niyogin

August 22, 2022

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

Dear Sir/Madam,

Subject: Intimation under Regulations 30, 34 and 53 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Notice of 34th Annual General Meeting and Integrated Annual Report of the Company for the Financial Year 2021-22

This is in furtherance to our letter dated May 14, 2022 and August 02, 2022 wherein we had informed that the 34th Annual General Meeting (the 'AGM') of the members of the Company will be held on Wednesday, September 14, 2022 at 4:00 p.m. IST through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') in compliance with the applicable circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India.

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

Event	Day, Date and Time
Cut-off date for e-voting	Wednesday, September 07, 2022
Commencement of remote e-voting	Sunday, September 11, 2022 (9:00 a.m. IST)
End of remote e-voting	Tuesday, September 13, 2022 (5:00 p.m. IST)

Pursuant to Regulation 30, 34 and 53 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Integrated Annual Report of the Company along with the Notice of the 34th AGM for the financial year 2021-22, which is also being sent through electronic mode, only to those members whose email addresses are registered with the Company/ Link Intime India Private Limited (the "Registrar and Transfer Agent" of the Company)/ Depository Participant(s) in accordance with the applicable circulars.

The same is also being made available on the Company's website at www.niyogin.com.

Kindly take the same on your records.

Thanking You,

For Niyogin Fintech Limited

Neha Agarwal
Company Secretary & Compliance Officer
A41425

Encl: a/a

niyogin

Powering ambition. Powering growth.

Niyogin Fintech Limited
Annual Report 2021-22

Powering ambition. Powering growth.

Traditionally and culturally, India has always been the fountainhead of skill, enterprise and determination. Yet, outside the savvy, urban bubbles of development, a striking lack of infrastructure has always been a great hindrance to the realisation of the aspirations of many. Millions of rural citizens, enterprises and even small urban businesses have yearned for the wherewithal to break out of the shackles of limited opportunities, but the inability to access effective technologies, efficient credit and accessible financial solutions has hamstrung them. Niyogin works towards bridging these critical gaps which riddle India's rural sector and its small businesses ecosystem. It does this by leveraging technology and a partner-led business model. It has created a holistic platform that delivers solutions for credit, financial inclusion, investments and SaaS services, and is working towards building a leading neobank platform infrastructure company aimed at innovation and with a thoroughly customer-centric approach. In doing so, it acts as a facilitator for a new, empowered and inclusive future.

Niyogin understands that the most fruitful means of ensuring that development percolates to every level of society is to ensure equitable access to resources. It aims to bring about a sea change in the way that resources can be effectively tapped into by the hitherto excluded sections of the population.

Thus, it designs products which enable easy access to financial resources and empower meaningful outreach to potential customers. Its platform seeks to cater to India's billion-strong rural citizens and MSMEs by reimagining not only its design but also its fundamental approach, whereby the incomes of these small businesses can be amplified while enabling customers to have access to outstanding products and services. Niyogin's focus on innovation is only tempered by its deep understanding of the needs of the traditionally excluded.

It understands that only by adding fuel to the aspirations of the historically disenfranchised can it power the engine of sustained growth. In its ways and means, Niyogin is committed to powering ambition, and powering growth.

Performance Highlights (FY22)

₹ 1,071 Mn
Revenue

₹ 87,201 Mn
Rural Tech - Gross Transaction Value

₹ 21,924 Mn
Urban Tech - Assets Under Management

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About Us

Innovation in thought. Impact in delivery.

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

Sanskrit for "empowerment", Niyogin is born out of a deep understanding of the fundamental everyday problems faced by small businesses, MSMEs and rural Indians. Niyogin's vision is to materially impact the lives of small businesses by providing them solutions leveraging the power of digital and the trust of a deeply embedded partner network.

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

Our Mission

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

Our Vision

To be the country's best small business-centric organisation, empowering customers through an ecosystem of products, partnerships, technology and exceptional customer experience.

Our Core Values

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

Trust

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

Innovation

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

Flexibility

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

Agility

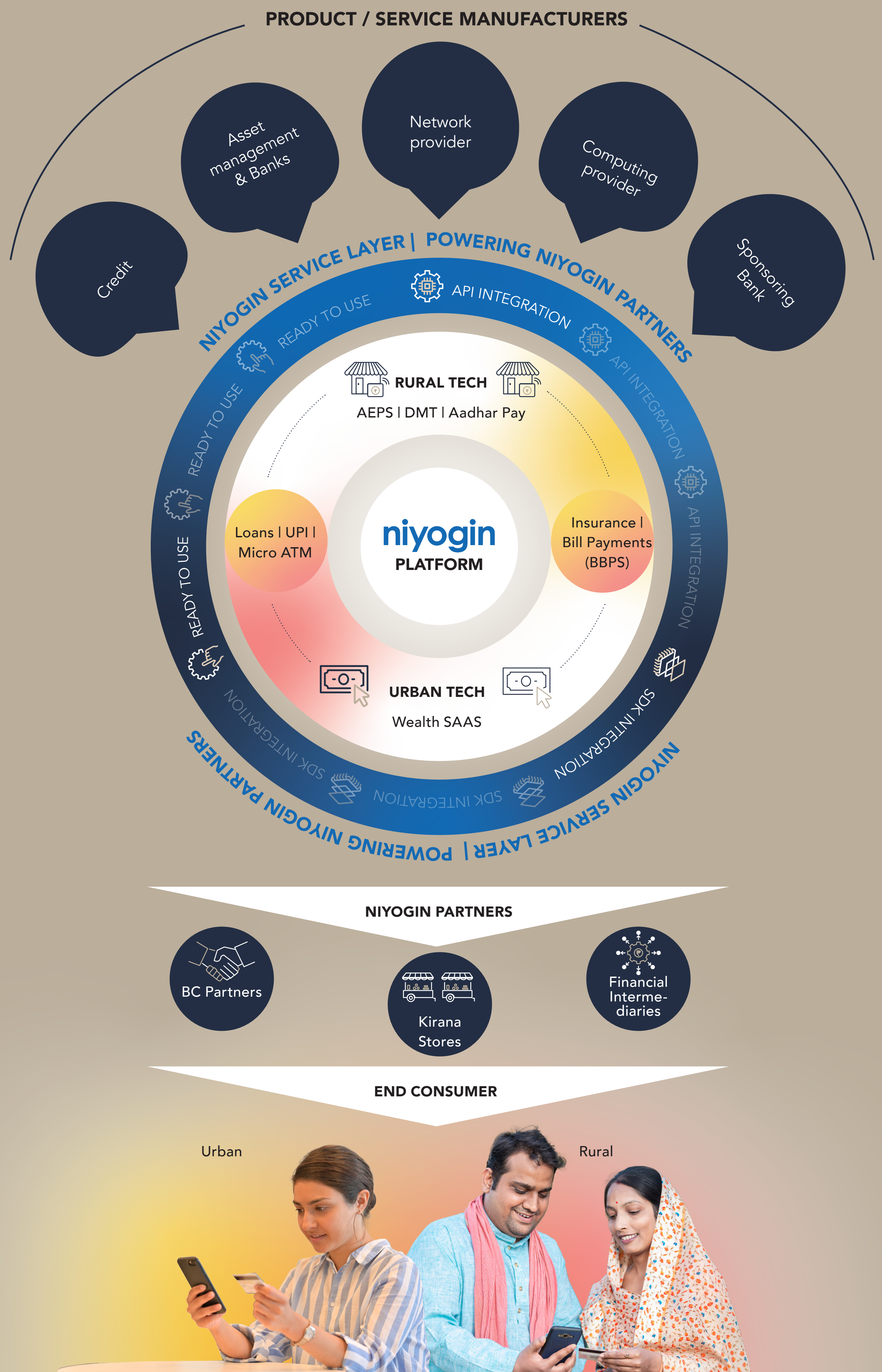
Nimble and responsive, we pride ourselves on making quick decisions and translating them into a competitive advantage.

