of unfunded defined benefit obligation	36.47	27.12
Net defined benefit liability recognised in Balance Sheet	36.47	27.12

Particulars	As at 31 March 2021	As at 31 March 2020
vi. Principal actuarial assumptions		
Discount rate (per annum)	6.85%	7.00%
Annual increase in salary cost	7.00%	7.00%
Withdrawal rates per annum		
21 to 30	15.00%	15.00%

Particulars	As at 31 March 2021	As at 31 March 2020
31 to 34	10.00%	10.00%
35 to 44	5.00%	5.00%
45 to 50	3.00%	3.00%
51 to 54	2.00%	2.00%
55 to 57	1.00%	1.00%

The discount rate is based on the prevailing market yields of Government of India's bond as at the balance sheet date for the estimated term of the obligations.

vii. Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

	For the year ended 31 March 2021		For the year ended 31 March 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (- / + 0.5%)	7.35%	6.35%	7.50%	6.50%
(% change compared to base due to sensitivity	-5.12%	5.52%	-10.70%	12.49%
Salary growth rate (- / + 0.5%)	7.50%	6.50%	7.50%	6.50%
(% change compared to base due to sensitivity)	5.48%	-5.14%	12.37%	-10.80%

viii. Effect of plan on the Company's future cash flows

a) Maturity profile of defined benefit obligation

The average outstanding term of the obligations (years) as at valuation date is 10.63 years.

Particulars	Cash flows (Amount in ₹ lakhs)	Distribution (%)
Expected cash flows over the next (valued on undiscounted basis):		
1st Following Year	0.59	0.67%
2nd Following year	0.93	1.05%
3rd Following Year	1.44	1.62%
4th Following Year	1.93	2.18%
5th Following Year	9.45	10.66%
6th Following Year	1.69	1.91%
7th Following Year	1.57	1.77%
8th Following Year	1.48	1.67%
8th Following Year	1.47	1.66%
Sum of years 10 and above	68.13	76.83%

The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 2020. The Code has been published in Gazette of India. Further, The ministry of Labour and Employment has released the draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.

The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the code becomes effective and related rules to determine the financial impact are published.

46. CLASSIFICATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

As at 31 March 2021

Amounts in ₹ lakhs

Particulars	Mandatorily at FVTPL	Amortised cost	Total carrying amount
ASSETS			
Cash and cash equivalents	-	6,812.33	6,812.33
Bank balance other than cash and cash equivalents	-	3,048.54	3,048.54
Loans and advances to customers	-	4,583.86	4,583.86
Investment securities			-

Amounts in ₹ lakhs

Particulars	Mandatorily at FVTPL	Amortised cost	Total carrying amount
Measured at fair value	97.10	-	97.10
Measured at amortised cost	-	7,929.04	7,929.04
Receivables	-	150.88	150.88
Other financial assets	-	957.32	957.32
Total Financial assets	**97.10**	**23,481.97**	**23,579.07**
Trade Payables	-	224.41	224.41
Borrowings (other than debt securities)	-	29.10	29.10
Contract liabilities	-	-	-
Other financial liabilities	-	4,425.90	4,425.90
Total Financial liabilities	**-**	**4,679.41**	**4,679.41**

As at 31 March 2020

Amounts in ₹ lakhs

	Mandatorily at FVTPL	Amortised cost	Total carrying amount
ASSETS			
Cash and cash equivalents	-	809.98	809.98
Bank balance other than cash and cash equivalents	-	3,771.73	3,771.73
Loans and advances to customers	-	12,619.50	12,619.50
Investment securities			-
Measured at fair value	3,897.72	-	3,897.72
Measured at amortised cost	-	2,074.10	2,074.10
Receivables	-	15.55	15.55
Other financial assets	-	54.62	54.62
Total Financial assets	**3,897.72**	**19,345.48**	**23,243.20**
Trade Payables	-	117.96	117.96
Borrowings (other than debt securities)	-	22.10	22.10
Contract liabilities	-	1.92	1.92
Other financial liabilities	-	282.26	282.26
Total Financial liabilities	**-**	**424.24**	**424.24**

47. FAIR VALUE MEASUREMENT

Financial Instrument by Category

Amounts in ₹ lakhs

	Year ended 31 March 2021		Year ended 31 March 2020	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Asset				
Investments				
- Bonds and Debentures	-	7,929.04	-	2,074.10
- Mutual Funds	97.10	-	3,897.72	-
Receivables	-	150.88	-	15.55
Loans	-	4,583.86	-	12,619.50
Cash And Cash Equivalents	-	6,812.33	-	809.98
Bank balance other than cash and cash equivalents	-	3,048.54	-	3,771.73
Other Financial Assets	-	957.32	-	54.62
Total Financial Assets	**97.10**	**23,481.97**	**3,897.72**	**19,345.48**
Financial Liability				
Trade Payables	-	224.41	-	117.96
Borrowings (other than debt securities)	-	29.10	-	22.10
Contract liabilities	-	-	-	1.92
Other financial liabilities	-	4,425.90	-	282.26
Total Financial Liabilities	**-**	**4,679.41**	**-**	**424.24**

