

Independent Auditor's Review Report on Unaudited Standalone Financial Results of Niyogin Fintech Limited for the quarter and half year ended September 30, 2020 pursuant to the Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Board of Directors
Niyogin Fintech Limited

1. We have reviewed the accompanying statement of Unaudited Standalone Financial Results of Niyogin Fintech Limited ('the Company') for the quarter and half year ended September 30, 2020 ('the Statement') attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Regulation').
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India ('the ICAI'). This standard requires that we plan and perform the review to obtain moderate assurance as to whether financial results are free of material misstatements. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited standalone financial results prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of the Regulation including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. As described in Note 8 to the Statement, for all such accounts where the moratorium is granted, the asset classification has remained standstill during the moratorium period. This relaxation does not automatically trigger a significant increase in credit risk. The Company continues to recognise interest income during the moratorium period and in the absence of other credit risk indicators, the granting of a moratorium period does not result in accounts becoming past due or automatically triggering Stage 2 or Stage 3 classification criteria.

Also, as described in Note 9 to the Statement, the extent to which the COVID-19 pandemic will impact the Company's financial performance is dependent on future developments, which are uncertain.

Further, as described in Note 10 to the Statement, no additional borrower accounts have been classified as impaired (non-performing assets) after August 31, 2020, in view of the Supreme Court order dated September 03, 2020.

Our conclusion is not modified in respect of this matter.

6. a) The unaudited standalone financial results of the Company for the quarter ended June 30, 2020 were reviewed by another auditor whose report dated July 23, 2020 and expressed an unmodified opinion on those financial information.
- b) The unaudited standalone financial results of the Company for the quarter and half year ended September 30, 2019 were reviewed by another auditor whose report dated November 13, 2019 and expressed an unmodified opinion on those financial information.
- c) The standalone financials result of the Company for the year ended March 31, 2020, were audited by another auditor whose report dated May 12, 2020 and expressed an unmodified opinion on those financial information.

Our conclusion is not modified in respect of these matters.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No.105047W

**Swapnil
Subhash
Kale**

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Swapnil Subhash Kale
Date: 2020.11.10
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Swapnil Kale
Partner
Membership No.: 117812
UDIN: 20117812AAABAC8300

Mumbai
November 10, 2020

Niyogin Fintech Limited
CIN: L65910TN1988PLC131102

Registered Address: M.I.G 944, Ground Floor, TNHB Colony, 1st Main Road, Velachery, Chennai, Tamil Nadu -600042
Corporate Address: Neelkanth Corporate IT Park, 311/312, 3rd Floor, Kirol Road, Vidyavihar (West), Mumbai - 400086

Statement of unaudited standalone balance sheet as at 30 September 2020

(Rupees in lac)

Sr. No.	Particulars	As at	
		30-09-2020 Unaudited	31-03-2020 Audited
	ASSETS		
1	Financial assets		
(a)	Cash and cash equivalents	4,727.73	780.19
(b)	Bank balance other than cash and cash equivalents above	6,601.86	3,771.73
(c)	Receivables		
	(i) Trade receivables	-	-
	(ii) Other receivables	20.60	11.52
(d)	Loans	9,625.54	12,619.50
(e)	Investments	3,232.18	6,748.90
(f)	Other financial assets	51.07	49.44
	Total financial assets	24,258.98	23,981.28
2	Non-financial assets		
(a)	Income tax assets (Net)	89.66	129.45
(b)	Right of use asset	163.09	189.33
(c)	Property, plant and equipment	16.65	25.46
(d)	Intangible assets under development	1.31	2.88
(e)	Intangible assets	101.30	224.27
(f)	Other non-financial assets	281.98	301.24
	Total non-financial assets	653.99	872.63
	TOTAL ASSETS	24,912.97	24,853.91
	LIABILITIES AND EQUITY		
	LIABILITIES		
1	Financial liabilities		
(a)	Payables		
	(I) Trade payables	109.32	94.59
(b)	Other financial liabilities	243.97	261.40
	Total financial liabilities	353.29	355.99
2	Non-financial liabilities		
(a)	Provisions	220.61	261.67
(b)	Other non-financial liabilities	26.69	35.49
	Total non-financial liabilities	247.30	297.16
3	EQUITY		
(a)	Equity share capital	8,602.47	8,598.55
(b)	Other equity	15,709.91	15,602.21
	Total equity	24,312.38	24,200.76
	TOTAL LIABILITIES AND EQUITY	24,912.97	24,853.91

Niyogin Fintech Limited
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Statement of unaudited standalone financial results for the quarter and half year ended 30 September 2020

(Rupees in lac)