Customer Centricity

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

Transparency

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



Evolving with aspirational India

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

Throughout its journey, the Company has strived to continuously evolve and, in doing so, has continued to deliver growth. It understands that these values are fundamental to its progress and, thus, is committed to continuing to reimagine itself at every juncture.

How did Niyogin come into existence?

2017

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

2018

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

Partner-led, credit focused approach

Amplification into a tech- centric platform

2019

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

2020

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

2021

- Achieved cash breakeven
- Rural Tech crosses 130K touchpoints
- Initiated Credit as a product proposition in Rural Tech segment

2022

- Revenues doubled and crossed the ₹ 1,000 million mark
- Launched hypergrowth strategy
- Initiated and scaled transaction-led credit
- M-ATM Switch -> Live with NPCI (sponsored by Indusind bank) – India's first Cloud Native switching solution.

The future

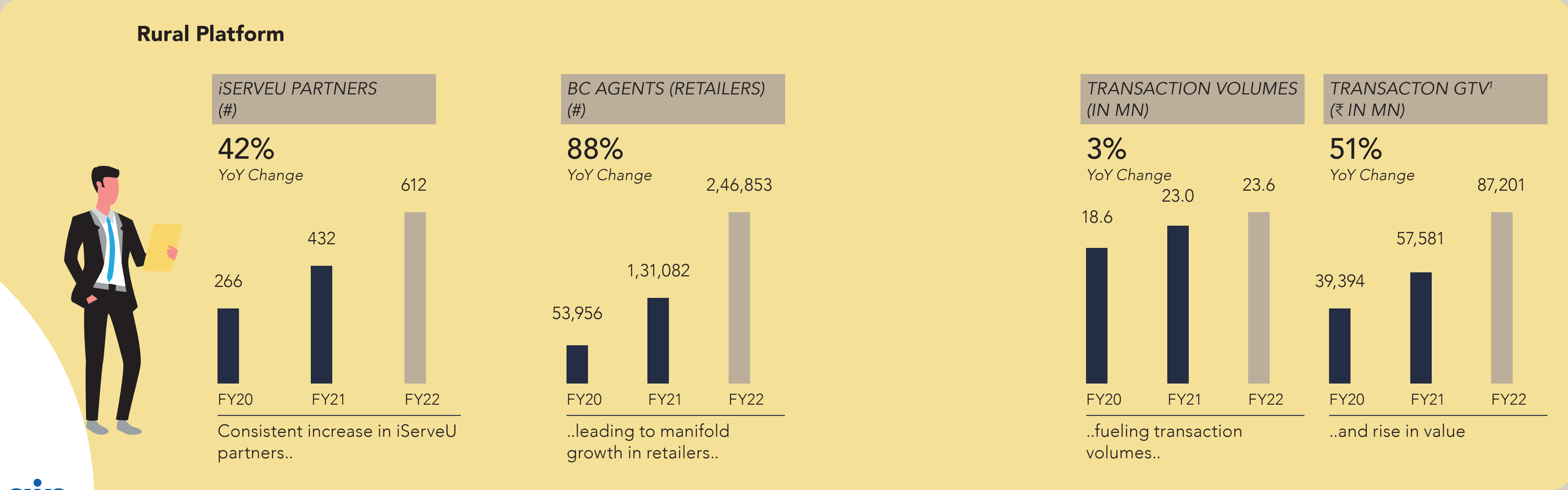
Evolve into a premier Banking as a Service (BaaS) platform offering a 'Neobank' product stack.

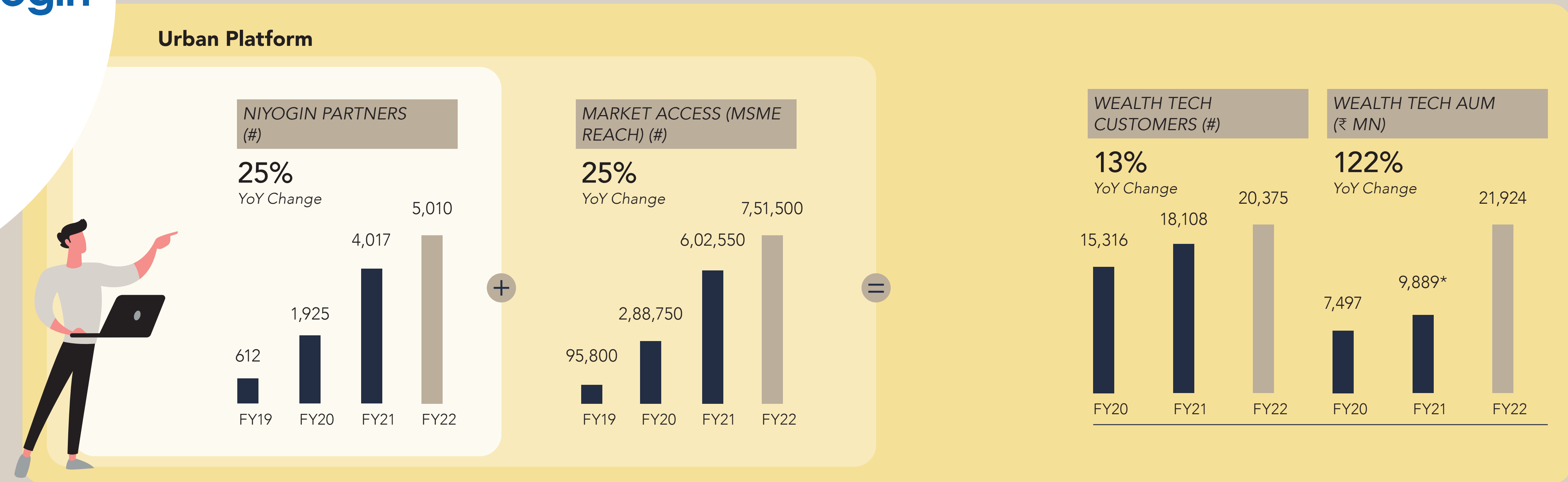
Key Performance Indicators

Reaching users far and wide

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

Extensive scale of platforms..

