



LOADING NIYOGIN 2.0

ENTERING A NEW ERA OF PROGRESS

CORPORATE INFORMATION

BOARD OF DIRECTORS

MR. AMIT RAJPAL
Non Executive Chairman

MR. MAKARAND PATANKAR
Whole Time Director

MR. KAPIL KAPOOR
Independent Director

MS. SUTAPA BANERJEE
Independent Director

MS. SUCHETA DALAL
Independent Director

MR. ERIC WETLAUFER
Independent Director

MR. SANDEEP AKOLKAR
Chief Financial Officer

MR. MANDAR GODBOLE
Company Secretary &
Compliance Officer

31st Annual General Meeting

on Tuesday, 17th September 2019 at 1:00 p.m.,
at Trident Chennai, 1/24 GST Road,
Chennai - 600 027.

REGISTERED OFFICE

F-22, 3rd Floor, Palm Spring Apartment,
2nd Main Road, Anna Nagar East,
Chennai - 600 102.

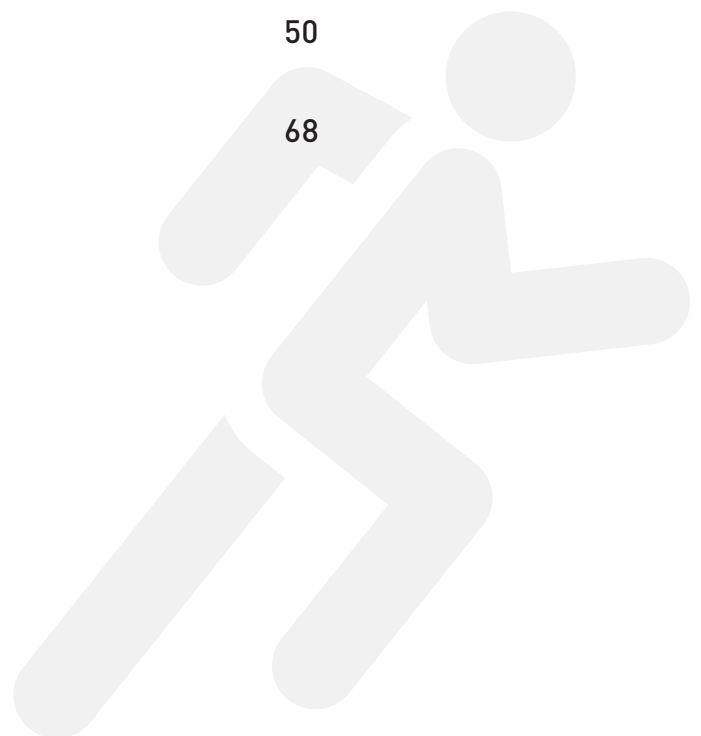
REGISTRAR & TRANSFER AGENT

Link Intime India Private Limited
247, Lal Bahadur Shastri Marg, Surya Nagar,
Gandhi Nagar, Vikhroli (West) Mumbai - 400 083.

BANKERS: IndusInd Bank | Citi Bank

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CHAIRMAN'S LETTER



Dear Shareholders,

Niyogin's vision is to empower (niyogin means "empower" in Sanskrit) micro and small enterprises (MSME) in the country through a state-of-the-art digital platform which enables access to relevant services & products (both financial and non-financial) to grow their business and effectively operate in the fast changing digital world that is the future. We have started our journey by focusing on streamlining access to an explicit requirement – formalised access to credit. We have received encouraging response to platform adoption as we take the digital empowerment to Tier 2 and Tier 3 cities in India and what is deeply resonating with us is the impact we are creating by empowering these small and micro businesses and local entrepreneurs for continued growth and success.

To address this vastly underserved market of small businesses in small centers, Niyogin has a differentiated platform approach with a proprietary distribution model of the network of finance professionals. This "phygital" business model is an industry first, among Fintechs, that gives us deep distribution, local footprint, relationships, and digital processing capability. This in effect allows us to create a heterogeneous ecosystem of products and services delivered over technology platform for the small businesses anywhere – all powered by Niyogin. We have an open approach to partnerships where a variety of best in class partners can leverage our open stack technology architecture, custom product capabilities, and deep distribution. Our model has high embedded operating leverage, is capital efficient and is very scalable as our distribution led platform approach allows us to deliver a small business-centric ecosystem with multi-dimensional product stack beyond just credit.

FY19 has been an exciting year as we achieved tech platform stability, took first steps towards building and embedding our distribution network and started our journey in two additional business lines of direct digital and partnerships. Our model is attractive to a variety of partners ranging from distribution, product and financing partners looking to access our platform capabilities. We added 4 new partnerships in FY19. Our payments-based partnership is helping us accelerate our mission to drive financial inclusion with technology (POS) based underwriting. In our first full year of operations, we made rapid progress as we on-boarded 612 partners, disbursed ₹615M (USD8.8M) of loans and had 434 customers on record. Credit was our entry product into this ecosystem and we took our first step towards product stack expansion beyond credit with the acquisition of a digital wealth platform – Moneyfront. We are driving financial inclusion, especially for local entrepreneurs beyond metros, and have started making investments in specialised underwriting for new to credit (NTC) customers. In FY19, we launched the initiative of Niyogin managed microsites that are creating a digital impact for our partners' businesses.

The focus in FY20 remains on expanding our distribution and building scale across the business lines. Our strategic priorities for FY20 include a 3X expansion of our retail partner distribution network, new products and scaling our partnerships. Our partner distribution network is naturally geared towards the underserved markets beyond Tier-I cities which gives us a unique reach and creates exciting opportunities for us to take the best in class products to underserved markets via our platform. Our open approach to partnerships remains a focus area and we expect quality addition to partnerships across distribution, product, and financiers.

Our FY2019 results are detailed in this annual report and demonstrate the strong underlying trends of business model and execution. I thank each one of the stakeholders who continue to contribute towards building a best in class micro and small business-centric fintech platform. I feel a sense of excitement at the numerous opportunities ahead of us and our ability to create an impact.

Thank you for your support and look forward to our continuing engagement in our journey to be India's premier MSME focused fintech organization.

Thank You.

AMIT RAJPAL
Non-Executive Chairman
Niyogin Fintech Limited

BOARD OF DIRECTORS



Amit is a Commerce graduate from University of Mumbai, an MBA from IIM Calcutta and a qualified Cost and Works Accountant (ICWA). He is an expert in financial services investing. Amit is currently the CEO of Marshall Wace Asia, a globally leading hedge fund manager in the equities space. Prior to this, he worked at Morgan Stanley as part of the FIG research group, leading the consistently highly-ranked Asian bank's research franchise and the Global bank's research team. He is credited with being the youngest Managing Director in Morgan Stanley at the age of 30.

AMIT RAJPAL, Non-Executive Chairman



Mr. Patankar has over 40 years of experience in strategic and financial roles across financial services, pharmaceutical, healthcare and retail sector companies such as Glaxo, TATA & TNT. He has structured and successfully executed several IPOs, EOU-Buybacks, Carveout M&A's and other deals. He also has rich experience in network management having pioneered the development of the network of the promoter company viz. Information Interface India Private Limited, across the country.

MAKARAND PATANKAR, Whole-Time Director



Kapil is the Chairman of Infoedge India Limited and has been serving on their Board of Directors since 2002. He also serves on the Board of Trustees of the International Foundation for Research and Education (Ashoka University). Kapil was the Global Chief Operating Officer for Timex Group USA and also Chairman of the public listed company, Timex Group India limited. Prior to that he ran the Asia Pacific region as a Senior Vice President for the Timex Group. Before joining Timex, Kapil has worked in several senior management roles with Bausch and Lomb and Nestle in the Asia Pacific region, India and Europe. He has also mentored many startup companies across sectors such as education, internet, consumer and manufactured goods in India and overseas. Kapil has an MBA from IIM Ahmedabad and a bachelors degree in Economics Honors from the Shri Ram College of Commerce, Delhi University.

KAPIL KAPOOR, Independent Director



A known name in the Indian journalism world, Sucheta has worked with India's leading newspapers including the Financial Editor of The Times of India, Consulting Editor with Indian Express and Financial Express, amongst others. In 1993, she received the Chameli Devi Award for outstanding journalism and Femina's Woman of Substance Award and the Padma Shri by the Government of India in 2006. She has served as a member of the NR Narayana Murthy committee on Corporate Governance in 2003, and was a member of the primary market advisory committee of the SEBI.

SUCHETA DALAL, Independent Director



Sutapa has 24 years of experience in financial services across multinational banks - ANZ Grindlays and ABN AMRO. She headed and successfully built the Private Wealth businesses at ABN AMRO Bank and Ambit Capital from scratch. Sutapa was voted as the 'Top 20 Global Rising Stars of Wealth Management' by the institutional investor group in 2007 and as the top '50 Most Powerful Women by Fortune India in 2012'. She is an advanced leadership fellow (2015) of Harvard University.

SUTAPA BANNERJEE, Independent Director



Eric earned a B.A. from Wesleyan University, Middletown, Connecticut, is a Chartered Financial Analyst and a certified member of the Canadian Institute of Corporate Directors. He provides counsel as a director, advisor and investor to a range of large public to smaller private companies, with a particular focus on technology and financial sectors. 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. Prior to joining CPPIB in 2011, he was Group Chief Investment Officer, International at Fidelity in Boston, Massachusetts. Prior, held the roles of Chief Investment Officer at Putnam Investments and Managing Director at Cadence Capital Management in Boston. He currently serves on the Board of Directors of the TMX Group and of Soulpepper Theatre Company and is an advisor to Grain Discovery, CryptoNumerics and the Aion Foundation and is a past president of the CFA Society Boston.

ERIC WETLAUFER, Independent Director

LEADERSHIP TEAM



ARNAB BHATTACHARYA
President



PARAG CHOPDE
President



HIMANSHU RAJPAL
President



SRIVATHS VARADHARAJAN
President &
Chief Information Officer



NOORALLAH CHARANIA
Chief Operations Officer



R. SHANMUGHAM
Chief Credit Officer



VIJAY SANKAR
Head of Collections



MANDAR GODBOLE
Company Secretary &
Compliance Officer



SANDEEP AKOLKAR
Chief Financial Officer



KAPIL KINI
Head of Sales



RUNIT DUGAR
Head - Strategy, Products
and Investor Relations



ANDREWS RAJAN
Sales Head- Wholesale &
Supply Chain Finance



Niyogin Fintech Limited (the 'Company') (erstwhile M3 Global Finance Limited) was acquired by Information Interface India Private Limited in January 2017. FY2019 was the second year in our journey of building a best in class small business-centric fintech platform. This was also the first full-year of our distribution build and operations. Thus, this is our first ever full-year Management Discussion and Analysis Report of the Company after it has commenced operations which gives an overview of the Company's operational achievements in the full financial year 2018-19. Through this analysis, we have attempted to provide shareholders an indication of both the performance of the past year and the future growth plans of the Company.

A. INDIAN ECONOMIC SCENARIO:

India continues to be one of the fastest-growing major economies in the world as per the Central Statistics Organisation (CSO) and the International Monetary Fund (IMF). Last year India's GDP grew at 6.8% as against the world GDP growth of 3.6%. Although India's growth was slightly lower than FY18, India continued to outpace global growth as well as emerging and developing economies. However, on an exit basis, the GDP growth for Q4FY19 stood at 5.8% due to macro-economic slowdown and slowdown in financing that adversely impacted consumption finance. That said, according to IMF, India's GDP is estimated to grow 7.0% in 2019-20 vs. world GDP growth of 3.3%. Net foreign direct investment (FDI) grew 14.2% in FY19 continues to reflect that India remains an attractive market opportunity for global capital flows.

Honorable Prime Minister of India has laid out a vision to make India a US\$5trillion economy. The economic survey of India emphasizes on needs to focus on policies that nourish MSMEs to create more jobs, become more productive reduce the cost of capital. We are encouraged to see the focus on the MSME industry as they remain the major growth driver for India. We remain squarely focused on building and solving for the MSMEs through our unique platform approach.

B. FINTECH INDUSTRY - STRUCTURE AND DEVELOPMENTS:

1. Global Fintech Industry:

Globally, fintech models have undergone vast transformation driven by innovation and technology bringing a radical change in traditional financial services. The fintechs have been instrumental in bringing in seamless and innovative financial services model for the banked and unbanked population by making best use of technical tools. The industry,

although still very young, has rapidly moved from just disruptors to more sophisticated competitors to the traditional players. The business models revolve around very distinct customer segments which range from consumer space to small and medium businesses.

Technology remains the key enabler to innovation both at the enterprise and user end given the rapidly growing penetration and usage of mobile devices. This is continuously pushing technology-led delivery of financial services. This is opening up new frontiers, to address underserved markets, bring in cost efficiencies, superior customer experience and speed of delivery. Banks and firms are investing heavily in technology-based solutions, to compete with contemporary fintech companies. Infrastructure-based technology, through platformification and open application programming interfaces (APIs), is reshaping the future of the financial services industry, while the operational advancements offered by robotic process automation (RPA), chatbots, and Distributed Ledger Technology (DLT) are enabling greater agility, efficiency, and accuracy. Technology is empowering product customisation and innovation, which allows fintech's to create custom solutions for specific segments.

There are multiple fintech business models that are flourishing and disrupting the global industry. These range across various segments of financial services - lending, payments, insurance, savings/investments to name a few. We have seen adoption and success in both domain excellence centric as well as platform centric business models. China is at the forefront of adoption and driven by competition, improved onboarding experiences, and the portability of data enabled by technology and, in some markets, changes in regulation. As digital penetration is rising, and business models becoming more mainstream, we are beginning to see regulatory support emerging for innovation across the world. This will further enable the acceleration of the fintech industry. Global investments in the Fintech industry continue and reached \$111.8bn in CY2018, up 120 percent from \$50.8B in 2017, according to the KPMG Pulse of Fintech report. VC investment was particularly strong in the fintech space in Asia, accounting for \$19.6B in investment.



Developing markets, China, in particular, are leading the adoption across various products and services, given the large underserved market and unmet demand by traditional players. The consumer-centric fintech adoption has been the fastest off the blocks and as per EY Global Fintech Adoption Index 2019, 64% of was the global consumer fintech adoption. The payment category leads this space, followed by money transfer and insurtech. Similarly, MSME fintech adoption continues to pick up the pace and, basis of the EY report, it stood at 25%. However, the highest adoption rates are payments and financing. Further, the top reason that small businesses globally turn to a fintech is for a range of functionalities and features.

Winners in fintech are primarily emerging at a regional rather than a global level, similar to traditional retail banking. Regulatory complexity, market dynamics, ability to create custom products suited to each market within countries and across regions is contributing to regional “winner take most” outcomes for disrupters, especially in the fintech domain.

2. Indian Fintech Industry:

Primary consumer research has validated the Indian consumer’s readiness to adopt digital platforms. The traditionally cash-driven Indian economy has responded well to the fintech opportunity, primarily triggered by on-going digitisation and rising formalisation of the economy. The biggest opportunity in fintech today is in areas where customers are under-served and benefit most significantly from the reach, efficiency, analytics and transparency that technology provides. From wallets to lending to insurance, fintechs is redefining how financial services can be provided efficiently. India’s shift to the digital economy has set in motion the emergence of a new set of technology companies in the FinTech space.

In India, the FinTech startup ecosystem is experiencing rapid growth supported by a large market base, rising adoption, and collaboration with banks. The FinTech segments landscape continues to expand in India with domains including, but not limited to, lending, digital payments, WealthTech, InsurTech, and Regtech.

The government initiatives to solve for identity in the form of Aadhar, bank account through Pradhan Mantri Jan Dhan Yojana (PMJDY), payment platforms such as IMPS and UPI and internet penetration. This combination coupled with

regulatory support for innovation has laid a solid foundation for multi-decade growth for the Indian Fintech industry. Additionally, government initiatives such as the introduction of Goods and Services Tax (GST) to formalise the economy have further expanded the market opportunity. The regulatory support has been instrumental in enabling the development of fintech sector by creating a conducive environment for the fintech companies to enable these companies to reach out to the unbanked population and create custom offerings.

3. General Business Environment in Finance Sector:

At an aggregate level, the financial services in India saw steady growth in FY19 driven by real GDP growth and rising penetration of financial services. However, FY19 was a story of two halves with 1HFY19 seeing strong growth with sharp moderation in 2HFY19 for the sector. Within the lending segment, the non-food credit growth for FY19 stood at 11.2% YoY vs. 7.7% YoY in FY18. The credit growth was dominated by infrastructure and large enterprises. The MSME segments continue to remain underserved and credit growth for micro and small businesses was up 0.7% YoY and 2.6% YoY for medium enterprises. The broader NBFC sector experiences difficulties in FY19 in the aftermath of the default of the IL&FS group. However, the government moved quickly to limit the contagion and since then both the government and RBI have taken steps to improve liquidity for the sector.

The penetration of other financial services remains low across wealth, investment, insurance and continues to improve. Mutual fund investments continue to record strong participation and growth through FY19. According to CAMS, 3.6mn new investors were services during FY19. However, this remains dominated by Top-10 cities and provides immense opportunity beyond the Tier-1 locations in India. Despite the mixed performance of the equities, equity penetration through systematic investment plans continue to increase and offers tremendous opportunity for growth. According to the IRDAI report, the insurance penetration remains low at sub 3% overall and sub 1% in the general insurance.

Fintech Industry – Present & Future Outlook

The underlying growth dynamics for the fintech industry remain favourable and the last 3-4 years have been exciting for the Indian Fintech industry. As per Fintegrate report, globally, India has the highest number of new fintech startups after the USA. The huge top-down push



from the government for the adoption of digital payments coupled with several exciting innovations in this space, such as UPI, Aadhaar, BharatQR for QR-based payments. The rapid digitisation of payments ecosystem is the first step and this paves the way for other digital platform players to build and scale digital platform solutions. The VC/PE funding for CY2018 was at US\$1.83 (source: fintegrate report) billion primarily dominated by payments and lending fintechs.

India's FinTech sector may be young but is growing rapidly, fueled by a large market base, an innovation-driven startup landscape, and friendly government policies and regulations. Several startups populate this emerging and dynamic sector, while both traditional banking institutions and non-banking financial companies (NBFCs) are catching up. This new disruption in the banking and financial services sector has had a wide-ranging impact.

In India, FinTech has the potential to provide workable solutions to the problems faced by traditional financial institutions such as low penetration, scarce credit history, and cash-driven transaction economy. The current lending market structure is dominated by the public sector and co-operative banks beyond Tier-I cities. Areas inaccessible to banks in terms of reach and/or prohibited by the high cost of delivery and service, tend to remain unbanked and this is a potential opportunity for tech-centric FinTech companies. If collaborative participation from all the stakeholders, viz., regulators, market players, and investors can be harnessed, the Indian banking and financial services sector could be changed dramatically. There exists a large white space in financial services, which is currently dominated by banks. For instance, SMB financing alone is an Rs. 20trn opportunity. Financing alone is a US\$1trn opportunity in India's FinTech space over next 5 years, with prospects in payments estimated at another US\$500bn. The e-wallet transaction market is expected to grow from US\$22bn to US\$120bn over the next 5 years.