Sr. No.	Particulars	Quarter ended			Half year ended		Year ended
		30-09-2020 Unaudited	30-06-2020 Unaudited	30-09-2019 Unaudited	30-09-2020 Unaudited	30-09-2019 Unaudited	31-03-2020 Audited
1	Revenue from operations						
	Interest income	720.40	743.19	537.96	1,463.59	1,134.34	2,468.77
	Fees and commission income	-	-	0.71	-	0.71	5.71
	Net gain on fair value changes	11.70	32.91	76.17	44.61	128.42	266.68
	Other operating income	1.66	1.14	3.71	2.80	5.34	12.22
	Total revenue from operations	733.76	777.24	618.55	1,511.00	1,268.81	2,753.38
2	Other income	13.17	13.27	-	26.44	-	9.17
3	Total income (1+2)	746.93	790.51	618.55	1,537.44	1,268.81	2,762.55
4	Expenses						
	(a) Finance costs	5.37	5.86	7.49	11.23	15.34	28.70
	(b) Impairment on financial instruments	97.69	188.15	291.57	285.84	422.41	1,700.25
	(c) Employee benefits expenses	377.79	396.45	468.63	774.24	953.77	1,767.23
	(d) Depreciation, amortization and impairment	81.36	83.77	86.80	165.13	172.29	344.63
	(e) Others expenses	179.79	174.97	332.29	354.76	633.67	1,251.05
	Total expenses	742.00	849.20	1,186.78	1,591.20	2,197.48	5,091.86
5	Profit/ (Loss) before exceptional items and tax (3-4)	4.93	(58.69)	(568.23)	(53.76)	(928.67)	(2,329.31)
6	Exceptional items	-	-	-	-	-	-
7	Profit/ (Loss) before tax (5-6)	4.93	(58.69)	(568.23)	(53.76)	(928.67)	(2,329.31)
8	Tax expense:						
	(a) Current tax	-	-	-	-	-	-
	(b) Deferred tax	-	-	-	-	-	-
9	Profit/ (Loss) for the period/ year from continuing operations (7-8)	4.93	(58.69)	(568.23)	(53.76)	(928.67)	(2,329.31)
10	Profit/ (loss) from discontinued operations	-	-	-	-	-	-
11	Tax expenses of discontinued operations	-	-	-	-	-	-
12	Profit/ (loss) from discontinued operations (after tax) (10-11)	-	-	-	-	-	-
13	Profit/ (Loss) for the period (9+12)	4.93	(58.69)	(568.23)	(53.76)	(928.67)	(2,329.31)
14	Other comprehensive income/ (loss)						
	(a) Items that will not be reclassified to profit or loss						
	(i) Remeasurement of the defined benefit plans	7.47	(0.50)	(1.86)	6.97	(1.64)	11.95
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-
	(b)(i) Items that will be reclassified to profit or loss	-	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
	Other comprehensive income/ (loss) (a+b)	7.47	(0.50)	(1.86)	6.97	(1.64)	11.95
15	Total comprehensive income/ (loss) for the period (13+14)	12.40	(59.19)	(570.09)	(46.79)	(930.31)	(2,317.36)
16	Earnings per equity share (Refer note 18)						
	(a) Basic (₹)	0.01	(0.07)	(0.67)	(0.06)	(1.09)	(2.72)
	(b) Diluted (₹)	0.01	(0.07)	(0.67)	(0.06)	(1.09)	(2.72)

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Standalone statement of cash flows for half year ended 30 September 2020

(Rupees in lac)

Particulars	For Half year ended	
	30-09-2020 Unaudited	30-09-2019 Unaudited
CASH FLOW FROM OPERATING ACTIVITIES :		
Loss before tax:	(46.79)	(930.31)
Adjustments :		
Depreciation, amortisation and impairment	165.13	172.30
Net unrealised gain on fair value changes	(44.61)	(58.97)
Employee share based payments	154.50	238.69
Provisions for employee benefits	-	(1.64)
Operating profit/(loss) before working capital changes	228.23	(579.93)
Adjustments for (increase) / decrease in operating assets:		
Bank balance other than cash and cash equivalents	(2,830.13)	(53.74)
Other receivables	(9.08)	4.44
Loans	2,993.96	(1,681.66)
Other financial assets	(1.63)	(151.22)
Other non-financial assets	59.05	(71.89)
Adjustments for increase / (decrease) in operating liabilities		
Trade payables	14.73	6.83
Other financial liabilities	15.20	-
Provisions	(41.07)	42.87
Other non-financial liabilities	(8.80)	(3.07)
Net cash generated/(used) in operating activities	420.46	(2,487.37)
CASH FLOW FROM INVESTING ACTIVITIES :		
Proceeds from sale of investment	3,561.33	2,838.85
Purchase of property, plant and equipments	-	(1.94)
Modification of right of use asset	(3.97)	-
Purchase of intangible assets	(1.57)	(16.24)
Net cash generated from investing activities	3,555.79	2,820.67
CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from issue of shares	3.92	-
Payment of lease liability	(32.63)	(26.12)
Net cash used in financing activities	(28.71)	(26.12)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	3,947.54	307.18
Add : Cash and cash equivalents at the beginning of the year	780.19	118.71
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	4,727.73	425.89