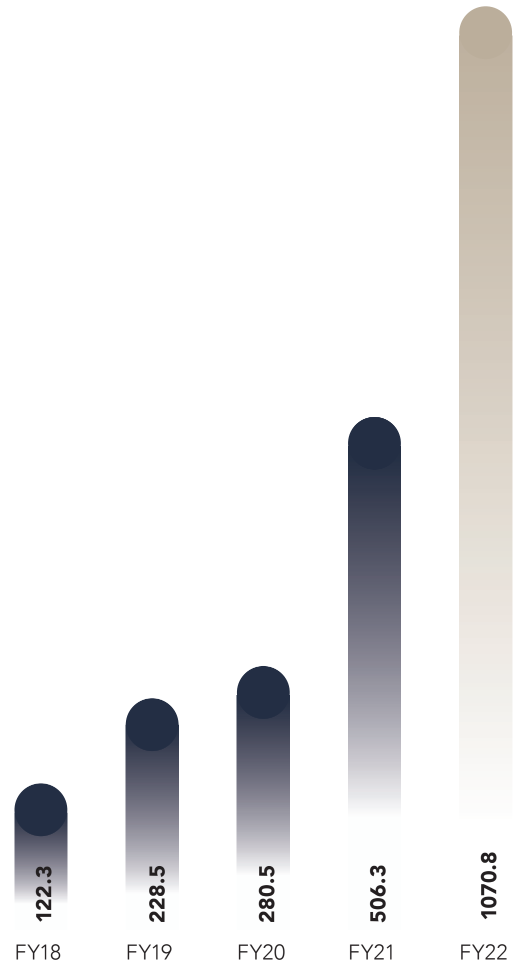




..Resulting in higher revenues

TOTAL INCOME (₹ IN MN)

₹ 1070.8 Million



Note - Standalone figures for FY18 & FY19, Consolidated figures considered for FY20, FY21 & FY22 post Moneyfront and iServeU acquisition.

Letter to Shareholders

Brimming with confidence and opportunity

Dear Shareholders,

Niyogin's mission is to help provide cost effective financial access to customers who find it difficult to achieve their financial goals. Our mission is very relevant in a country like India with 1.4 billion people and with 63 million MSMEs — a lot of consumers and businesses which are at the lower end of the pyramid find it tough to meet their financial needs.

The government has done an exemplary job setting the "Rails" with the UPI and Aadhar Stack while enable access but don't guarantee it. These rails are foundational to our proposition and help Niyogin power the infrastructure needed to be able to reach these customers. Our clients aren't the consumers or businesses directly, but financial institutions and other organizations which are looking to serve them by leveraging our technology stack and distribution access via channels partners.

The 'Rails' are foundational to our proposition and help Niyogin power the infrastructure needed to be able to reach these customers.

In rural India where we are building a platform via our subsidiary – IserveU, in this market both committed physical channels or pure digital channels don't really work owing to high cost in context of small ticket sizes in physical and lack of access to smart phones and knowledge/confidence in completing pure digital journeys.

A technology platform which leverages existing physical distribution (think of shop fronts amongst other physical points) across a broad product stack with a modular orientation where our customers pick and choose products they are keen to build off while we leverage the "rails" which have been put in place come together to create an exponential opportunity. We are excited with the customer wins, product proposition, income augmentation for our channel partners and ultimately value for consumer and small businesses.

We have built off a financial inclusion based payments platform and are broadening our remit to include POS (Point of Sale) solutions, financial services products including loans, deposits, insurance and ultimately could also add commerce vertical to create a comprehensive ecosystem that serves this market. Feedback from our enterprise customers which are market leading institutions is constructive and our team is energized to deliver on this important mission to become the core infrastructure for Neo banking in rural India. We are embarking on a significant investment program.

In our urban vertical we aim to solve more complex issues in terms of financial services access for micro and-small businesses which find it hard to access cost

Feedback from our enterprise customers which are market leading institutions is constructive and our team is energized to deliver on this important mission to become the core infrastructure for Neo banking in rural India. We are embarking on a significant investment program.

effective financial service products -we are building a platform centered around their trusted financial advisor who understands their business and hence its financial needs intimately. The product range in this case is more nuanced and tailor made to be able to create a competitive proposition in a more crowded, better served urban backdrop.

Given the pivots we have made and new hires to refresh our management team here again the early signs are positive —the team is energized, feedback is getting more constructive and the opportunity set is tangible -significant for Niyogin to be able to add value to the process through relationships (financial advisors), analytics (platform) and product and automation (FI partners) —this combination can help break barriers and add value across a range of products to help serve the small business ecosystem better comprehensively.

Financial Inclusion is our core priority and delivering on it in an open, smart, customized, modular platform is what we aspire to achieve -Niyogin means to Empower in Sanskrit and we are committed to its ethos. We feel increasingly confident that Niyogin is at the start of a journey where it is brimming with confidence and opportunity.

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

Thank you.

Amit Rajpal

Non-Executive Chairman and Co-founder
Niyogin Fintech Limited

Q & A

A candid conversation with the CEO

Our partner-led strategy allows us to tie up with local MSMEs and other enterprise partners that have a large and deeply penetrated distribution infrastructure. The platform is then employed by these partners in their customer- facing touchpoints to provide banking, payment, and financial services to their local customers. The partner-led model gives us cost- efficient market access to reduce customer acquisition cost. This creates a moat as we broaden our product stack and scale rapidly with a transaction- led revenue model. Our vision is to be India's premier Banking as a Service (BaaS) platform and offer a 'Neobank' product stack to power MSMEs and ultimately drive financial inclusion.

Mr. Tashwinder Singh

Q ***Niyogin is developing a platform infrastructure play wherein it is offering 'Banking as a Service'. What do you exactly mean by this and who are the target customers for the Company?***

A Niyogin is a platform-centric company. We are largely focussed on developing a capable financial services infrastructure platform to offer 'Banking as a Service' or BaaS to all distribution/customer facing businesses through a partnership-led model. Our partner-led strategy allows us to tie up with local MSMEs and other enterprise partners that have a large and deeply penetrated distribution infrastructure. The platform is then employed by these partners in their customer- facing touchpoints to provide banking, payment, and financial services to their local customers. The partner-led model gives us cost- efficient market access to reduce customer acquisition cost. This creates a moat as we broaden our product stack and scale rapidly with a transaction- led revenue model. So, our target customers are the MSMEs and we serve them through our partners.