[Source:- IDFC Securities: India Fintech: Finnovation – The Rise of Fintech]

C. ABOUT THE COMPANY:

The vision of Niyogin is built on empowerment (Niyogin means "empower" in Sanskrit) of micro and small businesses in the country with a state-of-the-art digital platform which enables them access to relevant services & products (both financial and non-financial) in a low cost, transparent and easily accessible format which helps

improve their productivity significantly and grow effectively in a fiercely competitive domestic and global environment.

We are establishing a proprietary pan-India distribution network that creates a funnel for customer acquisition (partners) and simultaneously enables an ecosystem of product, financial and strategic partnerships that serve our customers' needs in a broad-based format. The validation of our platform, processes and under-writing sets the foundation for an open architecture product and process platform to support third-party businesses who are also focused on the MSME segment. We are on our way to realising the vision for small and micro-businesses in the country where we are more than a lending platform with the capability to be genuinely a digital solution provider for our target segment.

As we build a small business-centric fintech platform, what deeply resonates with us is the impact we are creating by empowering these small businesses and local entrepreneurs. Our entire distribution network across our retail partners and the partnership platform is naturally geared towards the underserved segment. Over 90% of our customers are proprietors primarily operating beyond Tier I cities. We not only drive financial inclusion by providing them with capital but also custom build products to address their needs across investments, business growth and digital technology. These initiatives include lower ticket size loans to address the local needs, option of daily installment to repay easily and we are making investments in alternate underwriting to assess New to Credit customers. The microsite is yet another example of a digital impact our offering is creating for our partners that help drive business growth for them.

The Company's business model is based on four pillars of strategy:

- **Capital Efficiency**
 - ✓ Publicly listed NBFC providing permanent access to equity capital
 - ✓ Co-lending/risk participation partnerships with banks/alternate capital providers
 - ✓ Platformification drives fee income with reduced capital intensity
- **Unique distribution**
 - ✓ Multi-Channel - Digital and Physical
 - ✓ Network of finance professionals provides connectivity and market access beyond Tier-I
 - ✓ Evangelization product customisation and



monitoring due to the community presence of the network

- ✓ Ability to platformise, carry multiple products and generate platform-centric revenues

➤ **Technology and Data**

- ✓ Intuitive client and partner UI which streamlines onboarding
- ✓ Automated credit decisioning platform using multiple scorecards
- ✓ End to end paperless journey

➤ **Partnerships**

- ✓ Platformification by providing access to services/products beyond credit
- ✓ Create access through strategic partnerships delivered through the niyogin platform
- ✓ New business verticals through white-labeled solutions/platform

D. OPERATIONAL & FINANCIAL PERFORMANCE:

I. Operational Review:

FY19 has been the second year in our journey of building a best in class small business-centric fintech platform. This was also the first year of our distribution and operations build and we ended FY19 with a loan book of ₹5103 lacs (USD7.2M), disbursement of ₹6150 lacs (USD8.8M), 612 partners and 434 customers-in-line with our revised guidance. FY2019 has been an exciting year for us as our distribution build continued apace, accelerated growth and improved our activation rates even though credit markets remained turbulent. Overall, we are happy to report that we have quickly operationalised the business and we are now geared to drive scale in a broad-based format in FY20.

India has made significant improvements in its digital infrastructure which has allowed for platforms and private business models such as Niyogin to use APIs (Application Program Interface) to access data which enables automation of credit decisions, making it far more superior to manual decision processes in terms of time, consistency and cost. We have the ability to link with multiple databases such as identity, tax, credit bureaus, banks, and legal databases while also using social media data points to run algorithms to analyse the creditworthiness of potential clients – this allows for a comprehensive view of the client from an underwriting standpoint in a way that was simply not possible even a year or two back to an environment now where the smartphone has become ubiquitous

alongside payments infrastructure to create transaction efficiency and fulfillment.

Unique distribution – Partner Model

Distribution through the financial professional channel is the cornerstone to our business and we ended FY19 with 612 partners (against our upgraded target of 600 in Q3). We will accelerate the distribution network expansion in FY20 and expect to exit with at least 1800 partners this year. Our partner acquisition strategy through FY20 will primarily focus on deepening our penetration in existing markets. As we continue to expand, we will need to build bench-strength in this channel and thus will be rolling out industrial-scale efforts towards training, customised product expansion, and usage-based platform enhancement. In FY19, we launched the microsites program for our partners to create a digital footprint for them and their businesses in the local community. We have seen early success in this program, and we continue to see pick up in adoption rates for microsites as we begin FY20. Over the FY20-FY21, our focus will be to expand our partner engagement programs, product offerings across credit and non-credit based products. This will empower our distribution partners and allow them to experience the differentiation of our platform versus conventional financial institutions or the DSA channel (Direct Selling Agents).

A critical aspect of our distribution and portfolio strategy is geography focus. To address the underserved SMBs, we are consciously building our distribution network beyond metros. As mentioned earlier, we now have a critical mass of anchor partner relationships enabling us to penetrate deeper (increase coverage) into each location and increase activation (partners who have given us more than 1 login).

Technology, Data and Platformification

We have delivered a robust and efficient technology stack for speed, efficiency, and scale. We have delivered 26 applications with 72+ APIs. Our technology is built on open source stack with secure cloud infrastructure. In the very first year of operations, we are excited to report that not only have we achieved the stability in our platform build but also begun to leverage features such as microsite for our distribution partners. Our end to end digital lending platform captures seamless data flow across the



customers' loan life cycle which creates superior customer engagement. Our technology construct is geared to carry multiple product offerings, and we will leverage our technology to platformise and quicken our go to market with new product offerings. We are accelerating investments in our analytics and data sciences capability as business growth along with partnerships gives us access to broader data sets. We are leveraging our big data capabilities to drive focus around customer and partner acquisition across specific locations with impactful outcomes.

Products

Our service-oriented modular tech architecture and the strong customer relationships that our distribution channel brings, allows us to expand our product construct beyond credit and truly deliver a digital platform to our partners and customers. In FY19 we took the first step of expanding our offerings beyond credit with the acquisition of Moneyfront, a digital wealth platform. We see this as an exciting opportunity given low financial savings beyond metro areas in India and the alignment with our distribution channel that is naturally geared towards beyond metros. In August 2019 Moneyfront has received the regulatory approvals, we will accelerate the integration of wealth platform into our ecosystem in FY20. Enrichment of our digital ecosystem is our primary focus and we will expand our beyond credit product portfolio FY20. We are creating and partnering with exciting companies to bring innovative solutions to market across domains of technology, financial and business services. Our approach to product creation is ecosystem centric as our offerings are customised and suited to our partners and SMB customers. We see opportunities to leverage the product ecosystem across our three channels - Retail, Direct to Customer and Partnerships.

II. Financial Performance of the Company in FY 2018-19:

During the year under review, the Company's total income stood at ₹2422 lacs (Previous Year: Rs. 1223 lacs). The income from operations amounted to ₹1881 lacs (Previous Year: Rs. 515 lacs). The Company incurred a loss of Rs. 661 lacs for the year ended 31st March 2019 (Previous Year: ₹265 lacs). The balance sheet remains strong with a net cash position of ₹19459 lacs for the year ended 31st March 2019. We remain unlevered and this puts us in a strong position

for the FY20, given the liquidity challenges some of the competitors are facing.

FY19 was the first full-year of distribution and loan bookbuild. We ended FY19 with the disbursal of Rs. 6150 lacs and loan book of ₹5103 lacs. This is in line with our revised full-year target for FY19. We delivered revenue of ₹2422 lacs, a growth of 98% YoY and our cash burn remains moderate driven by our continued focus on cost management even as we continue to invest in building the business and accelerating growth. To attract talent and drive stakeholder alignment we incentivize our employees with a stock option program. We are in the growth and investment mode currently as we are scaling our business. That said, our business model has significant operating leverage as we expand our distribution, increase activation and add product offerings on the platform. We remain focused on cost management to keep cash burn under check, even as we continue to invest in distribution, talent, and products.

E. OPPORTUNITIES & RISKS:

Opportunities:

India has a massive opportunity to serve a 55M strong MSME ecosystem that remains underserved with an unmet credit demand of US\$300B. We are squarely focused on the target segment of customers with turnovers of less than ₹25crores (US\$←3.5M) and India as about 7.6M small businesses in this target segment. The credit gap alone in this segment stands at ₹11.9tr (US\$105B).

Revenue segment	No. of Units (mm)	Credit Demand (₹ tr)	Bank Credit Supply (₹ tr)	Credit Gap (Rs tr)
1.5m	41.4	4.1	0.9	3.2
1.5 m - 3 m	5.6	1.7	0.6	1.1
3 m - 15 m	4.5	4.8	2.1	2.7
15 m - 30 m	1.3	2.3	1	1.3
30 m - 180 m	1.8	7.2	3.6	3.6
Total	54.6	20.1	8.2	11.9

Source: Deloitte Analysis, MSME Annual Report, RBI, Industry Reports

There is a large funding gap between microfinance and commercial capital that can be filled by a formalised lending process to micro and small enterprises. Niyogin aims to address this through its innovative business model. Apart from the credit, our unique business model gives us relationship-based access to these customers through our financial professional network. This network is digitally savvy, entrepreneurial and can carry multiple products to its



customer base of small businesses. This gives us a unique opportunity to capitalise on platform revenue opportunity across various other financial products (ex- WealthTech) and technology-based products.

Risks:

The Company has significantly invested in technology and digital processes as it acknowledges that these are vital elements for mitigating various risks posed by the environment. The Company has established detailed procedures for underwriting and each loan is underwritten based on assessed cash flows of customers or other such credit evaluation tools including inputs from credit bureau information reports. These policies are regularly monitored against desired outcomes for the organisation and revised as necessary. Fluctuations in interest rates could adversely affect borrowing costs, interest income and net interest margins of companies in the financial sector. Being well funded with a strong capital base, the Company is in a position to tide over such spells. Further, the Company ensures that it maintains an appropriate proportion of assets and liabilities at a floating rate to avoid interest rate mismatches. There is a growing trend towards more stringent regulation in the NBFC sector. The Company is of the view that these changes are structurally beneficial for the financial services industry. Anticipating such regulations and implementing good governance norms before they are mandated will be a priority for the Company.

F. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has a system of internal controls focusing on all processes to ensure the integrity of the financial accounting and reporting processes of the Company to ensure compliance with all legal rules and regulations. The Company has an Audit Committee which meets once in every quarter to review internal control systems, accounting processes, financial information, internal audit findings and other related areas including their adequacies.

G. TECHNOLOGY & DATA INFRASTRUCTURE:

As a fintech organisation, the Company recognizes the significance of having robust technology and data infrastructure which will enable the Company to optimize the digital delivery of products and services to its customers – both in terms of speed and cost. With this view, the Company made the conscious decision to invest upfront in its technology and data capabilities to create a competitive differentiator towards onboarding our

distribution partners and customers. The Company further understands the relevance of information security and accordingly has the relevant security policies in place.

H. HUMAN RESOURCES:

Your Company continues to focus strongly on attracting and retaining the best talent across various functions in its ongoing businesses. The compensation strategy is based on the principle of 'Pay for performance' and has been implemented across all levels to ensure alignment of remuneration to individual performance. The said practice is followed for all business and functional heads. Maintaining Global Standards on the employment front and keeping pace with the ever-developing technology in the field, the company has taken several initiatives to make its workforce more efficient, well organised, professional and skilled. These steps include building high performing teams, encouraging innovations, inducting leadership at all levels, readying its people for higher roles, increasing the scope for the search of young talent and improving the hiring process to raise the talent bar. As on March 31st, 2019, the employee strength of the Company was 73.

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. Your Company undertakes no obligation or liability to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise actual results, performance of 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.



TO THE MEMBERS,

Your Directors have pleasure in presenting their 31st Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2019.

1. FINANCIAL PERFORMANCE:

	(₹ In Lacs)	
Particulars	2018-19	2017-18
Total Income	2422.69	1,223.12
Total Expenditure	3083.75	1,488.31
Profit/(Loss) before Tax	(661.06)	(265.19)
Less: Provision for taxation		
Current Tax	-	-
Deferred Tax Asset	-	-
Net Profit/(Loss) after Tax	(661.06)	(265.19)
Transfer to Reserve under Section 45IC of the RBI Act, 1934	-	-
Balance brought forward from previous period	(738.11)	(472.95)
Balance carried to Balance Sheet	(1399.17)	(738.11)
Earning Per Share		
- Basic	(0.79)	(0.46)
- Diluted	(0.79)	(0.46)

During the year under review, the revenues of the Company stood at ₹ 2422.69 lakhs. The Company posted loss of ₹ 661.06 lakhs as against ₹ 265.19 lakhs in the previous year.

2. OPERATIONAL 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 disburseals and repayment. It is a registered Non-Banking Finance Company under the Reserve Bank of India Act, 1934, having the registration number B-13.02061 and is listed on the Bombay Stock Exchange Limited (BSE Limited). As on 31st March, 2019, your Company has commenced its operations in the States of Maharashtra, Karnataka, Tamil Nadu, Gujarat, Rajasthan.

3. 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 31st March 2019.

4. DEBT EQUITY RATIO:

Your Company's Debt:Equity ratio as on 31st March 2019 stands NIL.

5. NET OWNED FUNDS:

The Net Owned Funds of your Company as on 31st March 2019 stood at Rs. 24910 lakhs.

6. CREDIT RATING:

Since your Company is a Non-Deposit Accepting Non-Systematic NBFC, it does not have any deposits and thus does not require to obtain ratings for the same.

7. 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 27th March 2019. Subsequently, the Regional Director approved the said shifting of the Company's registered office vide order dated 8th July 2019. The Company's new registered office is situated in Chennai at F-22, 3rd Floor, Palm Spring Apartment, 2nd Main Road, Anna Nagar East, Chennai 600 102. The Company's office in Mumbai shall continue to operate as corporate office. The Company, being NBFC, is in the process of obtaining the consent of Reserve Bank of India to change its jurisdiction from the State of Maharashtra to the State of Tamil Nadu and the same is awaited.

8. ACQUISITION:

The Board of Directors of your Company (the "Board"), at its meeting held on 5th September, 2018 approved acquisition of 50.01% stake in InvestDirect Capital Services Private Limited ("ICSPL"). This acquisition will also result in the Company acquiring indirect stake in ICSPL's wholly-owned subsidiary viz. Moneymap Investment Advisors Private Limited ("Moneyfront"). The said acquisition is a non-cash transaction wherein the Company will issue equity shares to the shareholders of ICSPL, by way of preferential issue, as consideration towards the shareholders of ICSPL transferring part of their shareholding in ICSPL in the Company's name. The preferential issue was approved by the Company's shareholders vide postal ballot, the results of which were declared on 27th March 2019. The Company has also obtained in-principal approval of the stock exchange for the said issue.

ICSPL is engaged in the business of distribution of financial products, national pension schemes, corporate deposits, bonds, and mutual funds. Moneyfront is an automated direct plan platform provider helping clients invest in mutual funds and other fixed income instruments and is registered with the SEBI under the SEBI (Investment Advisers) Regulations 2013.

It is envisaged that the acquisition will be beneficial for both, since the partnership will help your Company to take a significant step forward in building its knowledge

and capabilities within the wealth solutions domain and on the other hand, it will help ICSP and its subsidiary to accelerate their growth by leveraging Company's distribution channel and state of the art technology platform.

Pursuant to SEBI Investment Advisors Regulations, change in controlling interest, whether direct or indirect, to the extent of more than 50 per cent of the voting rights can be undertaken only after the prior approval of SEBI. Since this acquisition will result in indirect change in control for Moneyfront, it has approached SEBI for obtaining its approval which was accorded on 5th August 2019.

9. SHARE CAPITAL:

During the year under review till the date of this report, the Company made the following allotment:

Allotment of 4,732,433 (Forty Seven Lakhs Thirty Two Thousand Four Hundred and Thirty Three) equity shares of Rs. 10/- each to Strategic India Equity Fund ("SIEF") (public category) pursuant to the conversion option exercised by SIEF in respect of 4,732,433 Compulsorily Convertible Preference Shares ("CCPS") held by SIEF in the Company. The said CCPS were issued to SIEF, during the financial year 2016-17, on preferential basis at a price of Rs. 21.60 (Rupees Twenty One and Paise Sixty Only) each including premium of Rs. 11.60 (Rupees Eleven and Paise Sixty Only) aggregating to Rs. 102,220,552.80 (Rupees Ten Crores Twenty Two Lakhs Twenty Thousand Five Hundred and Fifty Two and Paise Eighty Only). The said preferential issue was approved by the shareholders vide Postal Ballot, results of which were declared on 18th February 2017.

Subsequent to the aforesaid allotment, the issued and paid-up equity share capital of the Company stands at Rs. 84,76,68,830/- (Rupees Eighty Four Crores Seventy Six Lakhs Sixty Eight Thousand Eight Hundred and Thirty Only) divided into 84,766,883 (Eight Crores Forty Seven Lakhs Sixty Six Thousand Eight Hundred and Eighty Three) equity shares of Rs. 10/- (Rupees Ten Only) each.

10. DEPOSITORY SYSTEM:

The Company's equity shares are compulsorily tradable in electronic form. As on 31st March 2019, 99.93% of the Company's total paid-up capital representing 84707583 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.

11. PUBLIC DEPOSITS:

Your Company did not invite or accept deposits from public during the year under review.

12 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. For details of the current and non-current investments of the Company, please refer Note 13 and 10 to the Audited Financial Statements.

13. 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 is placed before the Audit Committee and the Board of Directors for their approval / noting on a quarterly basis.

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

14. 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 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.

15. DIRECTORS & KEY MANAGERIAL PERSONNEL:

(a) Directors:

As on the date of this report, the Company's Board consists of the following Directors:

- (i) Mr. Amit Rajpal – Chairman & Non-Executive Director
(DIN: 07557866)
- (ii) Mr. Makarand Patankar – Whole Time Director
(DIN: 01584128)
- (iii) Mr. Kapil Kapoor – Independent Director
(DIN: 00178966)
- (iv) Ms. Sutapa Banerjee – Independent Director
(DIN: 02844650)
- (v) Ms. Sucheta Dalal – Independent Director
(DIN: 01351168)
- (vi) Mr. Eric Wetlaufer – Independent Director*
(DIN: 08347413)

*The Board of Directors, at its meeting held on 11th February 2019, appointed Mr. Eric Wetlaufer (Additional Director) as an Independent Director of the Company for a period of 5 years effective 12th February 2019.