Fair value Hierarchy

This section explains the judgments and estimates made in determining the fair value of the financial instrument that are (a) recognized and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath table

As at 31 March 2021

Amounts in ₹ lakhs

	Carrying amount	Fair value measurements using			
		Level 1	Level 2	Level 3	Total
Financial assets*					
Investments					
- Bonds and Debentures	7,929.04	-	7,929.04	-	7,929.04
- Mutual Funds	97.10	97.10	-	-	97.10
Loans and advances**	4,583.86	-	4,511.61	-	4,511.61
Receivables	150.88	-	-	-	-
Cash And Cash Equivalents	6,812.33	-	-	-	-
Bank balance other than cash and cash equivalents	3,048.54	-	-	-	-
Security Deposits	49.24	-	49.24	-	49.24
Other Financial assets	908.08	-	-	-	-
Total Financial Asset	**23,579.07**	**97.10**	**12,489.89**	**-**	**12,586.99**
Financial Liabilities*					
Trade Payables	224.41	-	-	-	-
Borrowings (other than debt securities)	29.10	-	29.10	-	29.10
Contract liabilities	-	-	-	-	-
Lease Liability	240.95	-	240.95	-	240.95
Other Financial Liabilities	1,129.28	-	-	-	-
Contingent Consideration	3,055.67	-	-	3,055.67	3,055.67
Total Financial Liabilities	**4,679.41**	**-**	**270.05**	**3,055.67**	**3,325.72**

As at 31 March 2020

Amounts in ₹ lakhs

	Carrying amount	Fair value measurements using			
		Level 1	Level 2	Level 3	Total
Financial assets*					
Investments					
- Bonds and Debentures	2,074.10	-	2,074.03	-	2,074.03
- Mutual Funds	3,897.72	3,897.72	-	-	3,897.72
Loans and advances**	12,619.50	-	13,015.72	-	13,015.72
Receivables	15.55				
Cash And Cash Equivalents	809.98				
Bank balance other than cash and cash equivalents	3,771.73				
Security Deposits	38.84	-	38.84	-	38.84
Other Financial assets	15.78				
Total Financial Asset	**23,243.20**	**3,897.72**	**15,128.59**	**-**	**19,026.31**
Financial Liabilities*					
Trade Payables	117.96				
Borrowings (other than debt securities)	22.10	-	22.10	-	22.10
Contract liabilities	1.92				
Lease Liability	238.89	-	238.89	-	238.89
Contingent Consideration	43.37	-	-	43.37	43.37
Total Financial Liabilities	**424.24**	**-**	**260.99**	**43.37**	**260.99**

*The Company has not disclosed the fair values for cash and cash equivalents, bank balances, bank deposits, receivables and other financial assets, trade payables and contract liabilities as these are short term in nature and their carrying amounts are a reasonable approximation of fair value.

** For the purpose of loans and advances leveling, subsidiaries are excluded

Level 1 : Level 1 hierarchy includes financial instruments measured using unadjusted quoted prices in active markets that the Group has the ability to access for the identical assets or liabilities. A financial instrument is classified as a Level 1 measurement if it is listed on an exchange. This includes mutual funds that have quoted price. The mutual funds are valued at the closing NAV.

Level 2 : The fair value of financial instruments that are not traded in active markets is determined using valuation techniques which maximize the use of observable market data either directly or indirectly, such as quoted prices for similar assets and liabilities in active markets, for substantially the full term of the financial instrument but do not qualify as Level 1 inputs. Fair value of loans and advances of the Group is measured using the last month's lending rate. If all significant inputs required to fair value an instrument are observable the instrument is included in level 2.

Level 3 : If one or more of the significant inputs is not based in observable market data, the instruments is included in level 3. The company has measured contingent consideration based on Level 3.

Financial instruments valued at carrying value

The respective carrying values of certain on-balance sheet financial instruments approximated their fair value. These financial instruments include cash in hand, balances with Banks, financial institutions and money at call and short notice, accrued interest receivable, acceptances, deposits payable on demand, accrued interest payable, and certain other assets and liabilities that are considered financial instruments. Carrying values were assumed to be approximate fair values for these financial instruments as they are short-term in nature and their recorded amounts approximate fair values or are receivable or payable on demand.

Financial instruments recorded at fair value

Investment in debt securities

Securities classified as fair value through profit or loss, are carried at fair value based on quoted market prices. The Company records mutual funds at closing NAV.

Fair value of financial instruments carried at amortised cost

Loans and advances

The fair values of loans that do not reprice or mature frequently are estimated using discounted cash flow models. Loans and advances are fair valued basis the future expected cash flows discounted at the lending rate.

Security deposits

Security deposits have been accounted at amortised cost using SBI MCLR rates.