Q ***In line with the partnership-led model, last year, Niyogin partnered with Common Service Centres, Axis Bank, Airtel Payment Bank, among others. How are these various partnerships aligned with your ultimate vision?***

A Our vision is to be India's premier Banking as a Service (BaaS) platform and offer a 'Neobank' product stack to power MSMEs and ultimately drive financial inclusion. To achieve this, as I said, we tie up with multiple partners. On the enterprise level, we partner with banks and non-banks. Non-banks include Common Service Centres (CSC), Bharat Financial, among others; while banks include NSDL Payments Bank, Axis Bank, India Post Payments Bank, to name a few.

So, among the non-banks, let's take CSC for example. They offer 250-400 government services through their large distribution network of 650,000 active Village Level Entrepreneurs (VLEs) or touchpoints. Being a tech- centric company, we are powering CSCs by offering our Micro-ATM infrastructure that enables them to provide the M-ATM solution through these touchpoints to their customers (primarily, rural individuals). VLEs have large amount of footfalls given the number of services they provide, and a solution like this, that can help the customers deposit, withdraw, and transfer cash can be easily cross sold to their rural customers. By employing our solution in such a large distribution network, we increase our ability to expand rapidly. This happens to be just one example of the use cases of our solution in our BaaS offering.

Now, banks have a large BC (Banking Correspondent) network. We are working with Axis Bank and NSDL Payments Bank, for example, to develop India's first 'Neobank as a Service' platform. We have built the complete infrastructure for bank account opening for this network. Our infrastructure will allow the BCs to make opening of a bank account a fully digital experience without the rural individual having to visit the bank even once. NBFCs are employing our Aadhaar Pay solution in the devices used by their agents for loan collection in rural India. With the help of this offering, the borrower can make the loan repayment digitally from their bank account simply through biometric authentication instead of having to first withdraw cash and then pay the agent. Similarly, our exclusive partnership with India Post Payments Bank, that has arguably the second-largest distribution network, will allow us to employ innovative digital banking solutions in their network and serve as a technology service provider to them. So, there exists a pattern in whatever we are doing, by providing our platform infrastructure we are bringing more people in the digital fold and our offerings are ultimately promoting financial inclusion in one way or the other.

Q ***Given the complete business is dependent on the partnerships you get. How are you ensuring they stick around, and you don't lose out on these partnerships?***

A We ensure stickiness in three ways – platform integration, platform capability and broadening the product stack.

When we onboard a partner, we make sure our infrastructure is deeply integrated with our partner's platform. The VLEs who are required to use our solution to deliver the service to rural individuals undergo several hours of training to become more comfortable with the technology. This process is time consuming and a cost to the partner but ensures seamless product delivery.

We are continually enhancing our platform capability to ensure the best-in-class customer experience. By ensuring frictionless and high success rates at the time of transactions, our platform not just helps in building trust among rural individuals, but also helps build trust of our partners on us and our quality of service. Underpinning our commitment, we launched our proprietary switching platform "iswitch" on NPCI's NFS network, in partnership with IndusInd Bank with an aim to provide a frictionless end-user experience at scale, whilst remaining fully compliant with regulations.

We are focussed on building a larger product stack to provide customized solutions and augment network monetization for partners by increasing the prospects to cross-sell.

Our infrastructure will allow the Banking Correspondents to make opening of a bank account a fully digital experience without the rural individual having to visit the bank even once. NBFCs are employing our Aadhaar Pay solution in the devices used by their agents for loan collection in rural India. With the help of this offering, the borrower can make the loan repayment digitally from their bank account simply through biometric authentication instead of having to first withdraw cash and then pay the agent. Similarly, our exclusive partnership with India Post Payments Bank, that has arguably the second-largest distribution network, will allow us to employ innovative digital banking solutions in their network and serve as a technology service provider to them.

From a business design perspective, and that's the way we like to see things, we see ourselves as an API infrastructure play operating on a cost-efficient partner-led business model along with an NBFC license. Hence, we are addressing the same problem differently and are product as well as device agnostic. We already have multiple financial products on our platform and will be launching a wider range over the next few months. Other API players are purely product- led. Hence, from a business model perspective we are unique and will continue to be so. This differentiation gives us the right to win.

Q Moving to the financials, our revenues have more than doubled, are we focussing on volume growth and compromising on margins to achieve this revenue growth?

A In FY2022, our revenues doubled, that's a good point to note, but we also turned positive on the Adjusted EBITDA level for the very first time. To give some perspective, we have always been profitable on a gross margin level for every product we offer. Unlike other Fintech companies, we are not burning any cash towards customer acquisition. We have taken conscious efforts to operate on a partner-led model that allows us to deliver financial inclusion solutions in a profitable manner. Therefore, our mantra has not just been to simply focus on increasing our top line, but also be profitable as we do that. Once the initial build is done, product deployment will require minimum cost spending going forward. Hence, every incremental revenue that we earn later on will give us economies of scale and contribute towards enhancing our profits.

Unlike other Fintech companies, we are not burning any cash towards customer acquisition. We have taken conscious efforts to operate on a partner-led model that allows us to deliver financial inclusion solutions in a profitable manner.

Q Fair enough. We are seeing many players working towards financial inclusion. Could you throw some colour on the competition scenario in India? Who do you identify as your direct competitors?

A From a business design perspective, and that's the way we like to see things, we see ourselves as an API infrastructure play operating on a cost-efficient partner-led business model along with an NBFC license. Hence, we are addressing the same problem differently and are product as well as device agnostic. We already have multiple financial products on our platform and will be launching a wider range over the next few months. Other API players are purely product- led. Hence, from a business model perspective we are unique and will continue to be so. This differentiation gives us the right to win.

Q So, a lot of other Neobank players are talking about similar things of solving the rural market financial piece, what is the USP of Niyogin?

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

First, our approach is customer-centric, focused on powering underserved MSMEs and 800 million rural Indians. This target customer segment enables us to deliver financial inclusion on a large scale. The customer-centric approach drives our product propositions which range across financial services, including banking services access, and may expand to other non-financial services product areas over time.

Second is our open tech platform approach. This is to effectively build a full-stack, API, and SDK capable financial services infrastructure that can be used by partners with various needs.

Q What is the Hypergrowth strategy all about?

A The significant market opportunity coupled with the market acceptability of our platforms by some of the renowned institutions has given us the confidence to invest in building this business further. So, to achieve this, the Board approved an investment plan to further our business build. The plan is to invest up to ₹ 100 Crores to hyper scale the business over the next 12 months. The money will largely be utilized in building the talent and technology to help bring in incremental products and service capabilities on our platform. We made our first tranche investment of ₹ 50 Crores in iServeU towards the end of FY2022.

Our approach is customer- centric, focused on powering underserved MSMEs and 800 million rural Indians. This target customer segment enables us to deliver financial inclusion on a large scale.

Q What are going to be your key focus areas in the coming financial year?

A There are going to be three focus areas for us as we enter FY2023 – scaling up our existing partnerships, increasing our footprint by onboarding new partners and broaden our product stack to become a one-stop solution for MSMEs. We expect this year to be a year of build. We will be focusing on execution of our existing partnerships and implementation of our incremental product propositions. We will be trying to build, launch and then continue to build on the side. All along we will be focused on building our Intellectual Property which will propel us to a greater scale in the coming years.