Brief Profile of Mr. Eric Wetlaufer:

Eric earned a B.A. from Wesleyan University, Middletown, Connecticut, is a Chartered Financial Analyst and a certified member of the Canadian Institute of Corporate Directors. He provides counsel as a director, advisor and investor to a range of large public to smaller private companies, with a particular focus on technology and financial sectors. 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. Prior to joining CPPIB in 2011, he was Group Chief Investment Officer, International at Fidelity in Boston, Massachusetts. Prior, held the roles of Chief Investment Officer at Putnam Investments and Managing Director at Cadence Capital Management in Boston. He currently serves on the Board of Directors of the TMX Group and of Soulpepper Theatre Company and is an advisor to GrainDiscovery, CryptoNumerics and the Aion Foundation and is a past president of the CFA Society Boston.

The Independent Directors of your Company have given the certificate of independence to your Company stating that they meet the criteria of independence as mentioned under Section 149(6) of the Companies Act, 2013.

In accordance with Section 152 and other applicable provisions of Companies Act, 2013, Mr. Makarand 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 for your approval.

(b) Key Managerial Personnel:

As on the date of this Report, the following persons have been appointed 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. Sandeep Akolkar – Chief Financial Officer (w.e.f. 14th February, 2019)
- (iii) Mr. Mandar Godbole – Company Secretary & Compliance Officer

During the year under review, Mr. Sandeep Kumar Saraogi resigned as the Chief Financial Officer of the Company with effect from 2nd November, 2018.

16. BOARD & COMMITTEE MEETINGS:

- (a) Five (5) Board Meetings were held, details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.
- (b) Four (4) Audit Committee Meetings were held, details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.
- (c) Four (4) Nomination & Remuneration Committee Meeting was held, details of which are given in the Corporate Governance Report.

- (d) One (1) Stakeholders Relationship Committee Meeting was held, details of which are given in the Corporate Governance Report.

17. 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 performance, the directors individually as well as the evaluation of the working of its Audit Committee and the Nomination & Remuneration Committee. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

18. 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.

Your Company has received declarations from the Independent Director(s), affirming compliance with the criteria of independence as stipulated in Section 149(6) of the Companies Act, 2013.

19. 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).

20. 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 www.niyogin.in.

21. 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 31st March, 2019, 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 31st March, 2019 and of the profit/loss of the Company for the financial year ended 31st March, 2019;

- (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.

22. 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 29th Annual General Meeting held on 28th September, 2017 approved the appointment of B S R & Co. LLP, Chartered Accountants (ICAI Registration No - 101248W/W-100022), as the Statutory Auditors of the Company for an initial term of 5 years i.e. from the conclusion of 29th Annual General Meeting till the conclusion of the 34th Annual General Meeting of the Company. The Report given by M/s. B S R & Co. LLP, Chartered Accountants, on the financial statements of the Company for the year ended 31st March 2019 is part of the Annual Report. There has been no qualification, reservation or adverse remark or disclaimer in their 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.

23. 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 31st March 2019. The Report of the Secretarial Audit is annexed herewith as Annexure 'II'.

24. 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 1, 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.

25. 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.

26. 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 Protiviti India Member Private Limited, the Internal Auditors. The Internal Auditors independently evaluate the adequacy of internal controls.

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

The Companies Act, 2013 re-emphasizes the need for an effective Internal Financial Control system in the Company. The system should be designed and operated effectively. Rule 8(5)(viii) of Companies (Accounts) Rules, 2014 requires the information regarding adequacy of Internal Financial Controls with reference to the financial statements to be disclosed in the Board's report. To ensure effective Internal Financial Controls, the Company has laid down the following measures:

- All operations are executed through Standard Operating Procedures (SOPs) in all functional activities for which key manuals have been put in place. The manuals are updated and validated periodically.
- All legal and statutory compliances are ensured on a monthly basis for all locations in India through a fully automated tool. Non-compliance, if any, is seriously taken by the management and corrective actions are taken immediately.
- Approval of all transactions is ensured through a pre-approved delegation of authority schedule. The schedule is reviewed periodically by the management and compliance of the same is regularly checked and monitored by the auditors.
- The Company follows a robust internal audit process wherein audits are conducted on a regular basis throughout the year by the Internal Auditors as per agreed audit plan.

- The audit reports of the Internal Auditors are submitted to the Audit Committee and the Board for review and necessary action.
- The Company has a comprehensive risk management framework.
- The Company has a robust mechanism of building budgets at an integrated cross functional level. The budgets are reviewed on a monthly basis so as to analyze the performance and take corrective action, wherever required.
- The Company has in place a well-defined Whistle Blower Policy / Vigil Mechanism.
- The Company has a system of internal business reviews. All departmental heads discuss their business issues and future plans in monthly review meetings. They review their achievements in quarterly review meetings.
- Compliance of the secretarial functions is ensured by way of secretarial audit.

28. CORPORATE SOCIAL RESPONSIBILITY:

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.

29. EXTRACT OF ANNUAL RETURN:

Pursuant to sub-section 3(a) of Section 134 and sub-section (3) of Section 92 of the Companies Act, 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return as on 31st March, 2019 forms part of this report as **Annexure 'I'**.

30. PARTICULARS OF EMPLOYEES:

During the year, there were 73 employees on the payroll of the Company. During the year, 1 employee employed throughout the year was in receipt of remuneration of ₹ 1 crore and 2 lakh or more per annum and 0 employees employed for part of the year was in receipt of remuneration of ₹ 8.5 lac or more per month. In accordance with the provisions of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and particulars of the top ten employees in terms of remuneration drawn and of the aforesaid employees are set out in the annexure to the Directors' Report. In terms of the provisions of Section 136(1) of the Companies Act, 2013 read with the rule, the Directors' Report is being sent to all shareholders of the Company excluding the annex. Any shareholder interested in obtaining a copy of the annexure may write to the Company.

Further disclosures on managerial remuneration are annexed to this report.

31. EMPLOYEE STOCK OPTION PLAN:

During the year, 918,559 options were granted to the eligible employees pursuant to the Company's Employee Stock Option Scheme 2018. The said options have not vested till the date of this report. The applicable

disclosures as stipulated under the SEBI Regulations as on 31st March 2019 with regard to Employees Stock Option Plan are provided in Annexure 'VI' to this report.

32. SEXUAL HARASSMENT POLICY:

During the year under review the Company has not received any complaint from the employees related to sexual harassment. The Company has in place sexual harassment policy which is available on the Company's website.

33. 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.

34. VIGIL MECHANISM:

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

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

- A. Conservation of Energy: NIL
- B. Technology Absorption: NIL
- C. Foreign Exchange Earning: NIL
- D. Foreign Exchange Outgo: NIL

36. APPRECIATIONS:

Your Directors take this opportunity to express their appreciation to all stakeholders of the Company including the Reserve Bank of India, the Ministry of Corporate Affairs, the Securities and Exchange Board of India, the Government of India and other Regulatory Authorities, Members, Customers and Employees of the Company for their continued support and trust. Your Directors would like to express deep appreciation for the commitment shown by the employees in supporting the Company in achieving continued robust performance on all fronts.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
NIYOGIN FINTECH LIMITED**

Sd/-
Amit Rajpal
DIN: 07557866
Date: 9th August, 2019
Place: Mumbai

Form No. MGT-9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March 2019
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	:	L65910MH1988PLC239746
Registration Date	:	01.02.1988
Name of the Company	:	Niyogin Fintech Limited
Category / Sub-Category of the Company	:	Public Company Limited by shares, NBFC Non-Government Company
Address of the Registered office and contact details (w.e.f. July 8th, 2019)	:	F-22, 3 rd Floor Palm Spring Apartment, 2 nd Main Road, Anna Nagar (East), Chennai - 600102 Telephone: +91 44 42070390; Email id: niyogin.compliance@niyogin.in
Address of the Corporate office and contact details	:	Neelkanth Corporate IT Park, 311/312, 3 rd Floor, Kirol Road, Vidyavihar (w), Mumbai - 400086 Telephone: +91 22 62514633; Email id: niyogin.compliance@niyogin.in
Whether listed company	:	Yes (Equity Shares of the Company are listed on BSE Limited)
Name, Address and Contact details of Registrar and Transfer Agent, if any:	:	Link Intime India Private Limited C-101, 1 st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai - 400083 Telephone: +91 22 25963838 Fax: +91 22 25946979 Email id: shweta.poojari@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products/ Services	NIC Code of the Product/ service	% to total turnover of the company
1.	NBFC engaged in lending and allied activities	649	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the Company	CIN / GLN	Holding / subsidiary / associate	% of shares held	Applicable section
					Not Applicable

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

i. Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year (i.e. 01.04.2018)				No. of Shares held at the end of the year (i.e.31.03.2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt. (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	33521995	-	33521995	41.88	33702494	-	33702494	39.76	(2.12)

Category of Shareholders	No. of Shares held at the beginning of the year (i.e. 01.04.2018)				No. of Shares held at the end of the year (i.e.31.03.2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):	33521995	-	33521995	41.88	33702494	-	33702494	39.76	(2.12)
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	33521995	-	33521995	41.88	33702494	-	33702494	39.76	(2.12)
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	20816250	-	20816250	26.01	25065683	-	25065683	29.57	3.56
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt. (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs (FPI)	18265850	-	18265850	22.82	17992325	-	17992325	21.23	(1.59)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):	-	-	-	-	-	-	-	-	-
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	3633519	-	3633519	4.54	3514025	1600	3515625	4.15	(0.39)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakhs	689889	55800	745689	0.93	1066369	54200	1120569	1.32	0.39
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakhs	2933977	-	2933977	3.67	1674271	-	1674271	1.98	(1.69)
c) Others (specify)	3745589	5100	3750689	4.69	-	-	67753	0.08	(4.61)
Clearing House	62291	-	62291	0.08	-	-	-	-	(0.08)
HUF	48299	-	48299	0.06	154368	-	154368	0.18	0.12
NRIs	1480	3500	4980	0.00	1472295	3500	1475795	1.74	1.74
Trusts	-	-	-	-	-	-	-	-	-
Sub-total(B)(2):							33072064	39.02	
Total Public Shareholding (B)=(B)(1)+(B)(2)	46451555	60900	46512455	58.12	-	-	51064389	60.24	2.12
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	79973550	60900	80034450	100	-	-	84766883	100	-



ii. SHAREHOLDING OF PROMOTERS:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	Information Interface India Private Limited	33521995	41.88	0	33,702,594	39.76	0	(2.12)
	Total	33521995	41.88	0	33,702,594	39.76	0	

iii. CHANGE IN PROMOTERS' SHAREHOLDING:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
3	Information Interface India Private Limited				
	At the beginning of the year	3,35,21,995	41.88	-	-
	Purch. on 28.11.2018	202	0.00	33,522,197	39.55
	Purch. 29.11.2018	4,153	0.01	33,526,350	39.55
	Purch. 30.11.2018	50	0.00	33,526,400	39.55
	Purch. 03.12.2018	24	0.00	33,526,424	39.55
	Purch. 07.12.2018	5,106	0.02	33,531,530	39.56
	Purch. 10.12.2018	250	0.00	33,531,780	39.56
	Purch. 12.12.2018	19,500	0.06	33,551,280	39.56
	Purch. 14.12.2018	45	0.00	33,551,325	39.58
	Purch. 24.01.2019	80,642	0.10	33,631,967	39.68
	Purch. 25.01.2019	2,465	0.00	33,634,432	39.68
	Purch. 29.01.2019	4,875	0.01	33,639,307	39.68
	Purch. 30.01.2019	18,834	0.02	33,658,141	39.71
	Purch. 31.01.2019	6,413	0.01	33,664,554	39.71
	Purch. 01.02.2019	27,646	0.03	33,692,200	39.75
	Purch. 28.02.2019	2,851	0.00	33,695,051	39.75
	Purch. 28.02.2019	250	0.00	33,695,301	39.75
	Purch. 01.03.2019	400	0.00	33,695,701	39.75
	Purch. 07.03.2019	320	0.00	33,696,021	39.75
	Purch. 08.03.2019	60	0.00	33,696,081	39.75
	Purch. 11.03.2019	180	0.00	33,696,261	39.75
	Purch. 12.03.2019	900	0.00	33,697,161	39.75
	Purch. 13.03.2019	1,000	0.00	33,698,161	39.75
	Purch. 14.03.2019	1,000	0.00	33,699,161	39.76
	Purch. 22.03.2019	1,000	0.00	33,700,161	39.76
	Purch. 25.03.2019	1,000	0.00	33,701,161	39.76
	Purch. 26.03.2019	1,000	0.00	33,702,161	39.76
	Purch. 27.03.2019	333	0.00	33,702,494	39.76
	Purchase 28.03.2019	100	0.00	33,702,594	39.76
	At the End of the year	33,702,594	39.76	33,702,594	39.76

iv. **SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS): -**

Sr. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	WF ASIAN RECONNAISSANCE FUND LIMITED				
	At the beginning of the year	12169500	15.21	-	-
	At the end of the year	12169500			
2.	STRATEGIC INDIA EQUITY FUND				
	At the beginning of the year	8646750	10.80	-	-
	Allotment pursuant to conversion of CCPS on 28th May 2018	4732433	10.80	8646750	10.80
	Sold during the year	485000			
	At the end of the year	12894183	15.21		
3.	VIKASA INDIA EIF I FUND				
	At the beginning of the year	7377850	9.22	-	-
	Sold during the year	52400			
	At the end of the year	7325450	8.64	-	-
4.	CARMIGNAC PORTFOLIO				
	At the beginning of the year	6405000	8.00	-	-
	At the end of the year				
5.	ALCHEMY INDIA LONG TERM FUND LIMITED				
	At the beginning of the year	4483000	5.60	-	-
	At the end of the year	4259875			
6.	ALCHEMY CAPITAL MANAGEMENT PVT LTD				
	At the beginning of the year	1922000	2.40	-	-
	At the end of the year	1922000			
7.	LUCKY INVESTMENT MANAGERS PRIVATE LIMITED				
	At the beginning of the year	1281000	1.60	-	-
	At the end of the year				
8.	AKASH PREM PRAKASH				
	At the beginning of the year	768600	0.96	-	-
	At the end of the year				
9.	ANIL BANG				
	At the beginning of the year	600000	0.75	-	-
	At the end of the year				
10.	SAMIR SURENDRA SHAH				
	At the beginning of the year	220500	0.28	-	-
	At the end of the year	190499			

v. **SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

SR. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Mr. Kapil Kapoor				
	At the beginning of the year	320250	0.40	-	-
	At the end of the year	320250	0.40	320250	0.40
2.	Mr. Makarand Ram Patankar				
	At the beginning of the year	-	-	-	-
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	-	-	-	-
	At the end of the year	-	-	-	-



SR. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
3.	Mr. Amit Vijay Rajpal				
	At the beginning of the year	-	-	-	-
	Purchase of shares from Open Market on 27 th February 2019	274271	0.32	274271	-
	At the end of the year	274271	0.32	-	-
4.	Ms. Sucheta Dalal				
	At the beginning of the year	-	-	-	-
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	-	-	-	-
	At the end of the year	-	-	-	-
5.	Ms. Sutapa Banerjee				
	At the beginning of the year	-	-	-	-
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	-	-	-	-
	At the end of the year	-	-	-	-
6.	Mr. Eric Wetlaufer[#]				
	At the beginning of the year	-	-	-	-
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	-	-	-	-
	At the end of the year	-	-	-	-
7.	Mr. Mandar Godbole				
	At the beginning of the year	-	-	-	-
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	-	-	-	-
	At the end of the year	-	-	-	-
8.	Mr. Sandeep Kumar[@]				
	At the beginning of the year	-	-	-	-
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	-	-	-	-
	At the end of the year	-	-	-	-
9.	Mr. Sandeep Akolkar[#]				
	At the beginning of the year	-	-	-	-
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	-	-	-	-
	At the end of the year	-	-	-	-

@Resigned w.e.f. 2nd November 2018

#Appointed w.e.f. 14th February 2019

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/ Manager/WTD Mr. Makarand Patankar	Total Amount
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	30,00,000	30,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission		
	- as % of profit	-	-
	- others, specify	-	-
5.	Others, please specify		
	(Performance Incentives)	-	-
	Total (A)	30,00,000	30,00,000
	Ceiling as per the Act	Rs. 84,00,000 as on Financial Year ended March 31 st , 2019 (Being specified under Part II of Schedule V in case of Company having no or inadequate profits)	

B. REMUNERATION TO OTHER DIRECTORS:

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Kapil Kapoor	Sucheta Dalal	Sutapa Banerjee	Eric Wetlaufer (appointed w.e.f. 12 th February 2019)	
1.	Independent Directors					
	• Fee for attending board	250,000	250,000	250,000	-	750,000
	• Committee meetings*	125,000	175,000	200,000	-	500,000
	• Commission					
	• Others, please specify					
	Total (1)					12,50,000
2.	Other Non-Executive Directors	Amit Vijay Rajpal				
	• Fee for attending board	-	-	-	-	-
	• Committee meetings	-	-	-	-	-



• Commission	-	-	-	-	-
• Others, please specify	-	-	-	-	-
Total (2)	-	-	-	-	-
Total (B)=(1+2)					12,50,000
Ceiling as per the Act	Rs. 100,000 is the ceiling amount on the sitting fees for Directors.				
	Your Company pays Rs. 50,000 and Rs. 25,000 for Board (including AGM) and Committee Meetings respectively				
Total Managerial Remuneration (A+B)	-	-	-	-	-
Overall Ceiling as per the Act	Rs. 84 Lakhs is the maximum limit which a Company can pay as managerial remuneration in case of inadequate or negative profits				

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

Sl. No.	Particulars of Remuneration	Particulars of Remuneration			Total
		Company Secretary	CFO		
1	Gross salary	Mandar Godbole	Sandeep Kumar#	Sandeep Akolkar@	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	17,12,174	26,22,510	6,39,882	49,74,566
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	17,12,174	26,22,510	6,39,882	49,74,566

Resigned w.e.f. 2nd November, 2018

@Appointed w.e.f. 14th February, 2019

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty /Punishment/ Compounding fees imposed	Authority [RD / NCLT/COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			Nil		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			Nil		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			Nil		
Punishment					
Compounding					

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

Sd/-
Mr. Amit Rajpal
DIN: 07557866

Date: August 9th, 2019
Place: Mumbai

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2019

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

To,
The Members,
NIYOGIN FINTECH LIMITED

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Niyogin Fintech Limited ('the Company'). The 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 authorised 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 March 31, 2019 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 March 31st, 2019 according to the applicable 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; [Applicable only to the extent of Foreign Direct Investment and Overseas Direct Investment]
- (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; [Not Applicable to the Company during the Audit period.]
 - 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;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee

- Stock Purchase Scheme) Guidelines, 1999;
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; [Not Applicable to the Company 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; [Not Applicable to the Company during the Audit period.]
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; [Not Applicable to the Company during the Audit period.] and
- i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Stock Exchange.

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

I further report that:

- a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors and the Key Managerial Personnel of the Company that took place during the year under review were carried out in compliance with the provisions of the Act.
- b. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c. Majority decision is carried through the unanimous consent of all the Board of Directors and recorded as part of the minutes.