Bonds and debentures

The fair value of bonds and debentures are discounted using cash flow models. Bonds and debentures are fair valued basis the future expected cash flows discounted at the interest rate.

Fair value of contingent consideration

a) ICSPL - The value of contingent consideration is calculated using Binomial Option Pricing Model. The binomial tree is arrived by using profitability scenarios specified in the agreement entered between the acquirer and the acquiree and the value of contingent liability is arrived by assigning probability weights to each profitability scenario considered.

b) ISU - The value of contingent consideration is calculated using fair value measurement .

c) The table below shows the movement in the valuation of contingent consideration :

Amounts in ₹ lakhs

Particulars	Amounts
As at 31 March 2019	**-**
(+) Initial recognition	43.37
Change during the year	-
As at 31 March 2020	**43.37**
(+) Initial recognition	3,012.30
Change during the year	
As at 31 March 2021	**3,055.67**

d) Sensitivity analysis

Amounts in ₹ lakhs

Tranch details	Contingent consideration	Increase / decrease
5% increase in profitability situation i.e. probability is (55:45)	47.71	4.34
5% decrease in profitability situation i.e. probability is (45:55)	39.04	(4.33)

48. FINANCIAL RISK MANAGEMENT

The Group has operations in India which expose it to liquidity risk and credit risk. The risks are managed through a management established framework of identification and measurement of risk.

This note explains the sources of risk which the Group is exposed to and how the Group manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Loans and advances, cash and cash equivalents, trade receivables, financial assets measured at amortized cost.	Aging analysis of loans and advances held at amortized cost	Diversification of Group's investments into NCDs and FDs
		Credit ratings in case of investments held at amortized cost	Monitoring of credit risk on loans and advances basis the days past dues.
Liquidity risk	Trade liabilities	Maturity analysis	Maintaining sufficient cash and cash equivalents and marketable investments

The Company's board of directors is the highest decision- making body within the organisation. The Board of directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management committee is established to

- Recommend changes to the risk Policy for approval by the Audit Committee.
- Monitors and supervises the ECL process, identifies and analyses the risks faced by the Company
- Authorize any overrides on the provisioning model of assets to achieve provisioning objectives in line with the approval policy
- Reviewing the adequacy of ECL training across the key departments
- Establishing that the businesses comply with the risk Policy
- Review and address concerns raised by the internal Credit Committee, Statutory Auditors or the Internal Auditors in any ECL exceptions
- Delegate such roles and responsibilities to the Company's internal Credit Committee to ensure that this policy is in line with the board approved policy and the applicable accounting standards.

The audit committee oversees the recommmendations of the risk management committe and how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee ensures adequate provisioning for the financial statements in line with the approved policies and ensures that the scope of the External Auditor covers adequate assurance in complying with the Company's approved provisioning and risk policy.

A. Credit risk

Credit risk arises from loans and advances, cash and cash equivalents, investments carried at amortized cost and deposits held by the Group.

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

i) Credit risk management

The primary organizational Groups forming part of the Group risk governance are Board of Directors, Audit Committee, Risk committee and Credit committee. In regards to loans and advances of the Group, the credit risk is managed in accordance with the ECL policy by monitoring of credit risk basis the days past dues. For the investments, the ECL policy provides that the Group uses the external ratings for estimation of forward looking PDs to estimate ECL.The Group reviews the creditworthiness of these counterparties on an on-going basis.

The Group classifies its financial assets in following category:

Stage 1

As soon as a financial instrument originates or is purchased, it is categorized as Stage 1. This is applicable across all the loan facilities, investments and bank balances. Stage 1 would include all residual facilities, not impaired or, have not experienced a significant increase in credit risk since initial recognition.

Stage 2 and stage 3

Loans

The following staging criteria based on Days Past Dues (DPDs) fixed for Loan portfolio as per the Ind AS 109:

Stage 1 to Stage 2: More than 30 Days Past Due as criteria for Stage 2 classification.

Stage 2 to Stage 3: More than 90 Days Past Due as criteria for Stage 3 classification.

Investments and Balances with Bank

Following is the staging criteria for investments:

- For facilities with rating grade AAA to B, three notch downgrades (without modifiers) shall be taken as stage 2.
- Any financial instrument with rating grade CCC or below classified as Stage 2 at origination.

ii) Provision for expected credit losses

The Group provides for expected credit loss based on following:

Category	Description for category	Probability of default (PD)	Exposure at default (EAD)	Loss given default (LGD)
Loans	The Group is engaged in the business of providing unsecured loans to SMEs and individuals with proprietary businesses, the borrower profiles are having similar risk characteristics across the loan book.	The PD estimation is based on transition matrix approach, gross flow analysis and net flow analysis with application of single factor Vasicek model for incorporation of macro-economic factor (GDP). The Group has used cohort framework for computation of PDs on loans. As the default definition for loan portfolio is 90 days past due, the Company taken quarterly transition matrix for estimation of PDs across following behavioral buckets: Ranking 1: Current (DPD up to 0) Ranking 2: Up to 30 Days past due Ranking 3: Up to 60 days past due Ranking 4: Up to 90 days past due Ranking 5: Default PD estimates Grouped as per the above ranking grades. For Stage 3 assets PD is taken to be 100%.	Exposure at Default gives an estimate of the amount outstanding when the borrower defaults. It is the total amount of an asset the entity is exposed to at the time of default. The exposure at default for the loans is: Principle outstanding + accrued interest	LGD for loan portfolio will be calculated at a portfolio level based upon the actual recovery data. In case of insufficient recovery information due to low/no defaults, a proxy LGD based on industry practice would be used.
Investments and bank balances	The Group holds investments in non-convertible debentures as a part of its investment portfolio. Additionally, the Group also holds balances with Banks in fixed deposits and current account	As the default data set is low or near to zero for the investment portfolio, the Company uses external ratings for assessment of forward looking PDs to estimate ECL. Vasichek model is used for incorporation of economic factor (i.e. GDP in case of the Company) For Stage 3 assets PD is taken to be 100%.	Exposure at Default is the total amount of an asset the Company is exposed to at the time of default. The exposure at default for the investments and bank balances is: Principle outstanding + accrued interest	For India Sovereign exposures, the LGD value remains at 0%. Going forward, subject to availability of adequate default data, the LGD will be calculated at instrument level (Corporate bonds, Sovereign bonds) based the above workout procedure in the Company's ECL policy.

Year ended 31 March 2021

Amounts in ₹ lakhs

Particulars	Asset group	Estimated gross carrying amount at default	Expected credit loss (%)	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Investments at amortised cost				
	- NCD	8,005.67	0.96%	76.64	7,929.03
	- FD	3,129.34	2.58%	80.80	3,048.54
	Loans at amortised cost	4,752.52	8.38%	398.12	4,354.40
Loss allowance measured at life-time expected credit losses, not credit impaired	Investments at amortised cost				
	- NCD	-	-	-	-
	- FD	-	-	-	-
	Loans at amortised cost	407.01	65.39%	266.14	140.87

Amounts in ₹ lakhs

Particulars	Asset group	Estimated gross carrying amount at default	Expected credit loss (%)	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at life-time expected credit losses, credit impaired	Investments at amortised cost				
	- NCD	-	-	-	-
	- FD	-	-	-	-
	Loans at amortised cost	462.05	80.83%	373.46	88.59

Year ended 31 March 2020

Amounts in ₹ lakhs

Particulars	Asset group	Estimated gross carrying amount at default	Expected credit loss (%)	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Investments at amortised cost				
	- NCD	2,143.75	3.25%	69.65	2,074.10
	- FD	3,783.56	0.31%	11.83	3,771.73
	Loans at amortised cost	13,293.90	6.21%	825.64	12,468.26
Loss allowance measured at life-time expected credit losses, not credit impaired	Investments at amortised cost				
	- NCD	-	-	-	-
	- FD	-	-	-	-
	Loans at amortised cost	250.69	70.12%	175.79	74.90
Loss allowance measured at life-time expected credit losses, credit impaired	Investments at amortised cost				
	- NCD	-	-	-	-
	- FD	-	-	-	-
	Loans at amortised cost	691.87	88.97%	615.53	76.34

Note : There is no provision for expected credit loss in the books of subsidiaries

Investments in NCD and FD

The Group has invested in NCDs and FDs having Credit rating ranging from AAA to BBB-.

Measurement of Expected Credit Losses

The Group has applied a three-stage approach to measure expected credit losses (ECL) on debt instruments accounted for at amortised cost. Assets migrate through following three stages based on the changes in credit quality since initial recognition:

(a) Stage 1: 12- months ECL: For exposures where there is no significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12- months is recognized.

(b) Stage 2: Lifetime ECL, not credit-impaired: For credit exposures where there has been a significant increase in credit risk since initial recognition but are not credit-impaired, a lifetime ECL is recognized. Marginal PDs are used to compute lifetime ECL.

(c) Stage 3: Lifetime ECL, credit-impaired: Financial assets are assessed as credit impaired upon occurrence of one or more events that have a detrimental impact on the estimated future cash flows of that asset. For financial assets that have become credit-impaired, a lifetime ECL is recognized and interest revenue is calculated by applying the effective interest rate to the amortised cost

At each reporting date, the Group assesses whether there has been a significant increase in credit risk of its financial assets since initial recognition by comparing the risk of default occurring over the expected life of the asset. In determining whether credit risk has increased significantly since initial recognition, the Group uses information that is relevant and available without undue cost or effort. This is based on the historical default rates or delinquency status of account across various internal rating grades, products or sectors.

The portfolios for which external benchmark information represents a significant input into measurement of ECL are as follows.