There are going to be three focus areas for us as we enter FY2023 –

- *scaling up our existing partnerships*
- *increasing our footprint by onboarding new partners*
- *broaden our product stack to become a one-stop solution for MSMEs.*

Q What are some metrics that can be tracked to evaluate Niyogin's progress?

A Along with the plan, we also laid down some targets for the coming 3 years. Our consistent performance on a sequential basis as we try to achieve this target, would be a good way to track our progress. We have committed to reach our goal of becoming a ₹ 500 Crores revenue generating Company by FY25. We believe we can improve our GTV from the current ~₹ 9,000 Crores, in the last fiscal to over ₹ 100,000 Crores in the next three years. Alongside this growth, we expect our EBITDA margins of our business in year three to be in the 10% to 12% range and also deliver net profits to our shareholders by FY25. To achieve this, our first and foremost focus will be towards scaling our current partnerships and launch new products periodically.

Leading with experience and foresight

Amit Rajpal

Gaurav Patankar

Tashwinder Singh

Dr. Ashby Monk

Subhasri Sriram

Eric Wetlaufer

Kapil Kapoor

A: Audit
N: Nomination and Remuneration
S: Stakeholder Relationship

C: Corporate Social Responsibility
R: Risk Management

Chairperson *Member*

Note - As on March 31, 2022

Amit Rajpal
Non-Executive Chairman, Co-Founder

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

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

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

Gaurav Patankar
Non-Executive Director, Co-Founder

Gaurav, the Co-Founder of niyogin, is an institutional investment professional focused on emerging markets, alternatives, and impact investing. He started niyogin because he believes that Indian SMEs have great potential and can reach heights with the right help, at the right time, through appropriate channels.

Over his 20-year career, Gaurav has led investment and research teams at large institutional platforms such as Bloomberg, Bank Of America, BNY Mellon, Lockheed Martin, Citi, Millennium Partners & M&T Bank. Before his investment career, Gaurav co-founded Information Interface India Private Limited (Promoter of Niyogin).

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

Tashwinder Singh
Chief Executive Officer & Managing Director

Tashwinder comes with more than 26 years of leadership experience in both strategic and operational roles with significant background in General Management, Banking, Wealth Management, and Private Capital Investing. He has been associated with Citigroup, KKR, and O3 Capital in his previous roles where he held executive leadership positions. He is an accomplished team-builder with a passion for setting the corporate vision, defining and implementing future-driven strategy, and growing businesses through entrepreneurial innovation and a customer-centric approach. He has proven abilities across all levels of organizational management to build and manage and scale business which is the focus of Niyogin's platforms in business services, wealth, and payments. During his long career in the Banking industry, he has built expertise in the areas of Investment Banking, Commercial Lending, Deal Diligence, Underwriting, Principal Investing & Asset Management Businesses in India. He holds a Master in Business Administration degree from the Faculty of Mgmt. Studies (Delhi University) and BE (Electrical) from Delhi College of Engineering (Delhi University).

Dr. Ashby Monk
Independent Director

Dr. Ashby Monk is currently a Senior Research Engineer at, School of Engineering at Stanford University, and also holds the position of The University Executive & Research Director, Global Projects Center at Stanford University.

He has more than 20 years of experience in leading consulting projects for redesigning and restructuring investment operations for various clients globally. Currently, he is on the Board of many institutions and is the co-founder of Long Game Savings Inc. a company that builds mobile finance applications using behavioral psychology and gamification to help young Americans in their financial lives. and KD Venture Partners which is focused on investing and managing fintech and invest-tech companies. He has authored multiple books and published many white papers on finance and investing. His latest book, The Technologized Investor, won the 2021 Silver Medal from the Axiom Business Book Awards in the Business Technology category. Dr. Ashby H.B. Monk has a PhD in Economic Geography from Oxford University.

Subhasri Sriram
Independent Director

Mrs. Subhasri Sriram is a finance professional with close to three decades of experience across various industries, out of which, more than 15 years has been at CFO position in a leading financial services business.

She is a fellow member of the Institute of Company Secretaries and Institute of Cost Accountants of India. She also holds a Post Graduate Diploma in Cyber Laws.

Mrs. Subhasri has won the "Best Performing CFO in the NBFC Sector" Award for 2013 at the 8th edition of the awards instituted by the leading business television channel CNBC TV18. Again, in June 2016, she was selected as one of the country's top 100 most influential CFO's. She was an Executive Director and Chief Financial Officer of Take Solutions Limited. Under her leadership, Take Solutions Limited had won the Golden Peacock Award for Excellence in Corporate Governance, instituted by the Institute of Directors, London, in the years 2017 & 2018. She currently serves as the Board member of TVS Electronics Limited, APA Engineering Private Limited, Ecron Acunova Limited, and Jaikirti Management Consultancy Private Limited.

Eric Wetlaufer
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. Before joining CPPIB in 2011, he was Group Chief Investment Officer, International at Fidelity in Boston, Massachusetts. Priorly, he 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, the Aion Foundation, and is a past president of the CFA Society Boston.

Kapil Kapoor
Independent Director

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

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

He also held the position of Global Chief Operating Officer for Timex Group USA, Inc. from Oct 2009 until May 2013 and various other positions within the Timex Group between 2000 and 2009, such as Managing Director, Chairman, Senior Vice President of the Asia-Pacific Region.

Management Team

Tashwinder Singh
Chief Executive Officer

Pankaj Chaudhary
Chief Business Officer

Ravi Pratap Singh
Chief Technology and Product Officer

Debiprasad Sarangi
Chief Executive Officer, ISERVEU

Noorallah Charania
Chief Operating Officer

Mohit Gang
Chief Executive Officer, Moneyfront

Raghvendra Somani
Chief Financial Officer (Interim)

Neha Agarwal
Company Secretary & Compliance Officer

Devanand Chaudhary
Chief Sales Officer, Retail

Salima Charania
Marketing Head

Management Discussion and Analysis

Macroeconomic Scenario

Global Economy

The global growth is estimated to decline from 6.1% in 2021 to 3.6% in 2022, as per International Monetary Fund's (IMF) World Economic Outlook Report of April 2022. This comes at the back of the ongoing war in Ukraine and sanctions in Russia, which is expected to reduce global growth given the direct impact on these two countries and global spill overs. Another contributor to the near- term global outlook is inflation, that has been on the rise even before the war began. In response to this, many central banks have tightened their monetary policy that has led to a rapid increase in nominal rates across advanced economy sovereign borrowers. A similar trend has been witnessed in the emerging and developing economies as well.

Moreover, low tax revenues in 2020-21 and higher COVID- related spending has eroded the policy space in several countries. As the Governments of major economies are working towards rebuilding the buffer, they are increasingly challenged by rising borrowing costs. Hence, given the low bandwidth, fiscal support is expected to decline in 2022 and 2023, particularly in advanced economies.