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.



Annexure A

I further report that during the audit period the Company has transacted following activities through the approval of the Board/Members, wherever applicable:

1. The Board of Directors of the Company, by means of Board Resolution dated May 28th, 2018, allotted 47,32,433 Equity Shares to Strategic India Equity Fund (SIEF) pursuant to conversion of CCPS.
2. The Board of Directors of the Company, by means of Board Resolution dated September 05th, 2018, proposed to acquire majority stake in Moneymap Investment Advisors Private Limited.
3. The Board of Directors of the Company, by means of Board Resolution dated February 11th, 2019, approved the execution of Share Purchase Agreement and Shareholders' Agreement in connection with acquisition of 50.01% stake by the Company in InvestDirect Capital Services Private Limited.
4. The Board of Directors of the Company, by means of Board Resolution dated February 11th, 2019, approved issuance of equity shares for an amount not exceeding Rs. 8.6 Crores to the shareholders of InvestDirect Capital Services Private Limited.
5. The Board of Directors of the Company, by means of Board Resolution dated February 11th, 2019, considered and approved to grant unsecured loan to InvestDirect Capital Services Private Limited for an amount not exceeding Rs. 50 Lakhs.
6. The members of the Company, by means of Special Resolution passed through Postal Ballot including E-Voting on July 09th, 2018 have accorded approval for the following transactions:
 - i. Introduction and Implementation of Niyogin Employees Stock Option Plan 2018 (ESOP 2018).
7. The members of the Company, by means of Special Resolution passed through Postal Ballot including E-Voting on March 23th, 2019 have accorded approval for the following transactions:
 - i. Shifting of registered office of the Company from the state of Maharashtra to the state of Tamil Nadu;
 - ii. Issue upto 11,43,277 Equity Shares on preferential allotment/ private placement.

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

Sd/-
Mitesh J. Shah
Proprietor
FCS No.: 10070
C. P. No.: 12891

Date: August 09, 2019
Place: Mumbai

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.

To,
The Members,
Niyogin Fintech Limited

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

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

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

Sd/-
Mitesh J. Shah
Proprietor
FCS No.: 10070
C. P. No.: 12891

Date: August 09th, 2019
Place: Mumbai

Disclosures in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the Financial Year ended March 31st, 2019

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	11.83
		Mr. Amit Rajpal	NA
		Mr. Kapil Kapoor	NA
		Ms. Sutapa Banerjee	NA
		Ms. Sucheta Dalal	NA
		Mr. Eric Wetlaufer	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 2019
		Mr. Makarand Patankar	NIL
		Mr. Amit Rajpal	NA
		Mr. Kapil Kapoor	NA
		Ms. Sutapa Banerjee	NA
		Ms. Sucheta Dalal	NA
		Mr. Eric Wetlaufer	NA
		Mr. Sandeep Akolkar	NA
		Mr. Mandar Godbole	NA
3.	The percentage increase in the median remuneration of employees in the financial year	48.67	
	Note: Sitting fees paid to Non-Executive Independent Directors during the FY 2018-19 has not been included for calculation of remuneration paid to them.		
4.	Number of permanent employees on the rolls of Company at the end of financial year		73
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year was (NA) whereas the average percentile increase in the managerial remuneration was (NA) 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.	

Disclosures pursuant to Regulation 34(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as on March 31st, 2019

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:	<ul style="list-style-type: none"> • 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 	NA
2	Subsidiary Company(ies):	<ul style="list-style-type: none"> • 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 	NA
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	NA

FORM NO. AOC.2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third provision thereto

(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: Not Applicable
 - (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
 - (a) Name(s) of the related party and nature of relationship – Gaurav Patankar, son of Makarand Patankar – Whole-Time Director
 - (b) Nature of contracts/arrangements/transactions – Consultancy Services
 - (c) Duration of the contracts/arrangements/transactions – Need based
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: the value of transaction(s) shall not exceed ₹6 lacs
 - (e) Date(s) of approval by the Board, if any: 28th May, 2018
 - (f) Amount paid as advances, if any: NA

Details of Employees' Stock Option Scheme pursuant to the provisions of Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 for the year ended March 31st, 2019

Sr. No.	Details	ESOS
1.	Options granted during the year	918559
2.	Options vested	0
3.	Options exercised	0
4.	Total number of shares arising as a result of exercise of option	0
5.	Options lapsed/ Forfeited	2
6.	Exercise Price (in Rs.)	10
7.	Money realised by exercise of options (in Rs.)	0
8.	Total number of options in force as at March 31 st , 2019	918557



1. COMPANY'S PHILOSOPHY ON CORPORATE 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.

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 (Listing Obligations and Disclosure Requirements) Regulations, 2015, to maintain the independence of the Board and to separate the Board functions of governance and management.

As on 31st March 2019 the Board comprised of a Chairman (Non-Executive Non-Independent Director), 1 (one) Whole-Time Director and 4 (four) Non-Executive Independent Directors including 2 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 (Listing Obligations and Disclosure

Requirements) Regulations, 2015, across all the Companies in which he / she is Directors as per the disclosures made by all the Directors.

B. MEETINGS OF THE BOARD:

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.

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 5 (five) times on 28th May 2018, 13th August 2018, 5th September 2018, 2nd November 2018 and 11th February 2019.

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:

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	Attended	
Mr. Amit Rajpal	Non-Executive Director	5	5	No
Mr. Makarand Patankar	Whole-Time Director	5	3	Yes
Mr. Kapil Kapoor	Independent Director	5	5	Yes
Ms. Sutapa Banerjee	Independent Director	5	5	No
Ms. Sucheta Dalal	Independent Director	5	5	Yes
Mr. Eric Wetlaufer	Independent Director	5	1	No

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 (incl. in the Company)@	
		Membership	Chairman
Mr. Amit Rajpal	Nil	1	Nil
Mr. Makarand Patankar	Nil	2	0
Mr. Kapil Kapoor	2	2	2
Ms. Sutapa Banerjee	7	10	3
Ms. Sucheta Dalal	0	1	1
Mr. Eric Wetlaufer	Nil	Nil	Nil

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

@ Memberships include Chairmanships. Only memberships of Audit Committee, Remuneration Committee and Stakeholders' Relationship Committee are considered.

D. There is no relationship between the Directors inter-se.

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

Sr. No.	Name	Nature of Directorship	No. of shares held	Type of security
1.	Mr. Amit Rajpal	Non-Executive Director	2,74,231	Equity
2.	Mr. Kapil Kapoor	Independent Director	3,21,250	Equity

F. FAMILIARIZATION PROGRAMME:

The Company has in place a familiarization programme for the Independent Directors. The familiarization programme aims to familiarise 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 www.niyogin.in.

- (2) Ms. Sucheta Dalal, Non-Executive Independent Director (Member); and
- (3) Mr. Makarand Patankar, Whole-Time Director (Member).

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 Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 (c) of

3. BOARD COMMITTEES:

In compliance with the requirements of the Companies Act, 2013, Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable laws, the Company has the following committees in place: (i) Audit Committee (ii) Stakeholders Relationship Committee (iii) Nomination & Remuneration Committee and (iv) 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

The Audit Committee consists of three (3) members, of which two (2) are Non-Executive Independent Directors and one (1) Whole-Time Director viz. namely:

- (1) Ms. Sutapa Banerjee, Non-Executive Independent Director (Chairperson);

- 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.

Meetings:

During the year under review, four (4) Audit Committee meetings were held on 28th May, 2018, 13th August, 2018, 2nd November 2018, 11th February 2019. The gap between two consecutive meetings is less than 120 days. The details of meetings attended by the Members are given below:

Name	No. of meetings attended
Ms. Sutapa Banerjee	4
Ms. Sucheta Dalal	4
Mr. Makarand Patankar	3

A. Stakeholders' Relationship Committee :

Composition:

The Stakeholders' Relationship Committee comprises of three (3) members of which two are Non-Executive Independent Director and the other, Whole Time Director. The Chairperson is an Independent Director.

(1) Ms. Sucheta Dalal - Non-Executive Independent Director (Chairman);

(2) Mr. Kapil Kapoor Non-Executive Independent Director (Member); and

(3) Mr. Makarand Patankar, Whole-Time Director (Member).

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.

Meetings:

During the year under review, the committee met one time on 11th February 2019. All the members attended the meeting.

Details of Investor Complaints:

The Company did not receive any queries/ complaints during the year under review.

Name, Designation and Address of Compliance Officer:

Mr. Mandar Godbole
Company Secretary & Compliance Officer

Niyogin Fintech Limited
Corporate Office: Neelkanth Corporate IT Park, 311/312,
3rd Floor, Kirod Road,
Vidyavihar (w), Mumbai – 400086

B. Nomination and Remuneration Committee:**Composition:**

The Nomination and Remuneration Committee comprises of three (3) Non-Executive Independent Directors viz.:

- (1) Mr. Kapil Kapoor - Non-Executive Independent Director (Chairman);
- (2) Mr. Amit Rajpal - Non-Executive Non - Independent Director (Member); and
- (3) Ms. Sutapa Banerjee. (Member).

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.

Meetings:

During the year under review 2018-19, four (4) meetings of the Nomination and Remuneration Committee were held on 28th May 2018, 13th August, 2018, 5th September 2018 &

11th February 2019. The said meetings were attended by all the members.

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.

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 and CFO

At the time of appointment or re-appointment, the CFO & 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 CFO & 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, where required.

The remuneration of the CFO and Whole-Time Director comprises of fixed and variable component as per the provisions of Companies Act, 2013. The fixed component comprises 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 31st March 2019:

Particulars	Amount (in Rs.)
Salary	30,00,000
Perquisites	-
Commission	-
Performance bonus	
Total	30,00,000

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 (Accounts)

Non-Executive Independent Directors of the Company do not draw any remuneration from the Company other than sitting fees for attending Board and Audit Committee meetings. None of the Non-Executive Independent Directors have entered into any pecuniary transaction or relationship with the Company.

The Company pays Rs. 50,000 for each Board Meeting and Rs.25,000 for the Committee Meetings.

Details of sitting fees paid for attending Board and Committee Meetings during the year ended 31st March 2019 are given below:

Name	Sitting Fees		Total
	Board Meetings	Committee Meetings	
Mr. Kapil Kapoor	250,000	125,000	375,000
Ms. Sutapa Banerjee	250,000	200,000	450,000
Ms. Sucheta Dalal	250,000	175,000	425,000
Total	750,000	500,000	1,250,000

1. COMPANY POLICIES:

The Company has the following policies in place which can be viewed on the Company's website viz. www.niyogin.in

Policy on determination of Materiality	https://www.niyogin.in/documents/20143/123269/Policy+on+determination+of+Materiality.pdf/d408d518-f5df-4799-8dd3-dccc8d6d6896
Policy on preservation of documents	https://www.niyogin.in/documents/20143/123269/Policy+on+preservation+of+documents.pdf/b93c00b5-d7bc-ec3a-996e-4d537e009ccb
Policy on Vigil Mechanism	https://www.niyogin.in/documents/20143/123269/Policy+on+Vigil+Mechanism.pdf/3a97635c-df87-20f3-346e-0d42f46dff32
Code of Conduct	https://www.niyogin.in/documents/20143/123269/Code+of+Conduct+for+Management+and+Senior+Employees.pdf/cbd351c4-1715-2391-34ff-096a8f4ff622

Related Party Transaction Policy	https://www.niyogin.in/documents/20143/123269/Related+Party+Transaction+Policy.pdf/e5e2bd7a-1fbf-4269-c0c0-1a89376a205e
Web Archival Policy	https://www.niyogin.in/documents/20143/123269/Related+Party+Transaction+Policy.pdf/e5e2bd7a-1fbf-4269-c0c0-1a89376a205e
Nomination and Remuneration Policy	https://www.niyogin.in/documents/20143/123269/Web+Archival+Policy.pdf/0fbdf346-a031-f3d9-043c-55632a8e18f5
Care & Dignity Policy	https://www.niyogin.in/documents/20143/123269/Nomination+%26+Remuneration+Policy.pdf/210e92fd-24f1-4fe3-436e-64dc5b740226

2. 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 Audit Committee and Nomination and Remuneration committee.

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.

3. MEETING OF THE INDEPENDENT DIRECTORS:

During the year under review, the Independent Directors met on 22nd May 2019, inter alia, to discuss:

- Evaluation of the performance of the Board of Directors as a Whole;
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Non-executive Directors.
- Evaluation of the quality, 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. OTHER INFORMATION:

- Corporate Identity Number allotted to the Company by the Ministry of Corporate Affairs: L65910MH1988PLC239746.

(b) 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.in. All the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct. A declaration to this effect signed by the Chairman & Whole-Time Director forms part of this

I confirm that for the year under review, directors and senior management have affirmed their adherence to the provisions of the Code of Conduct.
Makarand Patankar
Whole Time Director
Mumbai
22nd May, 2019

(c) 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
2017-18	Tuesday, 25 th September, 2018 at 11:00 a.m. onwards	Neelkanth Corporate IT Park, 311/312, 3 rd Floor, Kiroli Road, Vidyavihar (west), Mumbai - 400086
2016-17	Thursday, 28 th September, 2017 at 11:00 a.m. onwards	Aqaba Banquet, Level P5, Club House, Peninsula Business Park, Senapati Bapat Marg, Lower Parel, Mumbai-400013
2015-16	Monday, 19 th September, 2016 at 1.30 pm onwards	The Orient Club, 9, Chowpatty Sea Face, Mumbai-400007

(ii) Special Resolutions passed in the previous three Annual General Meetings:

Financial Year	Date and Time of Meeting
2017-18	-
2016-17	-
2015-16	Approval for assignment of amount receivable from Yamala Infrastructure Private Limited.

5. OTHER DISCLOSURES:

(a) During the year under review, the Company has entered into a related party transaction, which was in the normal course of business for which necessary approvals are taken and disclosures are made. The Company has not entered into any materially

significant related party transactions i.e., transactions of material nature, with its Promoters, Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large. However, the Company has annexed to the financial statements a list of all related parties as per Section 188 of the Companies Act, 2013 and Accounting Standard 18 and the transactions entered into with them and pursuant to and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The Company has in place Policy on Related Party Transactions. This Policy can be viewed on the Company's website viz. www.niyogin.in in the "Investor Relations" Section.

(b) 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.

(c) The Whole-Time Director and the Chief Financial Officer have certified to the Board in accordance with the requirements of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to CEO / CFO Certification for the period ended 31st March 2019.

(d) The Companies risk management framework is being reviewed and revised to minimize risk and strengthen risk assessment.

(e) 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.

(f) No personnel have been denied access to the Chairman or members of the Audit Committee. Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors has formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177 (10) of the Companies Act, 2013 and Regulation 4 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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.in in the "Investor Relations" Section.

- (g) To the extent possible, the Company has complied with the mandatory requirements of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (h) 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.
- (i) The Company has not complied with the discretionary requirements as mentioned in Part E of Schedule II.

6. MEANS OF COMMUNICATION :

- a. Financial Results: As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 as and when approved by the Board. 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.in.
- 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.in. Official announcements are sent to the Stock Exchanges.
- c. Website: The Company's corporate website www.niyogin.in 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. The presentations made to the investors are also uploaded on the website of the Company.

7. MANDATORY REQUIREMENT :

The Company has complied with the mandatory requirements of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to Corporate Governance.

8. GENERAL SHAREHOLDER INFORMATION:

Annual General Meeting	31 st Annual General Meeting
Financial Year	2018-19
Time & Venue	01.00pm. on Tuesday, 17 th September, 2019 at Trident Chennai, 1/24 GST Road, Chennai- 600027
Date of Book Closure	Wednesday, 11 th September, 2019 is the cut-off date. Book closure start date: Thursday, 12 th September, 2019 Book closure end date: Tuesday, 17 th September, 2019
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	F-22, 3 rd Floor Palm Spring Apartment, 2 nd Main Road, Anna Nagar (East), Chennai - 600102
Corporate Address	Neelkanth Corporate IT Park, 311/312, 3 rd Floor, Kirod Road, Vidyavihar (w), Mumbai - 400086



Financial Calendar (tentative and subject to change) (For F.Y. 2019-20)

Particulars	Tentative Dates
Unaudited Financial Results for 1 st Quarter ended 30 th June 2019	9 th August 2019
Unaudited Financial Results for 2 nd Quarter ended 30 th September 2019	10 th November, 2019
Unaudited Financial Results for 3 rd Quarter ended 31 st December 2019	10 th February 2020
Audited Financial Results for the financial year ended 31 st March 2020	20 th May 2020

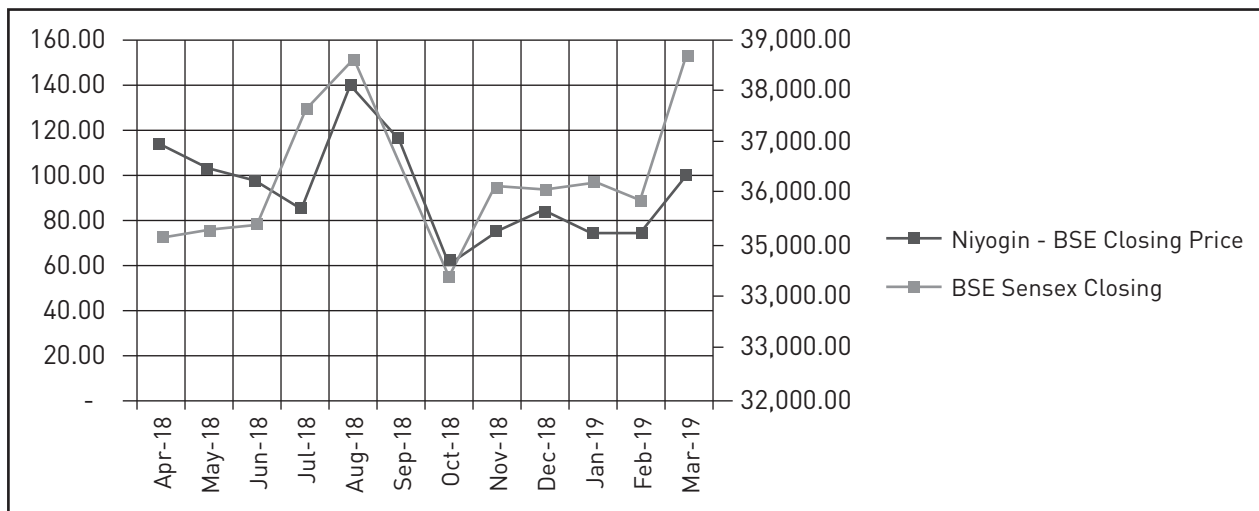
Financial Year

The Company follows the financial year starting from April 1 to March 31st each year.