Particulars	For Half year ended	
	30-09-2020 Unaudited	30-09-2019 Unaudited
Components of Cash and Cash Equivalents		
- Cash on hand	-	-
- Balance with bank in current account	4,727.73	425.89
Total	4,727.73	425.89

Note:

The above statement of cash flow has been prepared under the 'Indirect method' as set out in Ind AS 7 on 'Statement of cash flows'.

Notes:

- 1 The unaudited financial results of the Company have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard (referred to as 'Ind AS') - 34, Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 (the 'Act') read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the 'SEBI Listing Regulations'). Any application guidance/ clarifications/ directions issued by Reserve Bank of India ('RBI') or other regulators are implemented as and when they are issued/ applicable.
- 2 The above unaudited financial results for the quarter and half year ended 30 September 2020 along with comparative quarter have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at its meeting held on 10 November 2020.
- 3 In compliance with the SEBI Listing Regulations, a limited review of the standalone financial results for the quarter and half year ended 30 September 2020 has been carried out by the Statutory Auditors.
- 4 The Board of Directors of the Company at its meeting held on 11 February 2019 approved issuance of up to 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. 860 lacs in consideration for acquiring 50.01% stake in InvestDirect. The said issue was also approved by the Company's shareholders vide postal ballot, results of which were declared on 27 March 2019. On 5 August 2019, the SEBI had accorded approval to MoneyMap Investment Advisors Private Limited (Subsidiary of InvestDirect). Subsequent to the SEBI approval, the Board had allotted 1,142,895 equity shares to the shareholders of InvestDirect at fair value of Rs. 536 lacs on 19 August 2019. InvestDirect became a Subsidiary of the Company w.e.f 19 August 2019.
- 5 Pursuant to the shareholders agreement dated 25 February 2019, the Company has been allotted 0.001% Non-Cumulative Compulsory Convertible Preference Shares by InvestDirect amounting to Rs. 150 lac on 18 October 2019, Rs. 100 lac on 26 February 2020 and Rs. 100 lac on 16 September 2020.
- 6 The Company at its Board Meeting held on 16 December 2019 approved the draft scheme of Amalgamation presented under section 230 - 232 and other applicable provisions of the Act and the rules and regulations made thereunder, of Information Interface India Private Limited with the Company and their respective shareholders and creditors (the 'Scheme'). The Scheme has received an observation letter from BSE Limited and was approved by Reserve Bank of India on July 09, 2020 and July 23, 2020 respectively. However, the Scheme is subject to approval of the shareholders and creditors of the company(ies), as may be applicable, Chennai Bench of National Company Law Tribunal and such other statutory and regulatory approvals as may be required.
- 7 The Board of Directors at its meeting held on August 31, 2020 had approved issuance of upto 73,31,969 (Seventy Three Lakhs Thirty One Thousand Nine Hundred and Sixty Nine) equity shares of the Company to the shareholders of Iserveu Technology Private Limited ('Iserveu') for a total consideration not exceeding Rs. 32,94,25,369 in terms of the definitive agreements entered into by the Company with Iserveu and its Promoters for acquisition of 51.00% of the post transaction equity and voting share capital of Iserveu. As on September 30, 2020, the said acquisition was pending for the approval of the shareholders and BSE.
- 8 In accordance with the board approved moratorium policy read with RBI guidelines dated 27 March 2020, 17 April 2020 and 23 May 2020 relating to 'COVID-19 - Regulatory Package', the Company has granted moratorium up to six months on the payment of installments falling due between 1 March 2020 and 31 August 2020 to all eligible borrowers. For all such accounts where the moratorium is granted, the asset classification has remained standstill during the moratorium period (i.e. the number of days past due shall exclude the moratorium period for the purposes of asset classification as per the Company's policy). This relaxation does not automatically trigger a significant increase in credit risk. The Company continues to recognise interest income during the moratorium period and in the absence of other credit risk indicators, the granting of a moratorium period does not result in accounts becoming past due or automatically triggering Stage 2 or Stage 3 classification criteria.
- 9 The impact of COVID-19 on the global economy and how governments, businesses and consumers respond is uncertain. This uncertainty is reflected in the Company's assessment of impairment loss allowance on its financial assets which are subject to a number of management judgements and estimates. In relation to COVID-19, judgements and assumptions include the extent and duration of the pandemic, the impacts of actions of governments and other authorities, and the responses of businesses and consumers, along with the associated impact on the global economy. While the methodologies and assumptions applied in the impairment loss allowance calculations remained unchanged from those applied while preparing the financial results for the year ended 31 March 2020, the Company has separately incorporated estimates, assumptions and judgements specific to the impact of COVID-19 pandemic and the associated support packages in the measurement of impairment loss allowance. The Company has been maintaining a healthy capital adequacy ratio and has adequate capital and financial resources to run its business. During the quarter ended 30 September 2020, the Company has considered an additional charge of Rs 15.44 lac in the financial results, due to a management overlay, to reflect deterioration in the macroeconomic outlook. The final impact of this pandemic is very uncertain and the actual impact may be different than that estimated based on the conditions prevailing as at the date of approval of these financial results. Management will continue to closely monitor the material changes in the macro-economic factors impacting the operations of the Company.
- 10 Hon'ble Supreme Court in a public interest litigation (Gajendra Shanna vs. Union of India & Anr) vide an interim order dated 3 September 2020 (interim order) has directed that accounts which were not declared NPA till 31 August 2020 shall not be declared as NPA till further orders. Basis the said interim order the Company has not classified any account as NPA, as per RBI norms, after 31 August 2020 which was not NPA as of 31 August 2020. Further, in light of the interim order, even accounts that would have otherwise been classified as NPA post 31 August 2020 have not been and will not be, classified as NPA till such time the Hon'ble Supreme Court rules finally on the matter.
- 11 Disclosure as required under RBI notification no. RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 dated 17 April 2020 on COVID-19 Regulatory Package - Asset Classification and Provisioning.