In 2023, global GDP growth is projected to moderate to about 3.3%. This estimation is based on the assumption that the conflict would remain limited to Ukraine, further sanctions on Russia would exclude the energy sector and the pandemic's health and economic impacts would subside over the course of 2022.

Domestic Economy

India's real GDP grew by 8.9% in FY2022, up from a contraction of 6.6% in FY2021, as per National Statistical Office (NSO). The real GDP was impacted in the first half of the financial year as the country dealt with possibly the worst health crisis it has ever faced. However, the GDP bounced back in the second half supported by consistent fiscal measures by the government coupled with monetary and liquidity measures taken by the RBI.

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Just when things were starting to normalize, the recent geopolitical conflict has led to loss of pace in the recovery and dampened the outlook again. Hence, India growth is projected to moderate to 7.2% in FY2023[1].

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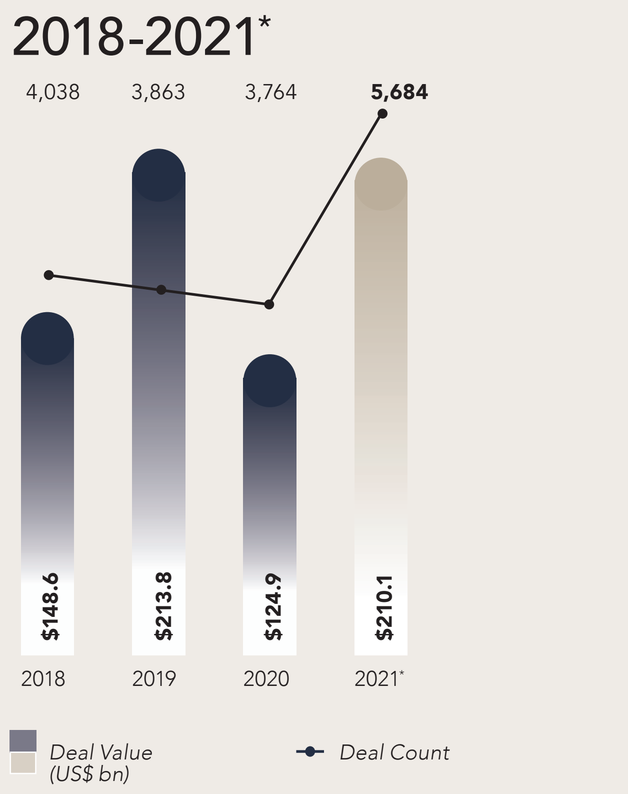
Global Fintech Industry

Total investment of US$ 210 billion in 2021 was driven by record number of Fintech deals. This was mainly driven by funding from venture capitalists, wherein they made the highest ever investments of US$ 115 billion surpassing their previous high of US$ 53 billion in 2018.

TOTAL GLOBAL INVESTMENT ACTIVITY (VC, PE AND M&A) IN FINTECH [2]



1: RBI
2: Pulse of Fintech H2'21, Global Analysis of Investment in Fintech, KPMG International (data provided by Pitchbook)
*As of 31 December 2021

Traction was witnessed in varied kinds of Fintechs, some of them are mentioned below.

Blockchain and Crypto

Investments in this space soared from US$ 5.4 billion in 2020 to more than US$ 30 billion in 2021, given the increased recognition of the role of crypto and its core technologies in modern financial systems. While the growing traction has received high support from certain countries, some countries are either considering the development of digital currencies, while some countries like India and China have completely banned the mining and trading of cryptocurrencies.

'Buy Now Pay Later' (BNPL) space

Another area that witnessed robust investments in 2021 was the BNPL space. Block (formerly Square) recently announced the acquisition of Australia-based AfterPay by 2022. The deal is apparently the largest M&A in the history of acquisitions in Australia, hence, the growth in this space is expected to continue.

Growing attention on core banking replacements

Financial institutions have been under immense pressure to enhance their core banking systems to facilitate better customer experiences by leveraging the cloud and reducing their dependence on legacy infrastructure. This trend can be seen worldwide. In 2021, a growing interest was witnessed in Fintechs who can help with such services, especially for Tier 1 banks. In H2 FY21, JP Morgan Chase not only contributed to UK-based Thought Machine's US$ 200 million fund raise, but also announced its transition to the Fintech's core banking platform.

Increasing number of banks to offer embedded solutions

Embedded finance has been trending upwards over the past year and is expected to gain even more traction given the scenario. Several banks, today, are looking to become service providers to non-financial institutions who are looking for ways to enhance customer experience by offering financial services as a part of their larger offering.

Fintechs to reinvent themselves as data organizations

Numerous Fintechs are expected to rebrand themselves as data organizations and data providers that happen to provide financial services like payments, etc. to differentiate themselves in the eyes of the market.

Stronger focus on making deals in under-developed countries

Countries that are under-developed when it comes financial services are expected to witness increased interest among investors. Hence, it is expected that more deals are likely to happen in developing economies including Southeast Asia, Africa, Middle East and Latin America.

Increased scrutiny by regulators of embedded finance offerings

The regulatory awareness and intervention are expected to increase in the coming 6-12 months as the number of non- regulated entities embedding and delivering finance offerings increase. The regulators will seek to protect the customers by clarifying on issues like available recourse and accountability for transactions done by Fintechs.

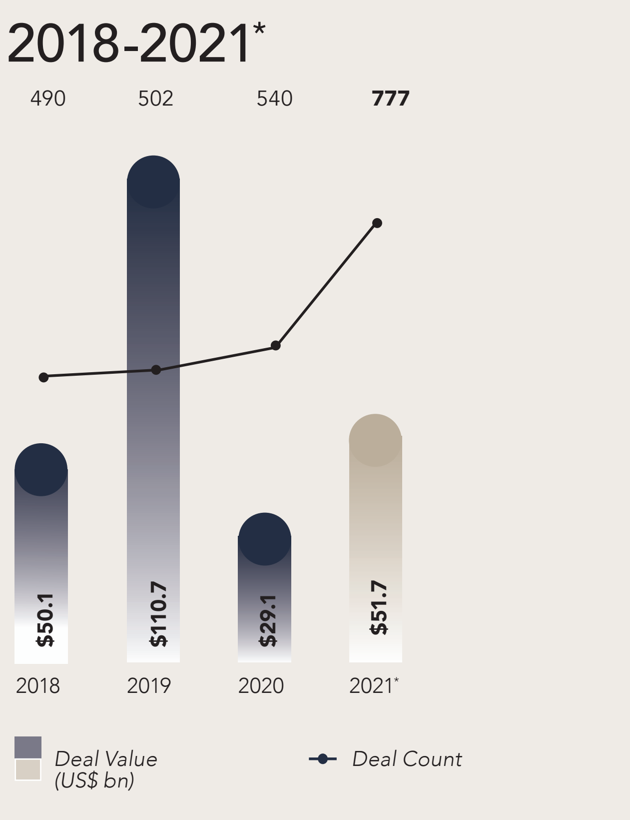
ESG-focussed Fintechs to gain traction

There will be an increasing interest in Fintech companies focussing on decarbonization, circular economy and climate change, given the growing importance of ESG globally.