Market Price Data - BSE:

Month	BSE Sensex Closing	Niyogin - BSE Closing Price
Apr-18	35,160.36	112.55
May-18	35,322.38	101.80
Jun-18	35,423.48	96.55
Jul-18	37,606.58	83.55
Aug-18	38,645.07	139.70
Sep-18	36,227.14	114.70
Oct-18	34,442.05	61.10
Nov-18	36,194.30	75.20
Dec-18	36,068.33	83.20
Jan-19	36,256.69	72.65
Feb-19	35,867.44	74.00
Mar-19	38,672.91	98.35

Performance in comparison to BSE SENSEX:



1. SHAREHOLDER'S INFORMATION:

Registrar & Share Transfer Agent	LinkIn Time India Private Limited
Share Transfer System	

The Distribution of Shareholding as on 31st March 2019

SR.NO.	SHAREHOLDING OF NOMINAL VALUE (INR)			NUMBER OF SHAREHOLDERS	% OF TOTAL	SHARE AMOUNT (INR)	% OF TOTAL SHARE AMOUNT
1	1	to	5000	608	59.3171	1303720.00	0.1538
2	5001	to	10000	150	14.6341	1247180.00	0.1471
3	10001	to	20000	82	8.0000	1300620.00	0.1534
4	20001	to	30000	40	3.9024	1001060.00	0.1181
5	30001	to	40000	19	1.8537	695240.00	0.0820
6	40001	to	50000	22	2.1463	1070600.00	0.1263
7	50001	to	100000	40	3.9024	3068390.00	0.3620
8	100001	to	*****	64	6.2439	837982020.00	98.8572
TOTAL				1025	100.0000	847668830.00	100.0000

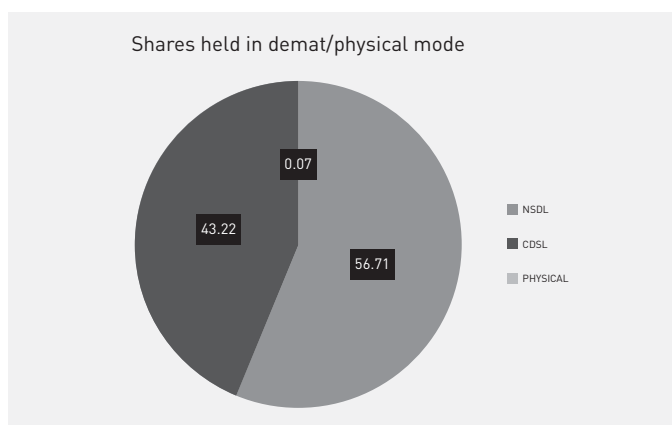
Category of Shareholders as on 31st March 2019

Category	Total Securities	Total Holders	%-Issued Capital
Clearing Members	67753	27	0.0799
Other Bodies Corporate	3515625	30	4.1474
Foreign Company	25063683	2	29.5678
Foreign Inst. Investor	7325450	1	8.6419
Other Bodies (Promoter Co)	33702494	1	39.7590
Hindu Undivided Family	154368	38	0.1821
Non Resident Indians	12714	12	0.0150
Non Resident (Non Repatriable)	1463081	4	1.7260
Public	2794840	907	3.2971
Foreign Portfolio Investors (Corporate)	10664875	2	12.5814
NBFCs registered with RBI	2000	1	0.0024
TOTAL	84766883	1025	100

2. Dematerialisation of shares

As on 31st March 2019, 99.93% of the total equity capital is held in dematerialized form.

Particulars	No. of Shares	As % of total shares
NSDL	480,68,664	56.71
CDSL	366,38,919	43.22
Physical	59300	0.07
Total	847,66,883	100



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'), for the year ended on March 31st, 2019, 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(s).

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)

Sd/-
Mitesh J. Shah
Proprietor

FCS No.: 10070
C. P. No.: 12891

Date: 09th August, 2019
Place: Mumbai

**CERTIFICATE PURSUANT TO REGULATION 17 OF SEBI (LISTING OBLIGATIONS
AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

We, Makarand Patankar – Whole-Time Director and Sandeep Akolkar - Chief Financial Officer hereby certify for the financial year ended 31st March 2019 that:-

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) 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 Company 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 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
- (i) that there are no significant changes in internal control over financial reporting during the year;
 - (ii) that there are no significant changes in accounting policies during the year; and
 - (iii) that there are no instances of significant fraud of which we have become aware.

Sd/-

Makarand Patankar
Whole-Time Director
(DIN:01584128)

Sd/-

Sandeep Akolkar
Chief Financial Officer

Date: 22nd May 2019

PURSUANT TO REGULATION 34(3) READ WITH CLAUSE 'D' OF SCHEDULE V OF
SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS), 2015

To,
The Members of
Niyogin Fintech Limited

DECLARATION

I, Makarand Patankar, Whole-Time Director 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 31st March, 2019.

For **Niyogin Fintech Limited**

Sd/-
Makarand Patankar
Whole-Time Director
(DIN: 01584128)

Place : Mumbai

Date : 22nd May 2019



To the Members of

Niyogin Fintech Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Niyogin Fintech Limited (formerly known as M3 Global Finance Limited) (the "Company"), which comprise the balance sheet as at 31st March 2019, the statement of profit and loss, and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2019, loss and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143 (10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the 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.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How the matter was addressed in our audit
Identification of Non-Performing Assets ("NPA") and adequacy of provisions	
Gross NPAs: Rs. 93.54 lacs at 31st March 2019	
Charge: Rs. 56.48 lacs for year ended 31st March 2019	
Closing Provisions for NPAs: Rs. 56.48 lacs at 31st March 2019	
<i>Refer to the accounting policies in the financial statements: Significant Accounting Policies, 2(ii) – Use of Estimates, 2(x) – provisioning for NPAs”, “Note 11 to the financial statements: Long term loans and advances” and “Note: 5 to the financial statement: Long term provisions”</i>	
Significant area of estimate and judgment with manual processes to identify NPAs	Our key audit procedures included: Design / Controls

<p>Identification of NPA's is undertaken in accordance with the Prudential Norms on Income Recognition, Asset Classification & Provisioning. Provisions in respect of non-performing advances (<i>provisioning on loans and advances</i>) are made based on management's assessment of the degree of impairment of the advances subject to the minimum provisioning levels prescribed under RBI guidelines with regard to the Prudential Norms on Income Recognition, Asset Classification & Provisioning, prescribed from time to time as applicable to NBFCs and as per policies approved by the Board of Directors of the Company.</p>	<ul style="list-style-type: none"> Assessing the design, implementation and operating effectiveness of key internal controls over monitoring process of recoverability of loans, timely identification of NPA accounts, assessment and quantification of provisions and assessing the reliability of management information, including overdue reports. Testing of management's controls over application of the Company's NPA provision policy.
<p>We have identified NPA identification and provision as a key audit matter because –</p>	<p>Substantive tests</p>
<p>1) It is an area which involves significant management judgement;</p>	<ul style="list-style-type: none"> Test of details over of calculation of NPA provisions as at 31st March 2019 for assessing the completeness, accuracy and relevance of data and to ensure that the same is in compliance with RBI guidelines with regard to the Prudential Norms on Income Recognition, Asset Classification & Provisioning.
<p>2) The Company uses manual processes to identify overdue status and tagging of NPAs.</p>	<ul style="list-style-type: none"> Test of details over appropriate application of accounting principles and validating completeness and accuracy of the data used in the identification of NPA's and measurement of provision amounts.

Other information

The Company's management and the Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. 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.

Management's responsibility for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional 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 adequate internal financial controls with reference to the 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.

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 in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



2. (A) As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The balance sheet, the statement of profit and loss and the statement of cash flows dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31st March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the 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

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

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

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

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Sd/-

Sameer Mota

Partner

Membership No: 109928

Mumbai
22nd May 2019

Report of even date on financial statements of Niyogin Fintech Limited

- (i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. The Company has a regular program of physical verification of its fixed assets by which all the fixed assets are verified at the end of the financial year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- c. The Company does not have any immovable property held in its name. Accordingly, the provision of clause 3(i)(c) of the Order is not applicable to the Company.
- (ii) The Company is in the business of providing lending services and does not hold any physical inventories. Accordingly, the provision of clause 3(ii) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provision of clause 3(iii) of the Order is not applicable to the Company.
- (iv) According to the information and explanations given to us, the Company has not granted any loans, made investments or provided guarantees under section 185 and 186 of the Act. Accordingly, the provision of clause 3(iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by Reserve Bank of India and the provisions of Section 73 to Section 76 or any other relevant provisions of the Act and the rules framed there under apply. Accordingly, clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Act for any of the services rendered by the Company. Accordingly, the provision of clause 3(vi) of the Order is not applicable.
- (vii) a) According to the information and explanations given to us and on the basis of our examination of records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, goods and service tax, cess and other material statutory dues have generally been regularly deposited by the Company with the appropriate authorities though there have been delays in a few cases pertaining to income-tax. As explained to us the Company did not have any dues on account of employees' state insurance, sales-tax, duty of customs, duty of excise and value added tax.
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, goods and service tax, cess and other material statutory dues were in arrears as at 31st March 2019 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, the Company did not have any dues on account of income-tax, goods and service tax, service tax which have not been deposited on account of dispute.
- (viii) In our opinion and according to the information and explanations given to us, the Company did not have any loans or borrowings from financial institutions, banks, government or debenture holders during the year. Accordingly, clause 3(viii) of the Order is not applicable to the Company.
- (ix) According to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer and term loans during the year. Accordingly, clause 3(ix) of the Order is not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the explanation and information given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (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 provision of clause 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provision of clause 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year. Accordingly, clause 3(xv) of the Order is not applicable to the Company.
- (xvi) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained certificate of registration dated 30th December 2013.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Sd/-

Sameer Mota

Partner

Membership No: 109928

Mumbai
22nd May 2019

Report on the financial statements of Niyogin Fintech Limited for the year ended 31st March 2019

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

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

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

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

Management's responsibility for internal financial controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to the financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as the "Act").

Auditor's responsibility

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

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

the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of internal financial controls with reference to the financial statements

A company's internal financial controls with reference to the financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to the financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent limitations of internal financial controls with reference to the financial statements

Because of the inherent limitations of internal financial controls with reference to the 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 the financial statements to future periods are subject to the risk that the internal financial controls with reference to the financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP

Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sd/-

Sameer Mota

Partner

Membership No: 109928

Mumbai
22nd May 2019

BALANCE SHEET

as at 31st March 2019



(Currency: Indian Rupees in Lakhs)

	Note	31 st March 2019	31 st March 2018
I. EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS			
(a) Share capital	3	8,476.69	8,476.69
(b) Reserves and Surplus	4	17,268.13	17,561.10
		25,744.82	26,037.79
2. NON-CURRENT LIABILITIES			
(a) Long term provisions	5	94.06	8.00
		94.06	8.00
3. CURRENT LIABILITIES			
(a) Trade payables	6		
- Total outstanding dues of micro and small enterprises		13.31	2.88
- Total outstanding dues of creditors other than micro and small enterprises		61.05	94.40
(b) Other current liabilities	7	38.15	45.17
(c) Short term provisions	8	214.00	222.11
		326.51	364.56
TOTAL		26,165.39	26,410.35
II. ASSETS			
1. NON-CURRENT ASSETS			
(a) Fixed Assets	9		
(i) Tangible assets		45.34	40.99
(ii) Intangible assets		463.05	595.73
(iii) Intangible assets under development		1.32	51.35
		509.71	688.07
(b) Non current investments	10	-	1,512.60
(c) Long term loans and advances	11	4,529.27	89.89
(d) Other non current assets	12	55.13	10.29
		4,584.40	1,612.78
2. CURRENT ASSETS			
(a) Current investments	13	16,340.93	22,385.01
(b) Cash and cash equivalents	14	3,118.71	1,032.79
(c) Short term loans and advances	15	691.23	99.72
(d) Other current assets	16	920.41	591.98
		21,071.28	24,109.50
TOTAL		26,165.39	26,410.35
Significant accounting policies and notes to the financials statements.	2-38		

The accompanying notes form an integral part of these financial statements.

As per our report of even date attached.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Sameer Mota

Partner

Membership No: 109928

Mumbai

22nd May 2019

Makarand Patankar

Director

DIN : 01584128

Sandeep Akolkar

Chief Financial Officer

Mumbai

22nd May 2019

For and on behalf of the Board of Directors

Niyogin Fintech Limited

CIN No: L65910-MH1988-PLC23-9746

Sutapa Banerjee

Director

DIN : 02844650

Mandar Godbole

Company Secretary

STATEMENT OF PROFIT AND LOSS

for the year ended 31st March 2019



(Currency: Indian Rupees in Lakhs)

	Note	31 st March 2019	31 st March 2018
REVENUE			
I. Revenue from operations	17	1,881.49	515.50
II. Other income	18	541.20	707.62
III. Total revenue (I+II)		2,422.69	1,223.12
IV. EXPENSES			
(a) Employee benefits expense	19	1,532.65	786.51
(b) Depreciation and amortisation expenses	9	260.48	51.96
(c) Other expenses	20	1,290.62	649.84
V. Total expenses		3,083.75	1,488.31
VI. LOSS BEFORE TAX (III-IV)		(661.06)	(265.19)
VII. TAX EXPENSE:			
(a) Current tax		-	-
(b) Deferred tax		-	-
VIII. LOSS FOR THE YEAR (VII-VI)		(661.06)	(265.19)
IX. EARNINGS PER EQUITY SHARE:			
(i) Basic (Rs.)	21	(0.79)	(0.46)
(ii) Diluted (Rs.)	21	(0.79)	(0.46)
Significant accounting policies and notes to the financials statements.	2-38		

The accompanying notes form an integral part of these financial statements.

As per our report of even date attached.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Sameer Mota

Partner

Membership No: 109928

Mumbai

22nd May 2019

For and on behalf of the Board of Directors

Niyogin Fintech Limited

CIN No: L65910-MH1988-PLC23-9746

Sutapa Banerjee

Director

DIN : 02844650

Makarand Patankar

Director

DIN : 01584128

Sandeep Akolkar

Chief Financial Officer

Mumbai

22nd May 2019

Mandar Godbole

Company Secretary

CASH FLOW STATEMENT

for the year ended 31st March 2019



(Currency: Indian Rupees in Lakhs)

	31 st March 2019	31 st March 2018
Cash flows from operating activities		
Loss before tax	(661.06)	(265.19)
Add:-		
Depreciation and amortisation	260.48	51.96
Provision for gratuity	11.92	7.74
Contingent provision for standard assets	12.07	-
Provision for Non-performing Assets	56.48	-
Lease equalisation reserve	-	0.07
Employee benefits expenses- ESOP	368.09	-
Less:-		
Gain on sale of short term investments (net)	(171.43)	(418.64)
Reversal of provision for standard assets	(2.86)	(0.19)
Interest on Fixed Deposits	(366.91)	(250.49)
Operating loss before working capital changes	(493.22)	(874.74)
(Increase)/decrease in other current and non current assets	(328.43)	(1,414.84)
(Increase)/decrease in short term loans and advances	(591.50)	-
(Increase)/decrease in loans and advances	-	(171.02)
(Increase)/decrease in other non current assets	(44.83)	-
(Increase)/decrease in long term loans and advances	(4370.83)	-
Increase/(decrease) in short term provisions and long term provisions	(66.03)	104.00
Increase/(decrease) in other current liabilities	(7.03)	(2.27)
Increase/(decrease) in trade payables	(22.92)	97.28
Cash used in operations	(5924.79)	(2261.59)
Less: Taxes paid	-	(17.59)
Cash flows used in operating activities - A	(5924.79)	(2,279.18)
Cash flows from investing activities		
Purchase of fixed assets including intangible assets and capital work in progress	(82.11)	(617.53)
Purchase of investments	(34,706.77)	(86,796.55)
Proceeds from sale of investments	40,341.45	63,317.60
Interest on Fixed Deposits	366.91	154.76
Cash flows generated from / (used) in investing activities - B	5,919.48	(23,941.72)
Cash flows from financing activities		
Proceeds from issuance of equity shares including securities premium	-	22,217.23
Share issue expenses	-	(25.42)
Proceeds from issuance of share warrants	-	2,212.50
Cash flows generated from financing activities - C	-	24,404.31
Net (decrease)/increase in cash and cash equivalents - (A+B+C)	(5.31)	(1,816.59)
Cash and cash equivalents at the beginning of the year	124.02	1,940.61
Cash and cash equivalents at the end of the year	118.71	124.02

CASH FLOW STATEMENT

for the year ended 31st March 2019



(Currency: Indian Rupees in Lakhs)

	31 st March 2019	31 st March 2018
Reconciliation of cash & cash equivalents as above with cash and bank balances		
Cash and cash equivalents as above with cash and bank balances	118.71	124.02
Add: Fixed Deposit with remaining maturity of less than 12 months	3000.00	908.77
Cash and cash equivalents at the end of the year (refer note 14)	3,118.71	1032.79

Notes:

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS) - 3 'Cash Flow Statements'.
2. Cash and cash equivalents comprise of balances with banks in current accounts and Fixed Deposit accounts.

As per our report of even date attached.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors

Niyogin Fintech Limited

CIN No: L65910-MH1988-PLC23-9746

Sameer Mota

Partner

Membership No: 109928

Makarand Patankar

Director

DIN : 01584128

Sutapa Banerjee

Director

DIN : 02844650

Sandeep Akolkar

Chief Financial Officer

Mandar Godbole

Company Secretary

Mumbai

22nd May 2019

Mumbai

22nd May 2019



1. Background

Niyogin Fintech Limited (formerly known as M3 Global Finance limited) (the 'Company') is registered as a Non-Banking Financial Company ('NBFC') and holds a Certificate of Registration number B-13.02061 dated 30th December 2013 issued by Reserve Bank of India ('RBI'). RBI granted a new Certificate of Registration dated 29th May 2017 pursuant to the change in name of the Company. The Company is a non-deposit taking non-systemically important Non-Banking Financial Company ('NBFC-ND-NSI') and is in the business of providing loans to small enterprises.

2. Significant accounting policies

i. Basis of preparation of the financial statements

The financial statements are prepared and presented in accordance with generally accepted accounting principles in India ('GAAP') under the historical cost convention, on the accrual basis of accounting, unless otherwise stated, and comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 (the 'Act'), the provisions of Schedule III to the Act and circulars and guidelines issued by RBI for NBFC-ND-NSI. The financial statements are presented in Indian rupees and rounded off to nearest lakhs.

ii. Use of estimates

The preparation of the financial statements in conformity with GAAP requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amount of assets, liabilities, expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to the accounting estimates is recognised prospectively in current and future periods.

iii. Current – non-current classification

All assets and liabilities are classified into current or non-current.