Particulars	(Rupees in lac)	
	As on 30 September 2020	
Respective amounts in overdue categories where moratorium was extended *	366.52	
Respective amount where asset classification benefits is extended **	358.27	
Provision made on the cases where asset classification benefit is extended ***	Nil	
Provisions adjusted during the respective accounting periods against slippages and the residual provisions	Nil	

*Outstanding as on 30 September 2020 on account of all cases where moratorium benefit is extended by the Company up to 31 August 2020.

** Outstanding on account of cases where the asset classification benefit is extended as on 30 September 2020 for cases which were entitled to a moratorium until 31 August 2020.

*** The Company has made adequate provision for impairment loss allowance (as per ECL model) for the period ended 30 September 2020.

Notes: (Continued)

- 12 The Indian Parliament has approved the Code on Social Security, 2020 which may impact the contribution by the Corporation towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the rules for quantifying the financial impact are yet to be framed. The Corporation will complete its evaluation and will give appropriate impact in the financial result for the period in which, the Code becomes effective and the related rules to determine the financial impact are notified.
- 13 During the quarter ended on 30 September 2019, the Company has granted an aggregate of 537,473 stock options under the NFL Employees Stock Options Plan 2018.
- 14 During the quarter ended on 30 September 2020, the Company has granted an aggregate of 769,000 stock options under the NFL Employees Stock Options Plan 2018.
- 15 During the quarter ended on 30 September 2020, the Company has allotted an aggregate of 39,181 equity shares pursuant to the exercise of options under the Employees Stock Options Plan 2018.
- 16 There is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company.
- 17 The Company has regrouped Interest Income on Fixed Deposits of Rs. 89.02 lac and Interest Income on unwinding of security deposit of Rs.0.62 lac from 'Other Income' to 'Interest Income' for the quarter ended 30 September 2019.
- 18 Earnings per share for the interim periods is not annualized.

Hongkong
10 November 2020



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

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Amit Rajpal
Chairman & Non-Executive Director
DIN: 07557866



& Associates

Chartered Accountants

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Independent Auditor's Review Report on Unaudited Consolidated Financial Results of Niyogin Fintech Limited for the quarter and half year ended September 30, 2020 pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Board of Directors
Niyogin Fintech Limited

1. We have reviewed the accompanying statement of Unaudited Consolidated Financial Results of Niyogin Fintech Limited ('the Company') and its subsidiaries, (the Company and its subsidiaries together referred to as the 'Group') for the quarter and half year ended September 30, 2020 ('the Statement'), being submitted by the Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Regulation').
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entities:

Sr. No	Name of the Company	Relationship
1	Niyogin Fintech Limited	Holding Company
2	Investdirect Capital Services Private Limited	Subsidiary
3	MoneyMap Investment Advisors Private Limited	Wholly owned subsidiary of Investdirect Capital Services Private Limited

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of the Regulation including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We draw attention to Note 9 to the Statement, for all such accounts where the moratorium is granted, the asset classification has remained standstill during the moratorium. This relaxation does not automatically trigger a significant increase in credit risk. The Company continues to recognise interest income during the moratorium period and in the absence of other credit risk indicators, the granting of a moratorium period does not result in accounts becoming past due or automatically triggering Stage 2 or Stage 3 classification criteria.