Particulars	Exposure	External benchmarks used
		LGD
Loans at amortised cost	3,344.47	65%

The Group assesses whether the credit risk on a financial asset has increased significantly on an individual and collective basis. In determining whether the credit risk on a financial asset has increased significantly, the Group considers the change in the risk of a default occurring since initial recognition. The default definition used for such assessment is consistent with that used for internal credit risk management purposes.

The Group considers defaulted assets as those which are contractually past due 90 days, other than those assets where there is empirical evidence to the contrary. Financial assets which are contractually past due 30 days are classified under Stage 2 - life time ECL, not credit impaired, barring those where there is empirical evidence to the contrary. An asset can move into and out of the lifetime expected credit losses category (Stage 2 and 3) based on a predefined pattern obtained from the historical default rates or delinquency status of account across various internal rating grades, products or sectors. Credit exposures transition back from stage 2 to stage 1 when the credit quality of the credit facility shows significant improvement. Primarily, when factors that previously triggered an exposure moving to Stage 2 no longer meet, such exposures move back to Stage 1 and a 12-month ECL measured instead of Lifetime ECL. Credit exposures may transition from stage 3 to stage 2 /stage 1, if the exposures are current, no longer meet the definition of default / credit impaired and if the factors that previously triggered an exposure to move to stage 3 are no longer met.

The Group measures the amount of ECL on a financial instrument in a way that reflects an unbiased and probability-weighted amount. The Group considers its historical loss experience and adjusts the same for current observable data. The key inputs into the measurement of ECL are the probability of default, loss given default and exposure at default. These parameters are derived from the Group's internally developed statistical models and other historical data. In addition, the Group has used reasonable and supportable information on future economic conditions by using GDP as suitable macroeconomic factors . Since incorporating these forward looking information increases the judgment as to how the changes in these macroeconomic factor will affect ECL, the methodology and assumptions are reviewed regularly. The following table presents the key macroeconomic indicators used for the purposes of measurement of ECL in the periods presented.

Macro economic indicator	As at 31 March 2021
GDP	2.00%

iii) Reconciliation of loss allowance provision

For loans

Reconciliation of loss allowance	Loss allowance measured at 12 month expected losses	Loss allowance measured at life-time expected losses	
		Financial assets for which credit risk has increased significantly and not credit-impaired	Financial assets for which credit risk has increased significantly and credit-impaired
Loss allowance on 31 March 2019	**47.60**	**124.74**	**73.50**
Changes in loss allowances due to			
Assets originated or purchased	639.90	68.78	132.80
Write – offs	(9.53)	(81.26)	(73.50)
Addition/ (Recoveries) for assets originated in Previous years	147.67	63.53	482.73
Loss allowance on 31 March 2020	**825.64**	**175.79**	**615.53**
Changes in loss allowances due to			
Assets originated or purchased	102.42	9.15	
Write – offs	(403.47)	(117.35)	(610.32)
Addition/ (Recoveries) for assets originated in Previous years	(126.47)	198.55	368.24
Loss allowance on 31 March 2021	**398.12**	**266.14**	**373.46**

For investments

Amounts in ₹ lakhs

Reconciliation of loss allowance	Loss allowance measured at 12 month expected losses	Loss allowance measured at life-time expected losses	
		Financial assets for which credit risk has increased significantly and not credit-impaired	Financial assets for which credit risk has increased significantly and credit-impaired
Loss allowance on 31 March 2019	**4.41**	**-**	**-**
Changes in loss allowances due to			
Assets originated or purchased	81.37	-	-
Addition/ (Recoveries) for assets originated in Previous years	(4.30)	-	-
Loss allowance on 31 March 2020	**81.48**	**-**	**-**
Changes in loss allowances due to			
Assets originated or purchased	157.43	-	-
Addition/ (Recoveries) for assets originated in Previous years	(81.48)	-	-
Loss allowance on 31 March 2021	**157.43**	**-**	**-**

Note : There is no provision for expected credit loss in the books of subsidiaries

B. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Due to the dynamic nature of the underlying businesses, Group's treasury maintains flexibility in funding by maintaining availability under committed credit lines.

a) The table below shows an analysis of assets and liabilities analysed (maturity analysis) according to when they are to be recovered or settled.