Assets – An asset is classified as current when it satisfies any of the following criteria:

- a. It is expected to be realised in the Company's normal cycle;
- b. It is expected to be realised within 12 months after the reporting date; or
- c. It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities – A liability is classified as current when it satisfies any of the following criteria:

- a. It is expected to be settled in the Company's normal cycle;
- b. It is due to be settled within 12 months after the reporting date; or
- c. The Company does not have any unconditional right to defer settlement of liability for at least 12 months after the reporting date.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. Considering nature of the business, operating cycle cannot be determined, hence, the Company has adopted its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

iv. Fixed assets and depreciation / amortisation

a. Tangible assets

Tangible fixed assets are carried at cost of acquisition or construction less accumulated depreciation and accumulated impairment loss, if any. Cost of an item of tangible fixed asset comprises its purchase price, and other non-refundable taxes or levies and any directly attributable cost for bringing the asset to its working condition for its intended use. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

b. Intangible assets

Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.



c. Leasehold improvements

Leasehold improvements includes all expenditure incurred on the leasehold premises that have future economic benefits. Leasehold improvements are depreciated over the period of lease.

d. Intangibles assets under development

Eligible expenditure incurred for development of intangible assets is carried as intangible assets under development where such assets are not yet ready for their intended use.

e. Capital work-in-progress

Projects under which tangible assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

f. Depreciation and amortization

Depreciation / amortisation is provided over the useful life of the assets, pro rata for the period of use, on a straight-line method. The useful life estimates prescribed in Part C of Schedule II to the Act have been considered as useful life for tangible assets. Intangible assets are amortised over a period as per management estimates of their useful life. Pursuant to this policy, the useful life estimates in respect of the following assets are as follows:

Class of assets	Useful life
Furniture and fixtures	10 years
Office equipment	5 years
Computer equipment	3 years
Computer software	3 years

g. Impairment of assets

The Company assesses at the each balance sheet date whether there is any indication that an asset may be impaired based on internal / external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the greater of the net selling price and the value in use of those assets. Value in use is arrived at by discounting the estimated future cash flows to their present value based on an appropriate discount factor. If such recoverable amount of the asset or the recoverable amount of cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of the depreciable historical cost.

v. Investments

Investments are classified into long term and current investments at the time of purchase of each investment.

Cost includes purchase cost, brokerage, stamp duty, etc. Discount received or premium paid on purchase of investments, as the case may be, is accreted or amortized, over the residual tenure of the security to give a constant yield to maturity.

Investments are recorded on the trade date and broken period interest is recognised in the balance sheet as interest accrued but not due.

a. Long term investments – Long term investments are investments intended to be held for a period of more than a year. Long term investments are carried individually at cost less provision for diminution, other than temporary, determined on an individual investment basis.

b. Current investments – Current investments are investments intended to be held for a period of less than a year. Current investments are stated at the lower of cost and fair value, determined on an individual investment basis.

Basis of valuation

In case of quoted debt instruments, where the quoted price is not available on the balance sheet date and unquoted debt instruments, fair value is determined based on quotes / market price provided by market intermediaries.

For investments in the schemes of Mutual Funds, net asset value ('NAV') as provided by the fund house is considered.

Commercial papers are valued at carrying cost as per the requirements of RBI regulations.

vi. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

a. Interest income - Interest income is recognised as it accrues on a time proportion basis taking into account the amount of principal outstanding and the interest rate applicable, except in the case of Non-Performing Assets ('NPAs'), where interest is recognised upon realisation as per RBI Guidelines.



- b. **Processing fees** - Processing fee is recognized upfront, when the amount becomes due.
- c. **Other finance charges** – Cheque bounce charges, overdue interest, foreclosure fees, service charges, finance charges etc. are recognized provided it is not unreasonable to expect ultimate collection.
- d. **Gain / loss on sale of investments** – Profit or loss on sale of investments is recognised on the trade date and determined on the basis of First-In-First-Out ('FIFO').

vii. **Employee benefits**

- a. **Contribution to provident fund** – The Company makes specified monthly contributions towards employee provident fund to government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognized as an expense in the statement of profit and loss during the period in which the employee renders the related services.
- b. **Gratuity** - The Company provides for the gratuity, which is a defined benefit plan. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated period mentioned under 'The Payment of Gratuity Act, 1972'. The Company accounts for liability of future gratuity benefits based on an external actuarial valuation on projected unit credit method carried out for assessing liability as at the reporting date. Actuarial gains / losses are immediately taken to the statement of profit and loss and are not deferred.

viii. **Accounting for leases**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating leases. Operating lease rentals are recognized as an expense on a straight-line basis over the lease period.

ix. **Foreign exchange transactions**

Transactions in foreign currency are recorded at the exchange rate prevailing on the dates of transaction. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the balance sheet date are restated at the closing exchange rates. Gain / loss arising on actual payments / realisations and year-end restatements are recognized in the statement of profit and loss.

x. **Provisions for NPAs**

NPAs including loans and advances are identified as sub-standard / doubtful / loss based on the tenor of default. NPA provisions are made based on management's assessment of the degree of impairment and the level of provisioning and meets prudential norms for asset classification prescribed by RBI for NBFC-ND-NSI. These provisioning norms are considered the minimum and additional provision is made based on perceived credit risk where necessary.

All contracts which as per management are not likely to be recovered are considered as loss assets and written-off as bad debts. Recoveries made from previously written off contracts are included in 'Other income'.

A contingent provision has been made on standard assets as prescribed by RBI for NBFC-ND-NSI.

xi. **Provisions, contingent liabilities and contingent assets**

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at the balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

xii. **Employee stock option scheme**

Employees Stock Option Scheme (the 'Scheme') of the Company provides for grant of options on the Company's equity shares to employees of the Company. The Scheme provides that employees are granted an option to subscribe to equity shares of the Company that vest in a graded manner. The options may be exercised within a specified period. The Company follows the intrinsic value method to account for its stock based employee compensation plans. Compensation cost is measured as the excess, if any, of the fair market price of the underlying stock over the exercise price on the grant date and amortised over the vesting period. The fair market price is the latest closing price, immediately prior to the grant date, which is generally the date of the meeting of the Board of Directors, Nomination & Remuneration Committee or other relevant committee in which the options are granted, on the stock exchange on which the shares of the Company are listed. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date is considered.



xiii. Cash and cash equivalent

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and cash in hand and short term balances with 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.

xiv. Taxation

Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

Current taxes

Provision for current income-tax is recognized in accordance with the provisions of Indian Income-tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions.

Deferred taxes

Deferred tax is recognised in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed as at the each balance sheet date and written down or written-up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

xv. Share issue expenses

Share issue expenses are adjusted against the securities premium account as permissible under Section 52 of the Act to the extent any balance is available for utilisation in the securities premium account. Share issue expenses in excess of the balance in the securities premium account are expensed in the statement of profit and loss.

xvi. Earnings Per Share

The basic Earnings Per Share ('EPS') is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the reporting year.

Number of equity shares used in computing diluted EPS comprises the weighted average number of shares considered for deriving basic earnings per share and also weighted average number of equity shares, which would have been issued on the conversion of all dilutive potential shares. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year except where the results would be anti-dilutive.

3 SHARE CAPITAL

AUTHORISED CAPITAL:

89,000,000 (Previous year : 89,000,000) Equity shares of Rs.10 each
9,000,000 (Previous year 9,000,000) Preference shares of Rs.10 each

31st March 2019 31st March 2018

8,900.00 8,900.00

900.00 900.00

9,800.00 9,800.00

ISSUED, SUBSCRIBED AND FULLY PAID UP:

84,766,883 (Previous year : 80,034,450) equity shares of Rs.10 each
Nil (Previous year : 4,732,433) 0.001% Compulsorily Convertible Non-Cumulative Preference shares of Rs.10 each

8,476.69 8,003.45

- 473.24

8,476.69 8,476.69

Reconciliation of the number of shares

Equity shares

At the beginning of the year

80,034,450 3,600,000

Issued during the year

4,732,433 76,434,450

At the end of the year

84,766,883 80,034,450

Preference shares

At the beginning of the year

4,732,433 7,232,433

Issued during the year

- -

Converted to equity shares

4,732,433 2,500,000

At the end of the year

- 4,732,433



Terms/rights attached to equity shares

The Company has one class of equity shares having a face value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Terms/rights attached to preference shares

Compulsorily Convertible Non-Cumulative Preference Shares ('CCCPS') are convertible into one equity share of the Company of face value of Rs. 10 each. The CCCPS holders have a right to receive dividend, prior to the equity shareholders. Dividends are paid @ 0.001% on a non cumulative basis. In the event of liquidation, the CCCPS shareholders will carry a preferential right over the holder of equity shares for payment of dividend and for payment of capital, in proportion to their shareholding. CCCPS holders enjoy such voting rights as available to them under the Act. CCCPS shall be converted into equity shares at the option of the CCCPS holders on or before 2nd September 2018.

Allotment wise conversion dates for CCCPS

Year ended 31 st March 2019			
Date of Allotment	Date of Conversion	No. of shares	Rs in lakh
2 nd March 2017	28 th May 2018	4,732,433	473.24

Details of equity shares held by each shareholder, holding more than 5% of the equity shares in the Company	31 st March 2019		31 st March 2018	
	Number	%	Number	%
Information Interface India Private Limited	33,702,494	39.76	33,521,995	41.88
Strategic India Equity Fund	12,894,183	15.21	8,646,750	10.80
WF Asian Reconnaissance Fund Limited	12,169,500	14.36	12,169,500	15.21
Vikasa India EIF I Fund	7,325,450	8.64	7,377,850	9.22
Carmignac Portfolio	6,405,000	7.56	6,405,000	8.00
Alchemy India Long Term Fund Limited	4,259,875	5.03	4,483,000	5.60
	76,756,502	90.56	72,604,095	90.71

There is no holding company or ultimate holding company of the Company and hence details related to shares held by them, their subsidiaries or associates have not been provided.

Details of CCCPS held by each shareholder, holding more than 5% of the CCCPS in the Company	31 st March 2019		31 st March 2018	
	Number	%	Number	%
Strategic India Equity Fund	-	-	4,732,433	100
	-	-	4,732,433	100

The Board of Directors, at its meeting held on 28th May 2018 approved allotment of 4,732,433 equity shares to a non-promoter investor pursuant to conversion option exercised by the investor in respect of 4,732,433 CCCPS held by it in the Company.

Number of shares reserved for ESOPs

For details of share reserved for issue under the Employee Stock Option Plan, please refer note no. 28 of Notes to the financial statements

4 RESERVES AND SURPLUS

Statutory reserve:

[Created pursuant to Section 45 I C of the Reserve Bank of India Act, 1934 as amended by RBI (Amendment) Act, 1997]		
Opening balance	1.89	1.89
Add: Transfer from surplus in the statement of profit and loss (refer note below)	-	-
Closing balance	1.89	1.89

Securities premium

Opening balance	18,297.35	548.96
Addition: On account of issue of shares	-	17,773.81
Less: Share issue expenses	-	(25.42)
Closing balance	18,297.35	18,297.35



As at
31st March 2019 As at
31st March 2018

Provision for standard assets

Opening balance	-	0.64
Addition	-	-
Less: Reversed during the year	-	(0.64)
Closing balance		-

Employees stock option reserve

Opening balance	-	-
Employee share based payments	368.09	-
Closing balance	368.09	-

Deficit in the statement of profit and loss:

Opening balance	(738.14)	(472.95)
Addition:	-	-
Less: Net loss during the year	(661.06)	(265.19)
Closing balance	(1,399.20)	(738.14)
Total	17,268.13	17,561.10

Note: Since the Company has not made any profits during the year, the Company is not required to transfer any amount to statutory reserve u/s 45-IC of the RBI Act 1934.

5 LONG TERM PROVISIONS

Provision for gratuity	19.60	7.71
Contingent provision against standard assets	10.94	0.29
Provision for non performing assets	56.48	-
Lease equalisation reserve	7.04	-
Total	94.06	8.00

6 TRADE PAYABLE

(i) Total outstanding dues to micro and small enterprises # (Refer note 30)	13.31	2.88
(ii) Total outstanding dues of creditors other than micro and small enterprises	61.05	94.40
	74.36	97.28

Trade payables includes Nil (Previous year Rs. 2.88 lakhs) payable to 'Suppliers' registered under the Micro, Small and Medium Enterprises Development Act, 2006. No interest has been paid / is payable by the Company during the year to 'Suppliers' registered under this Act.

7 OTHER CURRENT LIABILITIES

To related parties	-	3.11
To others		
Income received in advance	1.27	-
Statutory dues	36.88	39.06
Deposit from directors	-	3.00
Total	38.15	45.17

8 SHORT TERM PROVISIONS

Provision for employee benefits		
- Gratuity	0.06	0.02
- Bonus	91.00	125.32
Contingent provision for standard assets	1.58	0.16
Provision for expenses	121.36	31.82
Provision for capital expenses	-	64.72
Lease equalisation reserve	-	0.07
Total	214.00	222.11

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2019 (Currency: Indian Rupees in Lakhs)

9. FIXED ASSETS AS AT 31ST MARCH 2019

	GROSS BLOCK			DEPRECIATION / AMORTISATION				NET BLOCK	
	As at	Additions	Deletions/ Adjustments	As at	For the	Deductions/ Adjustments	As at	As at	As at
	01-Apr-18			01-Apr-18	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-18
Tangible assets									
Leasehold improvements	3.03	-	-	2.73	3.03	0.30	-	-	0.30
Furniture and fixtures	3.13	-	-	0.09	3.13	0.31	-	2.73	3.04
Office equipments	10.75	1.11	-	1.56	11.86	2.43	-	7.86	9.19
Computer equipments	34.89	21.41	-	6.43	56.30	15.12	-	34.75	28.46
Total (A)	51.80	22.52	-	10.81	74.32	18.17	-	45.34	40.99
Intangible assets									
Computer software	636.88	109.63	-	41.15	746.51	242.31	-	463.05	595.73
Total (B)	636.88	109.63	-	41.15	746.51	242.31	-	463.05	595.73
GRAND TOTAL (A+B)	688.68	132.15	-	51.96	820.83	260.48	-	508.39	636.72

Fixed assets as at 31st March 2018

	GROSS BLOCK			DEPRECIATION / AMORTISATION				NET BLOCK	
	As at	Additions	Deletions/ Adjustments	As at	For the	Deductions/ Adjustments	As at	As at	As at
	01-Apr-17			01-Apr-17	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-17
Tangible assets									
Leasehold improvements	-	3.03	-	-	3.03	2.73	-	0.30	-
Furniture and fixtures	-	3.13	-	-	3.13	0.09	-	3.04	-
Office equipments	1.63	9.12	-	-	10.75	1.56	-	9.19	-
Computer equipments	-	34.89	-	-	34.89	6.43	-	28.46	-
Total (A)	1.63	50.17	-	-	51.80	10.81	-	40.99	-
Intangible assets									
Computer software	-	636.88	-	-	636.88	41.15	-	595.73	-
Total (B)	-	636.88	-	-	636.88	41.15	-	595.73	-
GRAND TOTAL (A+B)	1.63	687.05	-	-	688.68	51.96	-	636.72	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2019 (Currency: Indian Rupees in Lakhs)



10	Particulars	Face value Per Unit (in Rs.)	31 st March 2019		31 st March 2018	
			No of Units	Amount (Rs. in lakhs)	No of Units	Amount (Rs. in lakhs)
	NON-CURRENT INVESTMENTS (Valued at cost unless stated otherwise)					
	Non-trade Investments, Quoted investment in debenture					
	12% Series 'A' Debentures of Muthoot Fincorp Limited	500,000.00	-	-	300.00	1,512.60
	TOTAL		-	-	300.00	1,512.60
	Book value of quoted investments:		-	-	-	1,512.60
	Market value of quoted investments		-	-	-	1,512.60
	Aggregate provision for diminution in value of investments:		-	-	-	-

As at 31st March 2019 As at 31st March 2018

11 LONG TERM LOANS AND ADVANCES

Unsecured			
Loans and advances relating to financing activity			
-Standard		4,377.83	71.30
-Sub-standard		93.54	-
Advance tax (Provision for tax: Nil (Previous year: Nil))		57.90	18.59
Total		4,529.27	89.89

12 OTHER NON-CURRENT ASSETS

Security deposits		39.98	0.29
Fixed deposits with banks #		15.15	10.00
Total		55.13	10.29

Rs.15 lakhs (Previous year Rs.10 lakhs) earmarked for guarantee provided for lease of tablets.

13 CURRENT INVESTMENTS (Valued at cost or fair value whichever is lower)

Particulars	Face value Per Unit (in Rs.)	Mar 31 st , 2019		March 31 st , 2018	
		No of units	Amount (Rs. in lakhs)	No of units	Amount (Rs. in lakhs)
Non-trade investment, Quoted					
<u>Investment in debentures</u>					
8.25% Non convertible debentures of IIFL Wealth Finance Limited	100,000	3,490	3,537.32	3,950	4,003.56
9.58% Bajaj Finance Limited	1,000,000	150	1,588.73	-	-
12% Series 'A' debentures of Muthoot Fincorp Limited	500,000	300	1,512.60	-	-
Traded investment, Quoted					
10% Shriram Transport Finance Company Limited	1,000	100,000	1,016.65	-	-
Total			7,655.30		4,003.56
Non-trade investment, Unquoted					
<u>Investment in debentures</u>					
8.50% Non convertible debentures of Ecap Equities Limited	100,000	-	-	4,900	4,900.00
9.3532% LIC Housing Finance Limited	1,000,000	250	2,616.35	-	-
Total			2,616.35		4,900.00
Investment in commercial papers					

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2019 (Currency: Indian Rupees in Lakhs)



Particulars	Face value Per Unit (in Rs.)	Mar 31 st ,2019		March 31 st ,2018	
		No of units	Amount (Rs. in lakhs)	No of units	Amount (Rs. in lakhs)
Capital First Limited	100	-	-	2,500,000	2,424.16
Kotak Mahindra Invetsment Limited	100	-	-	2,000,000	1,914.70
Tata Motors Finance Limited	100	-	-	1,000,000	993.07
Total		-	-		5,331.93
<u>Investment in schemes of mutual funds</u>					
Axis Treasury Advantage Fund-Direct Option-Growth Plan	1,000	-	-	44,953.12	889.07
Axis Liquid Fund-Direct Option-Growth Plan		87,281.152	1,801.97	-	-
Aditya Birla SL Saving Fund -Direct Option-Growth Plan	100	400,100.193	1,198.95	221,230.87	760.41
Reliance Liquidity-Direct Option-Growth Plan	10	-	-	5,486,289.99	2,016.48
Tata Liquid Fund Direct Plan -Direct Option-Growth Plan		70,609.250	2,068.36	-	-
Total			5,069.28		3,665.96
<u>Investment in corporate fixed deposits</u>					
Bajaj Finance Limited	-	-	1,000.00	-	500.00
Dewan Housing Finance Corporation Limited	-	-	-	-	1,500.00
Shriram Transport Finance Company Limited	-	-	-	-	2,483.56
Total			1,000.00		4,483.56
Total			16,340.93		22,385.01

Aggregate amount of quoted investments			7,655.30		4,003.56
Market value of quoted investments			8,168.87		4,164.07
Aggregate value of unquoted investments			8,685.63		18,381.45
Aggregate provision made for diminution in value of investments			-		-