Progress of the Global Fintech space

Payments

TOTAL GLOBAL INVESTMENT ACTIVITY (VC, PE AND M&A) IN PAYMENTS [3]



Global investments in the payments space witnessed significant traction in 2021. Digital transformation, growing acceptance and use of contactless and digital payments and rising demand for alternative modes of payment like BNPL were the key drivers. The payment sector not just attracted annual record high VC investments but also accounted for the largest M&A deals during the year. Some of the key highlights for the year are given below.

Drivers of investments in Africa and Asia

Adoption of real-time payments turned out to be a strong driver of investments in Asia, especially in South Korea and China. In Africa and Southeast Asia, Fintechs operating with the focus of delivering financial solutions to underbanked and unbanked regions through their innovative business models are gaining increased interest from investors. OPay, a Nigeria-based payments firm, raised close to US$ 400 million funding and became the first ever start-up to receive such a large funding in Africa.

Embedded banking driving investments and partnerships

Multiple marketplace platforms and companies in this sector partnered with Fintechs and financial institutions to either up-sell their capabilities or offer specialized options to customers to make payments – like instalment financing. During the year, Walgreens and InComm Payments launched a new bank account and debit card called 'ScarletTM', while JP Morgan acquired a majority stake in Volkswagen's payments platform.

Growing M&A along with the rise of 'Super apps'

'Super app' fintech firms continued to increase their capabilities – mostly in the BNPL space, via M&A activities. From the acquisition of Paidy by PayPal for US$ 2.7 billion, Greensky by Goldman Sachs for US$ 2.2 billion and AfterPay by Square for US$ 29 billion, these Fintech companies are trying to become a one stop shop and deliver the best customer experience.

Some other highlights of the year were – growing prominence of partnerships as companies tried to find additional ways of embedding payment options into non-financial activities, growing focus on block-chain solutions to facilitate cross-border payments, and rising investments in Latin America mainly driven by their transition to real-time payments.

Indian Fintech Industry

Evolution of the Indian Fintech Industry

Payments leading the Fintech space

Indian Fintech space witnessed a 2x growth in number of deals and 3.7x growth in funding amount in CY2021 compared to CY2020. Further, the average deal size rose from US$ 19.6 million in CY2020 to US$ 33 million in CY2021.[4] This was due to funding rounds by PineLabs, BharatPe, and Cred, among others. Of the same, digital payment start-ups received the maximum funding amounting to 48% of the total. The number of Fintech M&A activities also increased nearly 3x to 26 in CY2021 compared to 9 in the previous year. Out of the 19 Fintech unicorns in India, 47% of them belonged to the payments sector.[4] This surge in investment activity is attributed to the increased scale and rapid adoption of digital payments in the pandemic, as well as the increased interest of regulators and policymakers in the industry. Other drivers have been the technological advancements, increased collaboration between banks and Fintechs, and the strong technology talent pool helping to rapidly build and scale Fintech business models.

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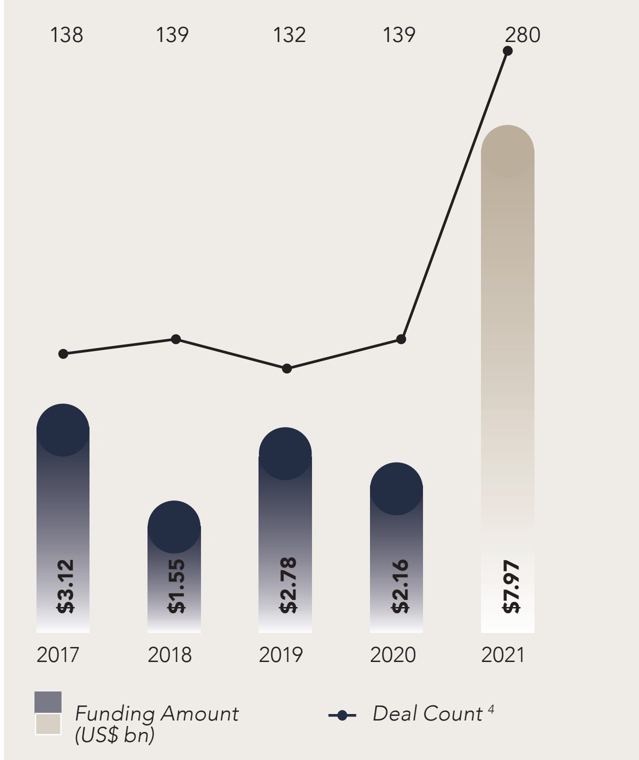
However, much has changed in 2022, as worldwide venture capital funding has slowed down. The situation in Ukraine, high inflation, and stock market volatility have prompted a flight to safety putting start-up values at risk. The total funding amount to Indian fintech companies was US$ 1.9 billion for 101 deals between January to May 2022.

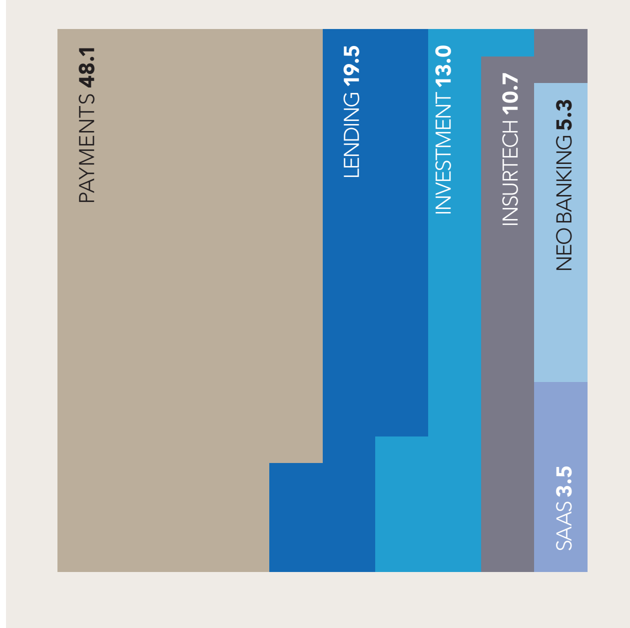
INDIA FINTECH INVESTMENTS [4]



India's digital payments business is at a tipping point, with revenues estimated to more than treble by 2026, from US$ 3 trillion now to US$ 10 trillion. In volume terms, the Indian digital payment market is estimated to exceed 21,700 crore transactions by 2026, owing to rising acceptance of established digital modes and novel payment options such as Buy-Now-Pay-Later plans and offline payments.[5]

Digital Payments Fintechs received maximum funding in 2021

FINTECH FUNDING RECEIVED IN 2021 (IN %) [4]



Payments Fintechs led the way in terms of having received the maximum investment in 2021. Further, the payment segment also accounted for the maximum number of Unicorns at 47.4% followed by WealthTech at 21.1% and InsurTech at 15.8% [4].