Also, as described in Note 10 to the Statement, the extent to which the COVID-19 pandemic will impact the Company's financial performance is dependent on future developments, which are uncertain.

Further, as described in Note 11 to the Statement, no additional borrower accounts have been classified as impaired (non-performing assets) after August 31, 2020, in view of the Supreme Court order dated September 03, 2020.

Our conclusion is not modified in respect of this matter.

7. We did not review the interim financial information of two subsidiaries included in the unaudited consolidated financial results, whose interim financial information reflects total assets of Rs. 520.37 Lacs as at September 30, 2020, total revenues of Rs. 39.46 Lacs and Rs. 46.83 Lacs and total comprehensive loss of Rs. 32.61 Lacs and Rs. 73.53 lacs for the quarter and half year ended September 30, 2020 respectively, as considered in the unaudited consolidated financial results. These interim financial information have been reviewed by other auditors whose reports have been furnished to us by the Management of the Company and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.
8. a) The unaudited consolidated financial results of the Company for the quarter ended June 30, 2020 were reviewed by another auditor whose report dated July 23, 2020 and expressed an unmodified opinion on those financial information.
- b) The unaudited consolidated financial results of the Company for the quarter and half year ended September 30, 2019 were reviewed by another auditor whose report dated November 13, 2019 and expressed an unmodified opinion on those financial information.
- c) The consolidated financials result of the Company for the year ended March 31, 2020, were audited by another auditor whose report dated May 12, 2020 and expressed an unmodified opinion on those financial information.

Our conclusion is not modified in respect of this matter.

For MSKA & Associates

Chartered Accountants

ICAI Firm Registration No.105047W

Swapnil

Subhash Kale

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Swapnil Subhash Kale
Date: 2020.11.10
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Swapnil Kale

Partner

Membership No.: 117812

UDIN: 20117812AAABAB4832

Mumbai

November 10, 2020

Niyogin Fintech Limited CIN: L65910TN1988PLC131102 Registered Address: M.I.G 944, Ground Floor, TNHB Colony, 1st Main Road, Velachery, Chennai, Tamil Nadu - 600042 Corporate Address: Neelkanth Corporate IT Park, 311/312, 3rd Floor, Kirol Road, Vidyavihar (West), Mumbai - 400086			
Statement of unaudited consolidated balance sheet as at 30 September 2020			
(Rupees in lac)			
Sr. No.	Particulars	As at 30-09-2020 Unaudited	As at 31-03-2020 Audited
	ASSETS		
1	Financial assets		
(a)	Cash and cash equivalents	4,740.71	809.98
(b)	Bank balance other than cash and cash equivalents above	6,601.86	3,771.73
(c)	Receivables	-	-
(i)	Trade receivables	9.67	4.03
(ii)	Other receivables	20.60	11.52
(d)	Loans	9,625.54	12,619.51
(e)	Investments	2,392.75	5,971.81
(f)	Other financial assets	56.77	54.62
	Total financial assets	23,447.90	23,243.20
2	Non-financial assets		
(a)	Current tax assets (Net)	94.90	129.45
(b)	Right of use asset	176.15	208.88
(c)	Property, plant and equipment	20.04	27.95
(d)	Intangible assets under development	7.15	6.65
(e)	Intangible assets	495.95	663.03
(f)	Goodwill	450.94	450.94
(g)	Other non-financial assets	283.10	308.39
	Total non-financial assets	1,528.23	1,795.29
	TOTAL ASSETS	24,976.13	25,038.49
	LIABILITIES AND EQUITY		
	LIABILITIES		
1	Financial liabilities		
(a)	Payables		
(i)	Trade payables	147.55	117.96
(b)	Borrowings (other than debt securities)	22.10	22.10
(c)	Contract liabilities	-	1.92
(d)	Other financial liabilities	257.34	282.26
	Total financial liabilities	426.99	424.24
2	Non-financial liabilities		
(a)	Provisions	220.61	261.68
(b)	Deferred tax liabilities	88.24	99.50
(c)	Other non-financial liabilities	28.99	46.35
	Total non-financial liabilities	337.84	407.53
3	EQUITY		
(a)	Equity share capital	8,602.47	8,598.55
(b)	Other equity	15,595.13	15,540.97
	Equity attributable to owners of Company	24,197.60	24,139.52
(c)	Non-controlling interests	13.70	67.20
	Total Equity	24,211.30	24,206.72
	TOTAL LIABILITIES AND EQUITY	24,976.13	25,038.49

Niyogin Fintech Limited
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Corporate Address: Neelkanth Corporate IT Park, 311/312, 3rd Floor, Kirol Road, Vidyavihar (West), Mumbai - 400086