Amounts in ₹ lakhs

Particulars	Year ended 31 March 2021			Year ended 31 March 2020		
	Carrying amount	Within 12 months	After 12 months	Carrying amount	Within 12 months	After 12 months
Financial liabilities						
Trade payables	224.41	224.41	-	117.96	117.96	-
Borrowings (other than debt securities)	29.10	29.10	-	22.10	22.10	-
Contract liabilities	-	-	-	1.92	1.92	-
Other financial liabilities	4,425.90	4,282.02	143.88	282.26	117.43	164.83
Non Financial liabilities						
Provisions	614.38	577.61	36.78	261.68	234.56	27.12
Deferred tax liabilities	76.98	76.98	-	99.50	22.53	76.98
Other non-financial liabilities	198.34	198.34	-	46.35	46.35	-
Financial assets						
Cash and cash equivalents	6,812.33	6,812.33	-	809.98	809.98	-
Bank balance other than cash and cash equivalents above	3,048.54	3,048.54	-	3,771.73	3,771.73	-
Receivables	150.88	150.88	-	15.55	15.55	-
Loans and advances to customers	4,583.86	3,754.32	829.54	12,619.50	9,812.70	2,806.80
Investment securities	8,026.14	8,026.14	-	5,971.82	5,971.82	-
Other financial assets	957.32	2.15	955.17	54.62	20.78	33.84
Non-financial Assets						
Inventories	91.82	91.82	-	-	-	-
Income tax assets	324.55	324.55	-	129.45	129.45	-
Right of use asset	192.74	83.93	108.81	208.88	77.06	131.82
Property, plant and equipment	63.50	24.75	38.75	27.95	16.73	11.22
Intangible assets under development	7.90	7.90	-	6.65	6.65	-
Intangible assets	4,200.50	374.46	3,826.04	663.03	307.85	355.18
Goodwill	8,033.52	8,033.52	-	450.94	450.94	-
Other non-financial assets	315.45	315.45	-	308.39	308.39	-

b) Maturity Pattern

The table below summarises the maturity profile of the undiscounted cashflow of the Company's financial liabilities:

As at 31 March 2021

Amounts in ₹ lakhs

	Within 12 months	1-2 years	2-5 years	Total
Trade payables	224.41	-	-	224.41
Borrowings (other than debt securities)	29.10	-	-	29.10
Contract liabilities	-	-	-	-
Other financial liabilities	-	-	-	-
- Lease liability	118.41	117.86	34.43	270.70
- Contingent consideration	3,055.67	-	-	3,055.67

As at 31 March 2020

Amounts in ₹ lakhs

	Within 12 months	1-2 years	2-5 years	Total
Trade payables	117.96	-	-	117.96
Borrowings (other than debt securities)	22.10	-	-	22.10
Contract liabilities	1.92	-	-	1.92
Other financial liabilities	-	-	-	-
- Lease liability	96.63	101.31	81.50	279.44
- Contingent consideration	43.37	-	-	43.37

c) The following table sets out the carrying amounts of non-derivative financial assets and financial liabilities expected to be recovered or settled more than 12 months after the reporting date.

Amounts in ₹ lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Financial assets		
Loans and advances to customers	829.54	2,806.80
Other financial assets	955.17	33.84
Financial liabilities		
Lease Liability	143.88	164.83

d) The following table sets out the components of the Company's liquidity reserves.

Amounts in ₹ lakhs

	Year ended 31 March 2021		Year ended 31 March 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Cash And Cash Equivalents	6,812.33	6,812.33	809.98	809.98
Bank balance other than cash and cash equivalents	3,048.54	3,048.54	3,771.73	3,771.73
Total liquidity reserves	**9,860.87**	**9,860.87**	**4,581.71**	**4,581.71**

e) All the financial assets of the Company as at 31 March 2021 and as at 31 March 2020 are unencumbered.

49. REVENUE FROM CONTRACTS WITH CUSTOMERS

Set out below is the disaggregation of the Company's revenue from contracts with customers and reconciliation to profit and loss account:

Amounts in ₹ lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Type of income		
Services charges	42.94	5.02
Bounce charges	0.79	2.15
Penal charges	3.49	3.69
Foreclosure charges	5.10	6.38
Brokerage received	32.70	15.22
License integration fees	189.20	-
Sale of subscription services	9.97	3.86
Sale of value added services	90.10	17.23
Fees and commission Income	1,933.12	5.71
Total revenue from contracts with customers	**2,307.41**	**59.26**
Geographical markets		
India	2,307.41	59.26
Outside India		-
Total revenue from contracts with customers	**2,307.41**	**59.25**
Timing of revenue recognition		
Services transferred at a point in time	2,131.70	17.93
Services transferred over time	175.71	41.33
Total revenue from contracts with customers	**2,307.41**	**59.26**

50. There have been no events after the reporting date that require disclosure in these financial statements except for impact of COVID-19 as disclosed in Note no.51.

51. IMPACT OF COVID -19 PANDEMIC

In accordance with the board approved moratorium policy read with RBI guidelines dated 27 March 2020, 17 April 2020 and 23 May 2020 relating to 'COVID-19 - Regulatory Package', the Group has granted moratorium up to six months on the payment of installments falling due between 1 March 2020 and 31 August 2020 to all eligible borrowers. For all such accounts where the moratorium is granted, the asset classification has remained standstill during the moratorium period (i.e. the number of days past due shall exclude the moratorium period for the purposes of asset classification as per the Company's policy). This relaxation does not automatically trigger a significant increase in credit risk. The Group continues to recognise interest income during the moratorium period and in the absence of other credit risk indicators, the granting of a moratorium period does not result in accounts becoming past due or automatically triggering Stage 2 or Stage 3 classification criteria.