As at 31st March 2019 As at 31st March 2018

14 CASH AND CASH EQUIVALENTS

A) Cash and cash equivalents		
Cash and cheques in hand	0.00*	0.23
Balance with banks		
- In current accounts	83.71	123.79
- In fixed deposits (with original maturity of less than 3 months)	35.00	-
B) Other bank balances		
- In fixed deposits (with remaining maturity of less than 12 months)	3,000.00	908.77
Total	3,118.71	1,032.79

* Less than Rs. 1000



As at
31st March 2019 As at
31st March 2018

15 SHORT TERM LOANS AND ADVANCES

Unsecured and considered good		
Loans and advances relating to financing activity	631.56	40.68
Security deposits	-	0.03
Prepaid expenses	58.01	50.76
Other advances	1.66	8.25
Total	691.23	99.72

16 OTHER CURRENT ASSETS

Interest accrued but not due on loans and advances	58.32	1.46
Interest accrued & due on loans and advances	16.31	-
Interest accrued but not due on investments	666.88	496.45
Input tax credit on Goods and Service Tax	165.80	93.42
Others	13.10	0.65
Total	920.41	591.98

17 REVENUE FROM OPERATIONS

INTEREST INCOME		
Interest on investments	1,284.55	548.71
Loss on sale of investments	-	(38.45)
Interest on loans	473.88	2.87
	1,758.43	513.13
FEE INCOME		
Processing fees	121.75	2.37
Foreclosure Income	1.31	-
	123.06	2.37
Total	1,881.49	515.50

18 OTHER INCOME

Net gain on sale of investments	171.43	457.09
Interest on fixed deposits	366.91	250.49
Other income	2.86	0.04
Total	541.20	707.62

19 EMPLOYEE BENEFITS EXPENSES

Salaries and wages	1,098.44	739.06
Contribution to provident fund and other funds	40.83	25.43
Provision for gratuity	11.92	7.74
Staff welfare expenses	13.37	14.28
Share based payments	368.09	-
Total	1,532.65	786.51

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2019 (Currency: Indian Rupees in Lakhs)

As at
31st March 2019

As at
31st March 2018

20 OTHER EXPENSES

Legal and professional fees	249.73	191.57
Technology and software expenses	351.03	120.37
Commission and brokerage	166.73	4.20
Business development expenses	172.41	18.48
Provision for non performing assets	56.48	-
Stamp duty	0.42	102.49
Training and recruitment	20.44	64.22
Lease rent	76.89	58.33
Loan origination cost	41.71	-
Office and administrative expenses	27.02	26.51
Travelling and conveyance	26.01	19.37
Director sitting fees	12.73	20.13
Payments to auditors		
(a) statutory audit	6.00	2.50
(b) tax audit	1.00	1.00
(c) limited review fees	6.00	3.50
(d) certification	1.50	4.00
(e) reimbursement of expenses (including taxes)	1.17	1.70
Communication expenses	7.00	4.53
Printing and stationery expenses	4.39	3.82
Annual listing fees	8.22	3.76
Repairs and maintenance	14.52	1.83
Net loss on foreign exchange transactions and translation	0.03	0.26
Contingent provision for standard assets	12.07	(0.19)
Advertisement and publicity	0.99	(4.49)
Insurance expenses	11.63	-
Miscellaneous expenses	14.51	1.95
Total	1,290.62	649.84

21 Earnings Per Share (EPS)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Basic EPS		
Loss after tax	(661.06)	(265.19)
Weighted average number of equity shares	84,027,846	57,760,804
Face value of equity share (in Rs.)	10	10
Loss per equity share - Basic (in Rs.)	(0.79)	(0.46)
Diluted EPS		
Loss after tax considered for basic EPS calculation	(661.06)	(265.19)
Weighted average number of equity shares used in computing Basic EPS	84,027,846	57,760,804
Add: Potential number of equity shares after stock options granted under employee stock option scheme	82,943	-
Add: Potential weighted number of equity shares after warrants and preference shares into equity shares	-	7,492,022
Weighted average number of shares for the purpose of computing diluted EPS	84,110,788	65,252,826
Face value of equity share (in Rs.)	10.00	10.00
Loss per equity share - Dilutive	(0.79)	(0.46)



22 EMPLOYMENT BENEFIT PLANS

The disclosure required as per Accounting Standard-15 'Employee Benefits' is as follows:

Defined contribution plan

The Company recognised a charge of Rs. 40.83 Lakh (Previous year : Rs.25.43 Lakh) towards provident fund contribution in the Statement of profit and loss during the current year.

Defined benefits plan - Gratuity (unfunded)

Reconciliation of benefit obligations and plan assets

Particulars	As at 31 st March 2019	As at 31 st March 2018
A. Change in Defined Benefit Obligations		
Opening defined benefit obligation	7.74	-
Current service cost	11.15	8.40
Interest cost	1.46	0.43
Actuarial losses/(gain)	(0.69)	(1.09)
Closing defined benefit obligation	19.66	7.74
B. Amount recognised in the statement of profit and loss		
Current service cost	11.15	8.40
Interest on defined benefit obligation	1.46	0.43
Net actuarial losses/(gains) recognised in year	(0.69)	(1.09)
Total expense/(income) recognised in the statement of profit and loss	11.92	7.74
C. Reconciliation of the balance sheet		
Present value of unfunded obligations at the beginning of the year	-	-
Total expense recognised in the Statement of Profit and Loss	11.92	7.74
Benefits paid	-	-
Present value of unfunded obligation as at the end of the year	19.66	7.74

The principal assumptions used in determining obligations for the Company's plans are shown below:

	31 st March 2019	31 st March 2018
Discount rate	7.50%	7.75%
Salary escalation rate (p.a)	7.00%	7.00%
Mortality rate	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2006-08)
Withdrawal rate	21-30 years - 15% 31-34 years - 10% 35-44 years- 5% 45-50 years- 3% 51-54 years - 2% 55-57 years- 1%"	21-30 years - 15% 31-34 years - 10% 35-44 years- 5% 45-50 years- 3% 51-54 years - 2% 55-57 years- 1%"

Experience history	2018-19	2017-18	2016-17	2015-16	2014-15
Present value of defined benefit obligation	19.66	7.74	-	-	-
Fair value of plan assets	-	-	-	-	-
Excess of (obligation over plan assets)	(19.66)	(7.74)	-	-	-
Experience Gain/ (Loss) adjustment :	-	-	-	-	-
- On plan liabilities	(1.26)	(0.28)	-	-	-
- On plan assets	-	-	-	-	-
Actuarial Gain / (Loss) due to change in assumptions	-	-	-	-	-

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Since the Company has not funded its gratuity liability there are no returns on the planned assets and hence the details related to changes in fair value of assets have not been given.

23 RELATED PARTY DISCLOSURES

List of related parties and relationship

A. Key Management Personnel

Name	Designation
Makarand Patankar	Whole time Director (with effect from 5 th December 2016)

B. Relatives of Key Management Personnel

Name	Relation
Gaurav Patankar	Son of whole time director

C. Enterprise having significant influence over the Entity

Information Interface India Private Limited

D. Details of related party transactions during the year ended 31st March 2019 are given below:

Nature of related party transaction	Enterprises having significant influence	Key Management Personnel	Relatives of Key Management Personnel	Total
Managerial remuneration	-	30.00	-	30.00

Details of related party transactions during the year ended 31st March 2018 are given below:

Nature of related party transaction	Enterprises having significant influence	Key Management Personnel	Relatives of Key Management Personnel	Total
Managerial remuneration	-	39.68	-	39.68
Reimbursement of expenses (net of reversals)	53.53	-	-	53.53
Consultancy fees	-	-	3.17	3.17
Equity shares issued	2,212.50	-	-	2,212.50

E. Details of related party outstanding balances as at 31 March 2019 are given below:

Nature of related party transaction	Enterprises having significant influence	Key Management Personnel	Relatives of Key Management Personnel	Total
Amount receivable/(payable)	-	(1.68)	-	(1.68)

Details of related party transactions during the year ended 31 March 2018 are given below:

Nature of related party transaction	Enterprises having significant influence	Total
Reimbursement of expenses (net of reversals)	3.11	3.11

24 SEGMENT REPORTING

The Company is primarily engaged in the business of financing and it operates in a single geographical segment within India, and hence there is no reportable segment required to be given as per Accounting Standard - 17 'Segmental Reporting'.

25 OPERATING LEASES

The Company's leasing arrangements are in respect of operating leases for tablets and leasehold premises which are renewable on mutual consent at agreed terms.

The aggregate lease rentals payable are charged to the Statement of profit and loss.

Particulars	31 st March 2019	31 st March 2018
Lease payments recognized in the Statement of profit and loss	76.89	58.33

The future minimum lease payments in respect of such non-cancellable operating lease as at 31st March 2019 are summarized below:

Particulars	31 st March 2019	31 st March 2018
Amount due within one year from the balance sheet date	82.22	4.18
Amount due in the period between one year and five years	240.15	4.07
Total	322.37	8.25



26 EXPENDITURE AND EARNINGS IN FOREIGN CURRENCY ON ACCRUAL BASIS:

Particulars	31 st March 2019	31 st March 2018
Expenditure		
Market survey fees	-	15.02

27 UNHEDGED FOREIGN CURRENCY EXPOSURE

The Company has not entered into any derivative transactions during the financial year. The following foreign currency exposures have not been hedged by derivative instrument or otherwise at the balance sheet date. The unhedged foreign currency exposure as at 31st March 2019 is given below:

Payable	Currency	31 st March 2019		31 st March 2018	
		Amount foreign currency	Amount in Rs.	Amount foreign currency	Amount in Rs.
Intuit Research Consultants Limited	USD	-	-	0.24	15.02

28 ACCOUNTING FOR EMPLOYEE SHARE BASED PAYMENTS

In accordance with resolution approved by the shareholders, during the year ended 31st March 2019, the Company has reserved shares for issue to employees through Niyogin Employee Stock Option Plan 2018 (the Scheme). Nomination and Remuneration Committee ("NRC") has approved the Scheme on 28th May, 2018 and the shareholders approval was received on 8th July 2018. As per the term of the Scheme, the Company may issue stock options to employees and directors of the Company, each of which is convertible into one equity share. Such options are exercisable for a period following vesting at the discretion of the NRC, subject to a maximum of five years from the date of vesting of ESOPs.

Method used for accounting for shared based payment plan.

The Company uses intrinsic Value to account for the compensation cost of stock options to employees of the Company.

The details of the intrinsic value of the grants are as follows -

- Grant 1: the intrinsic value of the share is Rs. 87.55 per share.
- Grant 2: the intrinsic value of the share is Rs.132.20 per share.
- Grant 3: the intrinsic value of the share is Rs. 59.90 per share.

Movement in the options outstanding under the Employees Stock Option Plan as at 31st March 2019

Particulars	Options	Weighted average exercise price
Options outstanding, beginning of year	-	-
Granted during the year	918,559	10
Exercised during the year	-	-
Forfeited / lapsed during the year	11,954	10
Options outstanding	906,605	10

Following summarizes the information about stock options outstanding as on 31st March 2019

Plan	Range of exercise price (in Rs.)	Number of shares arising out of options*	Weighted average remaining contractual life (in years)	Weighted average exercise Price (in Rs.)
Niyogin Employee Stock Option Plan 2018	10	906,605	3.88	10

*Net of options lapsed during the year.



The fair value of options used to compute pro forma net income and earnings per equity share have been estimated on the dates of each grant using the Black-Scholes model. The shares of Company are listed on the BSE Limited. Accordingly the Company has considered the volatility of its stock price for valuation purposes. The various assumptions considered in the pricing model for the stock options granted by the Company during the year ended 31st March 2019:

Niyogin Employee Stock Option Plan 2018

Particulars	Date of grants		
	13 th August 2018	5 th September 2018	11 th February 2019
No. of options granted	237,110	674,296	7,153
Dividend yield %	-	-	-
Expected volatility %	62.23	66.55	66.38
Risk - free interest rate %	7.80	8.07	7.20
Expected life of the option (in years)	3.55	3.55	3.00
Fair value (weighted average)	89.44	134.13	60.96

Impact of fair value method on net profit and EPS	31 st March 2019	31 st March 2018
Net Profit (as reported)	(661.06)	-
Less: Net Share based compensation determined under Fair Value method (pro forma)	(5.91)	-
Net Profit (pro forma)	(666.97)	-
Basic EPS (as reported)	(0.79)	-
Basic EPS (pro forma)	(0.79)	-
Diluted EPS (as reported)	(0.79)	-
Diluted EPS (pro forma)	(0.79)	-

29 THE BREAK UP OF DEFERRED TAX ASSETS IS AS UNDER :

	31 st March 2019	31 st March 2018
Deferred tax assets:		
a. Contingent provision against standard assets	3.26	0.14
b. Disallowance of expenses	52.10	50.95
c. Provision for non performing assets	14.68	-
d. Unabsorbed business loss and depreciation	93.09	34.63
e. Lease rental payable	1.83	0.02
f. Disallowance u/s 35D	8.00	10.67
Sub total	172.96	96.41
Deferred tax liabilities:		
Depreciation on fixed assets	21.92	27.24
Sub total	21.92	27.24
Total	151.04	69.17
Amount recognized in the financial statements	Nil	Nil

The Company has not recognised net deferred tax assets as at 31st March 2019 and 31st March 2018 in the absence of virtual certainty that sufficient taxable income will be available in future years against which such deferred tax assets can be realized.

30 UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 ('MSMED'), THE FOLLOWING DISCLOSURE IS MADE BASED ON THE INFORMATION AND RECORDS AVAILABLE WITH THE COMPANY IN RESPECT OF THE MICRO, SMALL AND MEDIUM ENTERPRISES WHO HAVE REGISTERED WITH THE COMPETENT AUTHORITIES

Particulars	31 st March 2019	31 st March 2018
Principal amount remaining unpaid to any supplier as at the year end	13.31	2.88
Interest due thereon	-	-
Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
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 the MSMED	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-

31 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

(i) There are no contingent liabilities as at 31st March 2019 (Previous year: Nil).



Note:

There are numerous interpretative issues relating to the Supreme Court ('SC') judgement dated February 28th, 2019, relating to components/allowances paid that need to be taken into account while computing an employer's contribution of provident fund under the Employees' Provident Funds and Miscellaneous Provident Act, 1952. The Company is in the process of evaluating the method of computation of its Provident Fund contribution respectively and would record any further effect in its financial statements, on receiving additional clarity on the subject.

(ii) Commitments :

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs 5.01 lakhs (31st March 2018: Rs. 11.40 lakhs).

-Tangible assets: Nil (Previous year : Nil)

-Intangible assets: Rs. 5.01 lakhs (Previous year : Rs. 11.40 lakhs)

- 32 The Company has not accepted deposits within the meaning of 'Public Deposits' as defined in the prudential norms issued by the RBI.
- 33 In accordance with the RBI notification No. DNBS.PD.CC. No. 256 /03.10.042 / 2011-12 dated March 2nd, 2012, no fraud was detected and reported during the financial year ended 31 March 2019 (Previous year : Nil).
- 34 In accordance with the RBI notification No. DNBS.CC.PD.No.253/03.10.01/2011-12 dated December 26th, 2011, the Company did not enter into any credit default swaps during the year ended 31 March 2019 (Previous year : Nil).
- 35 In accordance with the RBI notification No. DNBS.CC.PD.No.265/03.10.01/2011-12 dated March 21st, 2012, the Company has not lent against gold jewellery during the year ended 31 March 2019 (Previous year : Nil).

36 ADDITIONAL NBFC DISCLOSURES

As per RBI Master Direction DNBR. PD. 007/03.10.119/2016-17 dated September 1st, 2016, additional disclosures are required in the Annual Financial Statements as follows:

Sr. No	Particulars	31 st March 2019		31 st March 2018	
		Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
	Liabilities side :				
1	Loans and advances availed by the non-banking finance Company 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 borrowings	-	-	-	-
	(e) Commercial Paper	-	-	-	-
	(f) Other Loans – Cash Credit	-	-	-	-
	(g) Other Loans – Finance Lease Obligation	-	-	-	-
	* Please see Note 1 below				
	Assets side :				
2	Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:				
	(a) Secured (Including those mentioned in (3) below)				
	(b) Unsecured		5,102.93		111.98
3	Break up of Leased Assets and stock on hire and hypothecation loans counting towards assets financing activities (AFC)				
	(i) Lease assets including lease rentals under sundry debtors :				
	(a) Finance 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				
4	Break-up of Investments :				
	Current Investments :				

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2019 (Currency: Indian Rupees in Lakhs)



Sr. No	Particulars	31 st March 2019		31 st March 2018	
		Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
	1. Quoted :				
	“(i) Shares :				
	(a) Equity”		-		-
	(b) Preference		-		-
	(ii) Debentures and Bonds		7,655.30		4,003.56
	(iii) Units of Mutual Funds		-		-
	(iv) Government Securities		-		-
	(v) Others		-		-
	2.Unquoted :				
	(i) Shares:				
	(a) Equity		-		-
	(b) Preference		-		-
	(ii) Debentures and Bonds		2,616.35		4,900.00
	(iii) Units of Mutual Funds		5,069.28		3,665.96
	(iv) Government Securities		-		-
	(v) Others – Certificates of Deposits		-		-
	(vi) Others – Commercial paper		-		5,331.92
	(vii) Others – Corporate Fixed Deposits		1,000.00		4,483.56
	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-Perpatual debt instruments		-		1,512.60
	2.Unquoted :				
	(i)Shares:				
	(a) Equity		-		-
	(b) Preference		-		-
	(ii)Debentures and Bonds		-		-
	(iii) Units of Mutual Funds		-		-
	(iv)Government Securities		-		-
	(v) Others		-		-

	Category	Amount net of provisions					
		31 st March 2019			31 st March 2018		
		Secured	Unsecured	Total	Secured	Unsecured	Total
5	Borrower group-wise classification of assets financed as in (2) and (3) above						
	1. Related Parties **	-	-	-	-	-	-
	(a)Subsidiaries	-	-	-	-	-	-
	(b)Companies in the same group	-	-	-	-	-	-
	(c)Other related parties	-	-	-	-	-	-
	2. Other than related parties	-	5,033.93	5,033.93	-	111.53	111.53

** As per accounting standard 18

	Category	31 st March 2019		31 st March 2018	
		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)”
6	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): Please see note 3 below				
	1. Related Parties **				
	(a) Subsidiaries	-	-	-	-
	(b) Companies in the same group	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2019 (Currency: Indian Rupees in Lakhs)



	(c) Other related parties	-	-	-	-
	2. Other than related parties	16,854.50	16,340.93	24,058.11	23,897.60
	Total	16,854.50	16,340.93	24,058.11	23,897.60
	** As per Accounting Standard 18				
7	Other information				
	(i) Gross Non-Performing Assets				
	(a) Related parties		-		-
	(b) Other than related parties		93.64		-
	(ii) Net Non-Performing Assets		-		
	(a) Related parties		-		-
	(b) Other than related parties		37.16		-
	(iii) Assets acquired in satisfaction of debt		-		-

Notes:

- As defined in Paragraph 2(1) (xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in the as per RBI Master Direction DNBR. PD. 007/03.10.119/2016-17 dated September 1st, 2016
- All Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, are applicable including for valuation of investments and other assets and including 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 are disclosed irrespective of whether they are classified as long term or current in point (4) above.
- The disclosures regarding details of specified bank notes held and transacted during 8th November 2016 to 30th December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31st March 2019 and 31st March 2018.
- The Board of Directors at its meeting held on 11th February 2019 and shareholders vide postal ballot dated 27th March 2019 have approved issuance of upto 1,143,277 equity shares of the Company to the shareholders of InvestDirect Capital Services Private Limited ('InvestDirect') for a total consideration not exceeding Rs. 8.60 crores in consideration for acquiring 50.01% stake in InvestDirect. As on 31st March 2019, the said acquisition is pending for SEBI approval, which has to be obtained by MoneyMap Investment Advisors Private Limited (wholly owned subsidiary Company of InvestDirect) in terms of Regulation 15(11) of SEBI (Investment Advisers) Regulations, 2013.