Statement of unaudited consolidated financial results for the quarter and half year ended 30 September 2020

Sr. No.	Particulars	(Rupees in lac)					
		Quarter ended			Half year ended		Year ended
		30-09-2020 Unaudited	30-06-2020 Unaudited	30-09-2019 Unaudited	30-09-2020 Unaudited	30-09-2019 Unaudited	31-03-2020 Audited
1	Revenue from operations						
	Interest income	720.51	743.30	537.96	1,463.81	1134.34	2468.99
	Fees and commission Income	-	-	0.71	-	0.71	5.70
	Net gain on fair value changes	12.12	33.90	76.53	46.02	128.78	267.94
	Other income	40.59	7.41	4.37	48.00	6.00	48.53
	Total revenue from operations	773.22	784.61	619.57	1,557.83	1269.83	2791.16
2	Other income	13.17	13.27	1.30	26.44	1.30	13.65
3	Total income (1+2)	786.39	797.88	620.87	1,584.27	1,271.13	2,804.81
4	Expenses						
	(a) Finance costs	5.75	6.39	7.95	12.14	15.80	30.38
	(b) Impairment on financial instruments	97.69	188.15	291.57	285.84	422.41	1700.24
	(c) Employee benefits expenses	412.06	429.14	483.77	841.20	968.90	1843.00
	(d) Depreciation, amortization and impairment	108.96	111.34	96.42	220.30	181.92	408.99
	(e) Others expenses	211.98	184.86	335.18	396.84	636.56	1287.11
	Total expenses	836.44	919.88	1214.89	1,756.32	2225.59	5269.72
5	Loss before exceptional items and tax (3-4)	(50.05)	(122.00)	(594.02)	(172.05)	(954.46)	(2464.91)
6	Exceptional items	-	-	-	-	-	-
7	Loss before tax (5-6)	(50.05)	(122.00)	(594.02)	(172.05)	(954.46)	(2464.91)
8	Tax expense:						
	(a) Current tax	-	-	-	-	-	-
	(b) Deferred tax	(5.63)	(5.63)	(1.88)	(11.26)	(1.88)	(13.14)
		(5.63)	(5.63)	(1.88)	(11.26)	(1.88)	(13.14)
9	Loss for the period/ year from continuing operations (7-8)	(44.42)	(116.37)	(592.14)	(160.79)	(952.58)	(2451.77)
10	Profit / (loss) from discontinued operations	-	-	-	-	-	-
11	Tax expenses of discontinued operations	-	-	-	-	-	-
12	Profit / (loss) from discontinued operations (after tax) (10-11)	-	-	-	-	-	-
13	Loss for the period/ year (9+12)	(44.42)	(116.37)	(592.14)	(160.79)	(952.58)	(2451.77)
14	Other comprehensive income/ (loss)						
	(a) Items that will not be reclassified to profit or loss						
	(i) Remeasurement of the defined benefit plans	7.47	(0.50)	(1.86)	6.97	(1.64)	11.95
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-
	(b)(i) Items that will be reclassified to profit or loss	-	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
	Other comprehensive income/ (loss) (a+b)	7.47	(0.50)	(1.86)	6.97	(1.64)	11.95
15	Total comprehensive loss for the period/ year (13+14)	(36.95)	(116.87)	(594.00)	(153.82)	(954.22)	(2439.82)
16	Loss is attributable to:						
	Owners of the Company	(19.75)	(87.54)	(580.19)	(107.29)	(940.63)	(2390.55)
	Non-controlling interest	(24.67)	(28.83)	(11.95)	(53.50)	(11.95)	(61.22)
17	Other comprehensive income/ (loss) is attributable to:						
	Owners of the Company	7.47	(0.50)	(1.86)	6.97	(1.64)	11.95
	Non-controlling interest	-	-	-	-	-	-
18	Total comprehensive income/ (loss) is attributable to:						
	Owners of the Company	(12.28)	(88.04)	(582.05)	(100.32)	(942.27)	(2378.60)
	Non-controlling interest	(24.67)	(28.83)	(11.95)	(53.50)	(11.95)	(61.22)
19	Earnings per equity share (Refer note 18)						
	(a) Basic (₹)	(0.02)	(0.10)	(0.68)	(0.12)	(1.11)	(2.80)
	(b) Diluted (₹)	(0.02)	(0.10)	(0.68)	(0.12)	(1.11)	(2.80)

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Consolidated statement of cash flows for half year ended 30 September 2020

(Rupees in lac)