The extent to which the COVID-19 pandemic will impact the Group's financial statements will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Company. Given the uncertainty over the potential macro-economic condition, the impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Group will continue to closely monitor any material changes to future economic conditions.

52. DISCLOSURE AS REQUIRED UNDER RBI NOTIFICATION NO. RBI/2019-20/220 DOR.NO.BP.BC.63/21.04.048/2019-20 DATED 17 APRIL 2020 ON COVID-19 REGULATORY PACKAGE - ASSET CLASSIFICATION AND PROVISIONING.

Amounts in ₹ lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Amount in overdue categories where mortorium is extended*	281.69	355.99
Amount where asset classification benefits is extended	281.11	84.08
Provision made on the cases where asset classification benefit is extended **	Nil	Nil
Provisions adjusted during the respective accounting periods against slippages and the residual provisions	Nil	Nil

*Outstanding as on 31 March 2021 on account of all cases where moratorium benefit and asset classification benefit extended by the Company up to 31 August 2020.
** The Company has made adequate provision for impairment loss allowance (as per ECL model) for the period ended 31 March 2021.

53. SUPREME COURT ORDER ON REFUND OF INTEREST ON INTEREST AND PENAL INTEREST

Pursunat to the order passed by the honourable Supreme Court read along with the RBI Circular No. RBI/2021-22/17 DOR.STR. REC.4/21.04.048/2021-22 dated April 7, 2021 and the methodology for calculation of interest on interest based on guidance issued by Indian Banks' Association, the Company has put in place a Board approved policy to refund / adjust interest on interest charged to borrowers during the moratorium period, i.e. March 1, 2020 to August 31, 2020. The Company has estimated the said amount and made a provision in the financial statements for the year ended March 31, 2021. As on March 31, 2021, the Company holds a specific liability of ₹ 5.73 lakhs which is debited to interest income to meet its obligation towards refund of interest on interest to eligible borrowers as prescribed by the RBI. Accordingly, interest income for the quarter and year ended March 31, 2021 is lower by ₹ 5.73 lakhs.

54. DISCLOSURE PURSUANT TO RBI NOTIFICATION -RBI/2020-21/17 DOR.NO.BP.BC/4/21.04.048/2020-21 DATED 6 AUGUST 2020 (FOR RESTRUCTURING OF ACCOUNTS OF MICRO, SMALL AND MEDIUM ENTERPRISES (MSME) SECTOR – RESTRUCTURING OF ADVANCES HAVING EXPOSURE LESS THAN OR EQUAL TO ₹ 25 CRORES)

Amounts in ₹ lakhs

Type of Borrower	(A)	(B)	(C)
	Number of accounts where resolution plan has been implemented under this window	Exposure to accountsmentioned at (A) before implementation of the plan	Overall provision for expected credit loss (ECL)
MSMEs	11	107.29	107.29

55. BUSINESS COMBINATION

a) Acquisition of subsidiary

(i) Summary of acquisitions

On 18 December 2020 the Parent Company acquired 51.00% of the issued share capital of Iserveu Technology Private Limited (ISU). The acquisition will provide access to assets and unique client base of the ISU.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

Amounts in ₹ lakhs

Purchase consideration	ISU
Cash paid to Promoters	1,020.06
Cash infusion in the Company	1,604.59
Equity consideration paid to Promotors *	3,294.19
Fair valuation of Contingent consideration**	3,012.30
Sub Total	**8,931.15**
Fair valuation of equity consideration paid to Promotors*	1,438.51
Total purchase consideration	**10,369.65**

*The fair value of 7,331,832 shares issued as part of the consideration paid for Iserveu (₹ 4,732.70 lakhs) was based on the published share price on date of acquisition 01 December 2020 of ₹ 64.55 per share.

**During the measurement period i.e period ended 31 March 2022, fair value of contingent consideration will be adjusted in assets or liability retrospectively to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date.

The assets and liabilities recognised as a result of the acquisition are as follows:

Amounts in ₹ lakhs

Particulars	Fair Value of ISU
Cash and cash equivalents	444.19
Loans	22.10
Inventories	94.36
Other financial assets	2,284.94
ROU Asset	34.90
Property, plant and equipment	46.67
Intangible assets	3,961.00
Other financial assets	4.55
Trade Payables	(18.46)
Borrowings	(517.96)
Other Financial liabilities	(2,496.05)
Cash infusion in the Company	1,604.59
Net identifiable assets acquired	**5,464.84**

b) Goodwill on consolidation

Amounts in ₹ lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Cost as at beginning of the year	450.94	-
Addition relating to acquisition of subsidiary	7,582.58	450.94
Cost as at end of the year	8,033.52	450.94
Impairment as at beginning of year	-	-
Charge for the year	-	-
Impairment as at end of the year	**-**	**-**
Net carrying value as at beginning of the year	**450.94**	**-**
Net carrying value as at end of the year	**8,033.52**	**450.94**

Goodwill recognized during the year ended 31 March 2021 relates to the acquisition of the 51.00 % equity stake by the Company in Iserveu Technology Private Limited. The goodwill relates to synergies from combining the acquiree activities with those of the Group.