As per our report of even date attached.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Sameer Mota

Partner

Membership No: 109928

Mumbai

22nd May 2019

For and on behalf of the Board of Directors

Niyogin Fintech Limited

CIN No: L65910-MH1988-PLC23-9746

Makarand Patankar

Director

DIN : 01584128

Sandeep Akolkar

Chief Financial Officer

Mumbai

22nd May 2019

Sutapa Banerjee

Director

DIN : 02844650

Mandar Godbole

Company Secretary



NOTICE is hereby given that the Thirty First Annual General Meeting ('AGM') of the Members of Niyogin Fintech Limited will be held on Tuesday, 17th September, 2019 at 1.00 p.m. at Trident Chennai, 1/24 GST Road, Chennai- 600027, 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 31st, 2019 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 appoint Mr. Eric Wetlaufer (DIN: 08347413) as an Independent Director of the Company for a term not exceeding 5 years and pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV of the said Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Eric Wetlaufer (DIN: 08347413), who was appointed as an Additional Independent Director of the Company with effect from 12th February, 2019 under Section 161 of the Companies Act, 2013, be and is hereby appointed as a Non-Executive, Independent Director of the Company to hold office for a term up to five consecutive years commencing from the date of this Annual General Meeting upto the 36th Annual General Meeting."

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

Sd/-

Mandar Godbole

Company Secretary & Compliance Officer
(ACS 30240)

Registered Office (w.e.f. 8th July 2019)

F-22, Palm Spring Apartment,
2nd Main Road, Anna Nagar East,
Chennai 600102
Website: www.niyogin.in
E-mail: niyogin.compliance@niyogin.in

Place: Mumbai

Date: 9th August, 2019

Notes:

1. **A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and vote on poll on his/her behalf and the proxy need not be a member of the company.** The form of proxy to be valid should be duly Completed, stamped and signed and must be deposited with the Company at least 48 hours before the time scheduled for the Meeting.

Members are requested to note that a person can act as a proxy on behalf of Members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

2. A Proxy shall not have a right to speak at the AGM and shall not be entitled to vote except on a poll.
3. Corporate Members intending to send their authorised representative(s) to attend the AGM are requested to send a certified copy of the board resolution authorising their representative(s) to attend and vote on their behalf at the AGM pursuant to the provisions of Section 113 of the Companies Act, 2013.
4. All relevant documents referred to in the AGM Notice will be available for inspection by the Members at the Registered Office of the Company during normal business hours on all working days (i.e., except Saturday(s), Sunday(s) and Public Holidays) up to the date of the Annual General Meeting and during the continuance of the Annual General Meeting.
5. Information pursuant to the Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the SEBI (LODR) Regulations, 2015) and the details as required under SS-2 (Secretarial Standard-2 on General Meetings) of persons seeking appointment/re-appointment as Directors are furnished and forms part of Notice.
6. Members / Proxies / Authorised Representative(s) of the Corporate Members are requested to bring the Certified Copy of Board Resolution / Attendance Slip duly filled in.
7. AGM Notice along with the Attendance Slip and Proxy Form is being sent by hard copy to all the Members at their addresses registered with the Company / Depository Participant(s).
8. Route map for easy location of venue of the AGM is provided in the notice and the same shall also be available on the Company's website www.niyogin.in
9. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ("remote e-voting"). The Company has made necessary arrangements with LinkIn Time India Private Limited (hereinafter referred to as 'LIIPL') to facilitate the members to cast their votes from a place other than venue of the AGM. Instruction and other information relating to remote e-voting are given in this Notice under Note No.



13. The facility for voting through polling paper would also be made available at the Meeting and the members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting by poll.
10. Members holding shares in physical form are requested to consider converting their holding to dematerialised form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or Link Intime India Private Limited (RTA) for assistance in this regard.
11. The Members who are holding shares in physical form and have not registered their e-mail addresses are requested to register the same on the e-mail address - niyogin.compliance@niyogin.in for receiving all communications including Annual Report, Notices, Circulars etc. electronically, in order to support the 'Green Initiative'.
12. AGM Notice and Annual Report for the financial year 2018-19 will also be available on the website of the Company www.niyogin.in and website of LI IPL - <https://instavote.linkintime.co.in>
13. Information and other instruction relating to remote e-voting are as under:

In compliance with Regulation 44(1) of SEBI (LODR) Regulations, 2015, provisions of Section 108 and other applicable provisions of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and amendments made thereto and Secretarial Standards on General Meetings (SS-2) issued by The Institute of Company Secretaries of India (ICSI), Company is pleased to offer remote e-voting facility as an option to all the Members of the Company to enable them to cast their votes electronically on all resolutions set forth in this Notice.

- (A) The facility for voting through polling paper shall also be made available at the meeting and Members attending the meeting who have not already cast their vote by remote e-voting shall be entitled to exercise their right to vote at the meeting.
- (B) The members, who have already exercised their votes through remote e-voting, may attend the Meeting but are prohibited to vote at the Meeting and their votes, if any, cast at the Meeting shall be treated as invalid.
- (C) Voting rights of the members shall be reckoned on the paid-up value of shares registered in the register of members/ beneficial owners (in case of electronic shareholding) as on the cut-off date i.e. Wednesday 11th September 2019.
- (D) Person who is not a member as on the cut-off date should treat this notice for information purposes only.
- (E) Members having any grievances connected with the remote e-voting can contact Link Intime India Private Limited, Registrar & Share Transfer Agent, C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (west), Mumbai - 400 083. Telephone No. 022 - 022 49186000; Email: <https://instavote.linkintime.co.in>

- (F) Mr. Mitesh Shah (FCS No.: 10070, C. P. No.: 12891), Mitesh J. Shah and Associates, Practicing Company Secretaries, has been appointed as the Scrutinizer to scrutinize the remote e-voting process and ballot voting at the venue of AGM in a fair and transparent manner.
- (G) The Scrutinizer shall, within a period not exceeding 2 (two) days from the conclusion of the remote e-voting period, unblock the votes in the presence of at least 2 (two) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (H) The resolution shall be deemed to be passed on the date of the AGM, subject to receipt of sufficient votes in favour of the resolution through a compilation of remote e-voting results and voting held at the AGM. The results shall be declared by Chairman or a person authorized by him in writing within 48 hours of conclusion of AGM of the Company. The results declared alongwith the Scrutinizer's Report shall be placed on the Company's website viz. www.niyogin.in, on the agency's website i.e. Link In Time India Private Limited (LI IPL) viz. <https://instavote.linkintime.co.in> and communicated to BSE Limited, where shares of the Company are listed.
- (i) The voting period begins on Saturday, 14th September 2019 at 9:00 a.m. and ends on Monday, 16th September 2019 at 5:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., Wednesday, 11th September 2019 may cast their vote electronically. The e-voting module shall be disabled by LI IPL for voting thereafter.

Instructions for shareholders to vote electronically:

Log-in to e-Voting website of Link Intime India Private Limited (LI IPL)

- i. Visit the e-voting system of LI IPL. Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
- ii. Click on "Login" tab, available under 'Shareholders' section.
- iii. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
- iv. Your User ID details are given below:
 - Shareholders holding shares in demat account with NSDL: Your User ID is 8 Character DP ID followed by 8 Digit Client ID
 - Shareholders holding shares in demat account with CDSL: Your User ID is 16 Digit Beneficiary ID
 - Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company
- v. Your Password details are given below:

If you are using e-Voting system of LI IPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on "Sign Up" tab available under 'Shareholders' section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

For Shareholders holding shares in Demat Form or Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders). <ul style="list-style-type: none"> Members who have not updated their PAN with depository Participant or in the company record are requested to use the sequence number which is printed on Ballot Form / Attendance Slip indicated in the PAN Field.
DOB/ DOI	Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format.
Bank Account Number	Enter the Bank Account number (Last Four Digits) as recorded in your demat account or in the company records for the said demat account or folio number. <ul style="list-style-type: none"> Please enter the DOB/ DOI or Bank Account number in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Bank Account number field as mentioned in instruction (iv-c).

If you are holding shares in demat form and had registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any company then you can use your existing password to login.

If Shareholders holding shares in Demat Form or Physical Form have forgotten password:

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

Incase shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter)

NOTE: The password is to be used by demat shareholders for voting on the resolutions placed by the Company in which they are a shareholder and eligible to vote, provided that the Company opts for e-voting platform of LIPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

Cast your vote electronically

- vi. After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View "Event No" of the company, you choose to vote. The event no. of the Company is 190202.
- vii. On the voting page, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

Cast your vote by selecting appropriate option i.e. Favour/Against as desired.

Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'. You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour/ Against'.
- viii. If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.
- ix. After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES", else to change your vote, click on "NO" and accordingly modify your vote.
- x. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
- xi. You can also take the printout of the votes cast by you by clicking on "Print" option on the Voting page.

General Guidelines for shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund / Corporate Body'.

They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".

Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to enotices@linkintime.co.in or Call us :- Tel : 022 - 49186000.

14. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. Wednesday, 11th September 2019 may obtain login details by sending a request to Link Intime India Private Limited, Registrar and Share Transfer Agent of the Company.

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

Sd/-

Mandar Godbole
Company Secretary & Compliance Officer
(ACS 30240)

Registered Office (w.e.f. 8th July 2019)

F-22, Palm Spring Apartment,
2nd Main Road, Anna Nagar East,
Chennai 600102
Website: www.niyogin.in
E-mail: niyogin.compliance@niyogin.in

Place: Mumbai

Date: 9th August, 2019

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ("ACT")

Mr. Eric Wetlaufer (DIN: 08347413) was appointed as an additional Independent Director on the Board of the Company pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 & Listing Regulations w.e.f. 12th February, 2019 up to the conclusion of this Annual General Meeting.

The Nomination and Remuneration Committee of the Board of Directors ("NRC Committee"), on the basis of the Company's Policies relating to appointment of the members of the Board & Senior Management Personnel, had recommended the appointment of Mr. Wetlaufer & the Board approved the same for a period of 5 years subject to the approval of the shareholders. Thus the Company has proposed the appointment of Mr. Wetlaufer as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of 5 (five) consecutive years on the Board of the Company up to the conclusion of the 36th AGM. Section 149 of the Act and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") inter alia prescribe that an independent director of a company shall meet the criteria of independence as provided in Section 149(6) of the Act & Listing Regulations. Mr. Wetlaufer has submitted the written declaration to the Company confirming to the criteria of independence.

Details of Mr. Wetlaufer as Independent Directors is proposed at Item No 3 is provided in the "Annexure" to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India. Copy of draft letters of appointment of Mr. Wetlaufer setting out the terms and conditions of appointment are available for inspection by the members at the registered office of the Company. Only Mr. Wetlaufer is interested in the resolution to the extent of his shareholding interest, if any, in 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 Ram Patankar	Mr. Eric Wetlaufer
Date of Birth	12 th February, 1952	13 th April 1962
Age	67 years	57 years
Qualifications	BSE, MBA (Marketing & Finance)	Chartered Financial Analyst, CFA Institute Member No – 127284
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.	Eric earned a B.A. from Wesleyan University, Middletown, Connecticut, is a Chartered Financial Analyst and a certified member of the Canadian Institute of Corporate Directors. He provides counsel as a director, advisor and investor to a range of large public to smaller private companies, with a particular focus on technology and financial sectors.
Nature of expertise in specific functional areas	Financial Services, Logistics and Pharmaceuticals Industries	Financial Services, Investment Strategies.
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 28 th September 2017	Mr. Eric Wetlaufer will be appointed for a term of 5 years from the conclusion of the 31 st AGM up to 36 th AGM.
Details of Remuneration sought to be paid	Rupees two lakh and fifty thousand per month.	Sitting Fees only.
Details of Remuneration last paid	Rupees two lakh and fifty thousand per month.	NIL
Date of first appointment in the Board	5 th December, 2016.	11 th February 2019
Shareholding in the Company	NIL	NIL
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	NIL	NIL
Number of meetings attended in the last year	4 Board Meetings	1 Board meeting
Number of Memberships in Committees	2	NIL
Directorships held in other companies in India	<ul style="list-style-type: none"> • Pioneer (Express Services) Private Limited • Information Interface India Private Limited • Fullstop Solutions Private Limited 	NIL



Niyogin Fintech Limited

Registered Off (w.e.f. 8th July 2019): F-22, Palm Spring Apartment, 2nd Main Road, Anna Nagar East, Chennai 600102

Email : niyogin.compliance@niyogin.in

Website : www.niyogin.in

CIN Number: L65910MH1988PLC239746

ATTENDANCE SLIP

31st Annual General Meeting

Name of the Shareholder	
Registered Address	
No. of Shares Held	
Registered Folio No./ DP ID-Client ID	

I/we certify that I/ We am/are the registered Member(s)/Proxy for the registered Member(s) of the Company.

I/We hereby record my/our presence at the 31st Annual General Meeting of the Company held at Trident Chennai, 1/24 GST Road, Chennai- 600027 on Tuesday, 17th September, 2019 at 1:00 p.m.

Signed this _____ day of _____ 2019

.....
(Member's/ Proxy's Name (In Block Letters))

.....
(Members/ Proxy's Signature)

Note:

1. Only Members / Proxy holder can attend the Meeting
2. Members/proxies are requested to bring the duly completed Attendance Slip with them, and hand it over at the entrance, affixing their signature on the slip.

Niyogin Fintech Limited

Registered Off (w.e.f. 8th July 2019): F-22, Palm Spring Apartment, 2nd Main Road, Anna Nagar East, Chennai 600102

Corporate Office:

Neelkanth Corporate IT Park, 311/312, 3rd Floor, Kirol Road, Vidyavihar (West), Mumbai - 400086.

Email : niyogin.compliance@niyogin.in

Website : www.niyogin.in

CIN Number: L65910MH1988PLC239746

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s) :	
Registered Address :	
E-mail Id :	
Folio No./ Client ID No. :	
DP ID :	

I/ We, being the member(s) ofshares of the above-named Company, hereby appoint:

1.	Name:	Address:.....	
	E-mail Id:.....	Signature:.....	or failing him:
2.	Name:	Address:.....	
	E-mail Id:.....	Signature:.....	or failing him:

as my/ our Proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 31st Annual General Meeting of the Company, to be held on Tuesday, 17th September, 2019, at 1:00 p.m., at Trident Chennai, 1/24 GST Road, Chennai- 600027 and at any adjournment thereof in respect of the following resolution as are indicated below:

Resolution No.

Ordinary Business

- To consider and adopt the audited financial statements of the Company for the financial year ended March 31st, 2019 along with the reports of the Board of Directors and the Auditors thereon; and
- 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

- To appoint Mr. Eric Wetlaufer (DIN: 08347413) as an Independent Director of the Company for a term not exceeding 5 years and pass the following resolution as an Ordinary Resolution

Signed this day of 2019

Signature of Shareholder(s): _____

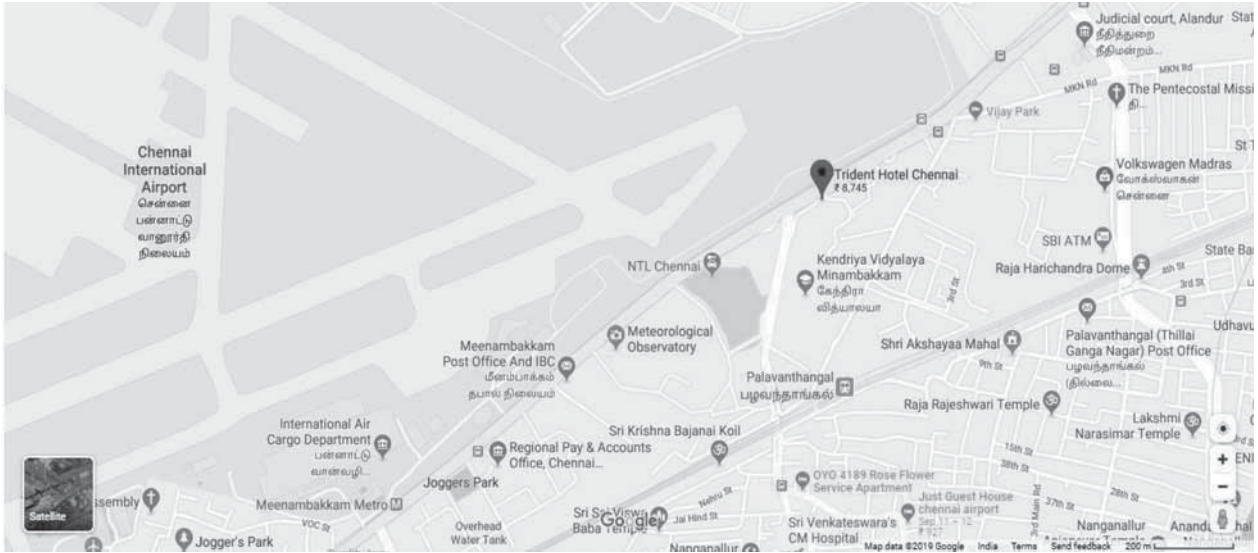
Signature of Proxy holder(s): _____

Affix
Revenue
Stamp

NOTE:

- This form of Proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company at F-22, 3rd Floor Palm Spring Apartment, 2nd Main Road, Anna Nagar (East), Chennai - 600102, not less than FORTY-EIGHT HOURS (48) before the commencement of the Meeting.
- For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the Annual General Meeting.

ROAD MAP
LAND MARK: NEAR CHENNAI AIRPORT







ON THE RIGHT
GROWTH TRAJECTORY

niyogin

Niyogin Fintech Limited

Neelkanth Corporate IT Park, 311/312, 3rd Floor, Kiroi Road,
Vidyavihar (W), Mumbai - 400086.

☎ 1800-266-0266 ✉ partnersupport@niyogin.in 🌐 www.niyogin.in