Particulars	For Half year ended	
	30-09-2020 Unaudited	30-09-2019 Unaudited
CASH FLOW FROM OPERATING ACTIVITIES :		
Loss before tax:	(153.82)	(958.67)
Adjustments :		
Depreciation, amortisation and impairment	220.30	184.48
Net unrealised gain on fair value changes	(46.02)	(128.66)
Employee share based payments	154.50	238.69
Provisions for employee benefits	-	(1.64)
Finance cost classified as financing activity	-	0.46
Gain on sale of short term investments (net)	-	(0.12)
Unwinding of lease liability	-	(0.03)
Operating profit/(loss) before working capital changes	174.96	(665.49)
Adjustments for (increase) / decrease in operating assets:		
Bank balance other than cash and cash equivalents	(2,830.13)	(53.74)
Trade receivables	(5.64)	0.10
Other receivables	(9.08)	4.44
Loans	2,993.96	(1,665.69)
Other financial assets	(2.15)	(151.22)
Other non-financial assets	59.85	(72.04)
Adjustments for increase / (decrease) in operating liabilities		
Trade payables	29.59	1.92
Other financial liabilities	10.96	(37.74)
Provisions	(41.07)	42.87
Other non-financial liabilities	(28.62)	(1.29)
Net cash generated/(used) in operating activities	352.63	(2,597.88)
CASH FLOW FROM INVESTING ACTIVITIES :		
Proceeds from sale of investment	3,625.07	3,010.90
Purchase of property, plant and equipments	(1.87)	0.03
Modification of right of use asset	(2.29)	-
Purchase of intangible assets	(8.92)	(19.63)
Net cash generated from investing activities	3,611.99	2,991.30
CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from issue of shares	3.92	-
Proceeds from debt securities	-	(76.00)
Finance cost classified as financing activity	-	(0.46)
Payment of lease liability	(37.81)	(0.63)
Net cash used in financing activities	(33.89)	(77.09)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	3,930.73	316.33
Add : Cash and cash equivalents at the beginning of the year	809.98	123.94
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	4,740.71	440.27

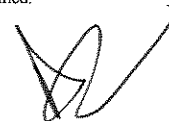
Particulars	For Half year ended	
	30-09-2020 Unaudited	30-09-2019 Unaudited
Components of Cash and Cash Equivalents		
- Cash on hand	0.22	0.22
- Balance with bank in current account	4,740.49	440.05
Total	4,740.71	440.27

Note:

The above statement of cash flow has been prepared under the 'Indirect method' as set out in Ind AS 7 on 'Statement of cash flows'.

Notes:

- 1 The unaudited consolidated financial results of Niyogin Fintech Limited (the 'Company') and its subsidiaries (collectively referred to as the 'Group') have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard (referred to as 'Ind AS') - 34, Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 (the 'Act') read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the 'SEBI Listing Regulations'). Any application guidance/ clarifications/ directions issued by Reserve Bank of India ('RBI') or other regulators are implemented as and when they are issued/ applicable.
- 2 The consolidated financial results include the unaudited consolidated financial results of its Subsidiary Company, InvestDirect Capital Services Private Limited ('InvestDirect'), which includes MoneyMap Investment Advisors Private Limited (100% Subsidiary of InvestDirect).
- 3 The above unaudited financial results for the quarter and half year ended 30 September 2020 along with comparative quarter have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at its meeting held on 10 November 2020.
- 4 In compliance with the SEBI Listing Regulations, a limited review of the standalone financial results for the quarter and half year ended 30 September 2020 has been carried out by the Statutory Auditors.
- 5 The Board of Directors of the Company at its meeting held on 11 February 2019 approved issuance of up to 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. 860 lacs in consideration for acquiring 50.01% stake in InvestDirect. The said issue was also approved by the Company's shareholders vide postal ballot, results of which were declared on 27 March 2019. On 5 August 2019, the SEBI had accorded approval to MoneyMap Investment Advisors Private Limited (Subsidiary of InvestDirect). Subsequent to the SEBI approval, the Board had allotted 1,142,895 equity shares to the shareholders of InvestDirect at fair value of Rs. 536 lacs on 19 August 2019. InvestDirect became a Subsidiary of the Company w.e.f 19 August 2019.
- 6 Pursuant to the shareholders agreement dated 25 February 2019, the Company has been allotted 0.001% Non-Cumulative Compulsory Convertible Preference Shares by InvestDirect amounting to Rs. 150 lac on 18 October 2019, Rs. 100 lac on 26 February 2020 and Rs. 100 lac on 16 September 2020.
- 7 The Company at its Board Meeting held on 16 December 2019 approved the draft scheme of Amalgamation presented under section 230 - 232 and other applicable provisions of the Act and the rules and regulations made thereunder, of Information Interface India Private Limited with the Company and their respective shareholders and creditors (the 'Scheme'). The Scheme has received an observation letter from BSE Limited and was approved by Reserve Bank of India on July 09, 2020 and July 23, 2020 respectively. However, the Scheme is subject to approval of the shareholders and creditors of the company(ies), as may be applicable, Chennai Bench of National Company Law Tribunal and such other statutory and regulatory approvals as may be required.
- 8 The Board of Directors at its meeting held on August 31, 2020 had approved issuance of upto 73,31,969 (Seventy Three Lakhs Thirty One Thousand Nine Hundred and Sixty Nine) equity shares of the Company to the shareholders of Iserveu Technology Private Limited ('Iserveu') for a total consideration not exceeding Rs. 32,94,25,369 in terms of the definitive agreements entered into by the Company with Iserveu and its Promoters for acquisition of 51.00% of the post transaction equity and voting share capital of Iserveu. As on September 30, 2020, the said acquisition was pending for the approval of the shareholders and BSE.
- 9 In accordance with the board approved moratorium policy read with RBI guidelines dated 27 March 2020, 17 April 2020 and 23 May 2020 relating to 'COVID-19 - Regulatory Package', the Group has granted moratorium up to six months on the payment of installments falling due between 1 March 2020 and 31 August 2020 to all eligible borrowers. For all such accounts where the moratorium is granted, the asset classification has remained standstill during the moratorium period (i.e. the number of days past due shall exclude the moratorium period for the purposes of asset classification as per the Group's policy). This relaxation does not automatically trigger a significant increase in credit risk. The Group continues to recognise interest income during the moratorium period and in the absence of other credit risk indicators, the granting of a moratorium period does not result in accounts becoming past due or automatically triggering Stage 2 or Stage 3 classification criteria.
- 10 The impact of COVID-19 on the global economy and how governments, businesses and consumers respond is uncertain. This uncertainty is reflected in the Group's assessment of impairment loss allowance on its financial assets which are subject to a number of management judgements and estimates. In relation to COVID-19, judgements and assumptions include the extent and duration of the pandemic, the impacts of actions of governments and other authorities, and the responses of businesses and consumers, along with the associated impact on the global economy. While the methodologies and assumptions applied in the impairment loss allowance calculations remained unchanged from those applied while preparing the financial results for the year ended 31 March 2020, the Group has separately incorporated estimates, assumptions and judgements specific to the impact of COVID-19 pandemic and the associated support packages in the measurement of impairment loss allowance. The Group has been maintaining a healthy capital adequacy ratio and has adequate capital and financial resources to run its business. During the quarter ended 30 June 2020, the Group has considered an additional charge of Rs 15.44 lac in the financial results, due to a management overlay, to reflect deterioration in the macroeconomic outlook. The final impact of this pandemic is very uncertain and the actual impact may be different than that estimated based on the conditions prevailing as at the date of approval of these financial results. Management will continue to closely monitor the material changes in the macro-economic factors impacting the operations of the Group.
- 11 Hon'ble Supreme Court in a public interest litigation (Gajendra Shanna vs. Union of India & Anr) vide an interim order dated 3 September 2020 (interim order) has directed that accounts which were not declared NPA till 31 August 2020 shall not be declared as NPA till further orders. Basis the said interim order the Company has not classified any account as NPA, as per RBI norms, after 31 August 2020 which was not NPA as of 31 August 2020. Further, in light of the interim order, even accounts that would have otherwise been classified as NPA post 31 August 2020 have not been and will not be, classified as NPA till such time the Hon'ble Supreme Court rules finally on the matter.
- 12 The Indian Parliament has approved the Code on Social Security, 2020 which may impact the contribution by the Corporation towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the rules for quantifying the financial impact are yet to be framed. The Group will complete its evaluation and will give appropriate impact in the financial result for the period in which, the Code becomes effective and the related rules to determine the financial impact are notified.



Notes: (Continued)

- 13 During the quarter ended on 30 September 2019, the Company has granted an aggregate of 537,473 stock options under the NFL Employees Stock Options Plan 2018.
- 14 During the quarter ended on 30 September 2020, the Company has granted an aggregate of 769,000 stock options under the NFL Employees Stock Options Plan 2018.
- 15 During the quarter ended on 30 September 2020, the Company has allotted an aggregate of 39,181 equity shares pursuant to the exercise of options under the Employees Stock Options Plan 2018.
- 16 There is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Group.
- 17 The Company has regrouped Interest Income on Fixed Deposits of Rs. 89.02 lac and Interest Income on unwinding of security deposit of Rs.0.62 lac from 'Other Income' to 'Interest Income' for the quarter ended 30 September 2019.
- 18 Earnings per share for the interim periods is not annualized.

Hongkong
10 November 2020



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

A handwritten signature in black ink, appearing to be "AR", written over a diagonal line.

Amit Rajpal
Chairman & Non-Executive Director
DIN: 07557866