Amounts in ₹ lakhs

Calculation of goodwill	ISU
Consideration transferred	10,369.65
Non-controlling interest in the acquired entity	2,677.77
Less: Net identifiable assets acquired	(5,464.84)
Goodwill	**7,582.58**

c) Business Combinations / Acquisition of subsidiaries

Significant judgement:

(i) Accounting policy choice for non-controlling interests

The Group recognises non-controlling interests ('NCI') in the acquired entity either at fair value or at the NCI proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by-acquisition basis. For the NCI in ISU, the Group elected to recognise NCI's proportionate share of the acquired net identifiable assets.

(ii) Revenue and profit contribution

The acquired business contributed revenues of ₹ 2,330.71 lakhs and net profit of ₹ 86.79 lakhs to the Group for the period from 1 December 2020 to 31 March 2021. If the acquisition had occurred on 1 April 2020, consolidated pro-forma revenue and loss for the year ended 31 March 2021 would have been ₹ 6940.77 lakhs and ₹ 1082.47 lakhs respectively. These amounts have been calculated using the subsidiary's financial statements and adjusted them for:

- differences in the accounting policies between the Group and the subsidiary, and
- the additional depreciation and amortisation that would have been charged assuming the fair value adjustments to property, plant and equipment and intangible assets had applied from 1 April 2020, together with the consequential tax effects.

(iii) Purchase consideration – cash outflow

Amounts in ₹ lakhs

Particulars	For the year ended 31 March 2020
Cash consideration	2,624.65
Less: Balances acquired	
Cash	2,048.79
Bank overdraft	-
Net outflow of cash – investing activities	**575.86**

(iv) Acquisition-related costs

There were no acquisition-related costs that was directly attributable to the the issue of shares.

d) Impairment testing

A. In August 2019, NFL acquired 50.01% equity stake in ICSPL by way of secondary acquisition for a purchase consideration of ₹ 579.41 lakhs. Further, NFL has invested additional ₹ 450.00 lakhs through compulsorily convertible preference shares. For the purpose of impairment testing of goodwill acquired in acquisition, the management analyses do not show an impairment charge.

In respect of ICSPL, ICSPL has registered a revenue of ₹ 135.69 lakhs in FY 2021 as against ₹ 47.69 lakhs in FY 2020, representing a increase of ~184%. The increase in the revenue in FY 2021 is primarily on account of development and sale of B2B platform (Analytics revenue).The Company has incurred expenses for the development of B2B platform, owing to the same the revenues of the Company are projected to grow at a CAGR of ~81% from ₹ 135.69 lakhs in FY 2021 to ₹ 1402.00 lakhs in FY 2025.

The fair value of ICSPL is assessed by using Discounted Cash Flow Method under Income Approach and is assessed on going concern basis. This method is used to determine the present value of a business on a going concern assumption and recognizes the time value of money by discounting the free cash flows for the explicit forecast period and the perpetuity value at an appropriate discount factor. The terminal value represents the total value of the available cash flow for all periods subsequent to the horizon period. The terminal value of the business at the end of the horizon period is estimated, discounted to its present value equivalent and added to the present value of the available cash flow to estimate the value of the business. Free Cash Flow to Firm ('FCFF') method has been used. FCFF is discounted by the Weighted Average Cost of Capital ('WACC'), which is considered an appropriate discount factor.

The key assumptions on the basis of which management has estimated the fair value of ICSPL are:

- Revenue
- EBITDA
- Terminal value
- Net Working Capital
- Weighted Average Cost of Capital

During the measurement period i.e period ended 30 September 2021, fair value of contingent consideration will be adjusted in assets or liability retrospectively to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date.

B. In December 2020, NFL acquired 51.00 % equity stake in ISU by way of secondary acquisition for a purchase consideration of ₹ 10,369.65 lakhs. As per Ind AS 103, the remeasurement of goodwill is to be carried out within one year from the date of acquition. For the current year, the management analyses do not show an impairment charge.

56. FIGURES OF PREVIOUS PERIODS HAVE BEEN REGROUPED, WHEREVER NECESSARY, TO MAKE THEM COMPARABLE WITH THE CURRENT PERIOD.

As per our report of even date.

For **MSKA & Associates**
Chartered Accountants
Firm's Registration No: 105047W

Swapnil Kale
Partner
Membership No: 117812

Place: Mumbai
Date: 19 May 2021

For and on behalf of the Board of Directors of
Niyogin Fintech Limited
CIN No: L65910-TN1988-PLC13-1102

Makarand Patankar
Director
DIN : 01584128

Rumit Dugar
Chief Financial Officer

Mumbai
19 May 2021

Amit Rajpal
Chairman & Non-Executive Director
DIN : 07557866
Hong Kong

Neha Agarwal
Company Secretary
Membership No: 41425

niyogin

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