Digital payment infrastructure introduced by the Government acting as a support system for Fintechs into payments sector

While there has been tremendous progress in the use of digital modes of payment, there are various issues that continue to impede the country's pace of achieving financial inclusion.

Lack of trust

Lack of faith in official financial institutions is an important but frequently overlooked facet of financial inclusion, particularly among low-income and rural groups. This anxiety is not unfounded, given the daily news of frauds and bank closures. However, a lack of trust in these communities is frequently linked to a lack of understanding. To secure the last mile uptake of these communities, it is critical to create trust and awareness of these services through human interactions.

**As of 31 December 2021*
3: Pulse of Fintech H2'21, Global Analysis of Investment in Fintech, KPMG International (data provided by Pitchbook)
4: Inc42 Plus

4: Inc42 Plus
5: BCG, RBI

Community-centric product design

India is a diverse country with various individuals having distinct needs and levels of ease of use. Despite that, majority of products are designed for those who are wealthy or more knowledgeable. When creating a product, one must consider the user's demand for diverse languages, comprehension ability, and navigational abilities. While India has made significant progress towards creating inclusive solutions (for example, the recent launch of UPI for feature phones), there's still a lot of room for improvement when it comes to product design.

Enabling digital repayments for rural and underprivileged has proven to be a significant challenge. While solutions such as the deployment of PoS devices, establishment of Aadhaar Enabled Payment Systems (AePS) and micro- ATMs, and the transition to digital banking through India Post Payments Bank (IPPB) have been initiated, rural India still has a long way to go to close the gap between the expected impact of financial inclusion and the reality on the ground.

Government initiatives for financial inclusion

In the recent past, the Government has come out with several initiatives to promote financial inclusion. These include the India Stack, an open set of APIs to facilitate presence less, paperless and cashless delivery. Further, the Government also came up with the Jan Dhan- Aadhar- Mobile (JAM) trinity to facilitate basic bank account opening for every individual. Both of these have helped facilitate financial inclusion within semi urban and rural India.

Digital Payment Methods

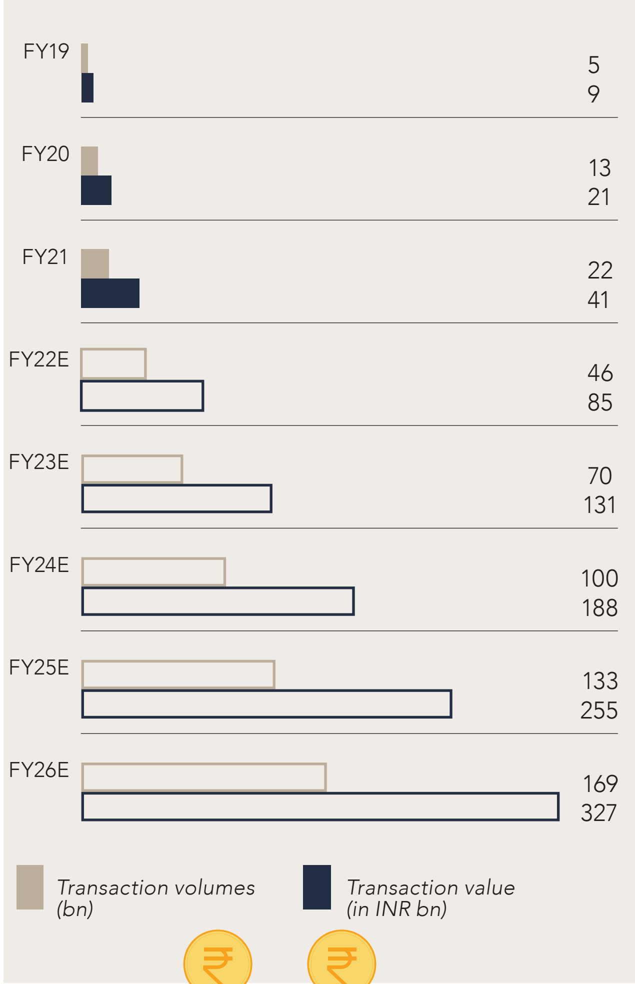
USSD

*99# is an innovative payment service that operates over the Unstructured Supplementary Service Data (USSD) channel. This service allows you to conduct mobile banking transactions using a basic feature phone; you don't need a mobile internet connection to use USSD-based mobile banking. Its goal is to provide financial deepening and inclusion of the underbanked in mainstream banking services. Interbank account to account payment transfers, balance inquiries, and mini statements are just a few of the services available through the *99# service.

BHIM-UPI

The Unified Payments Interface (UPI) is a system that combines several banking services, frictionless fund routing, and merchant payments into a single mobile application (of any participating bank). It also handles 'Peer to Peer' collection requests, which can be scheduled and paid as per the user's need and convenience. Each bank has its own UPI app available for Android, Windows, and iOS (s).

PROJECTED GROWTH OF UPI TRANSACTIONS [6]

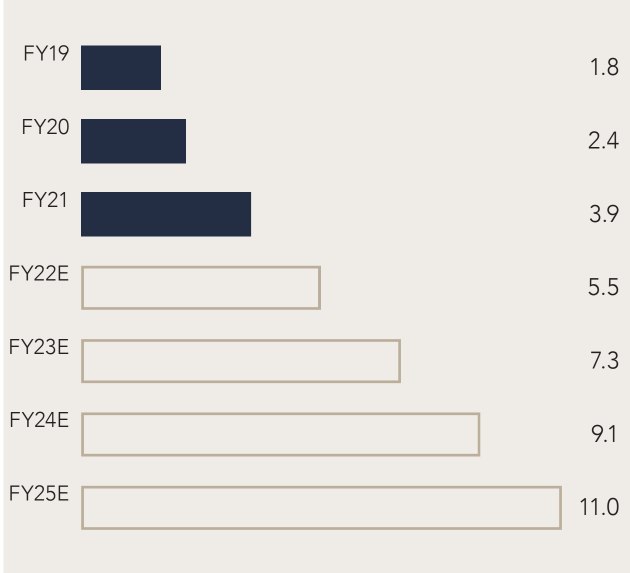


6: PwC

AePS

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

AEPS TRANSACTION VOLUMES (bn) [7]



Mobile wallets

A mobile wallet is a device that allows a user to carry cash in a digital form. One can use their mobile device to attach their credit card or debit card information to the mobile wallet application, and transfer money to another mobile wallet online. They can even make purchases using their smartphones, tablets, or smart watch instead of a conventional plastic card. To load money into a digital wallet, an individual's account must be linked to it.

Micro-ATMs or m-ATM

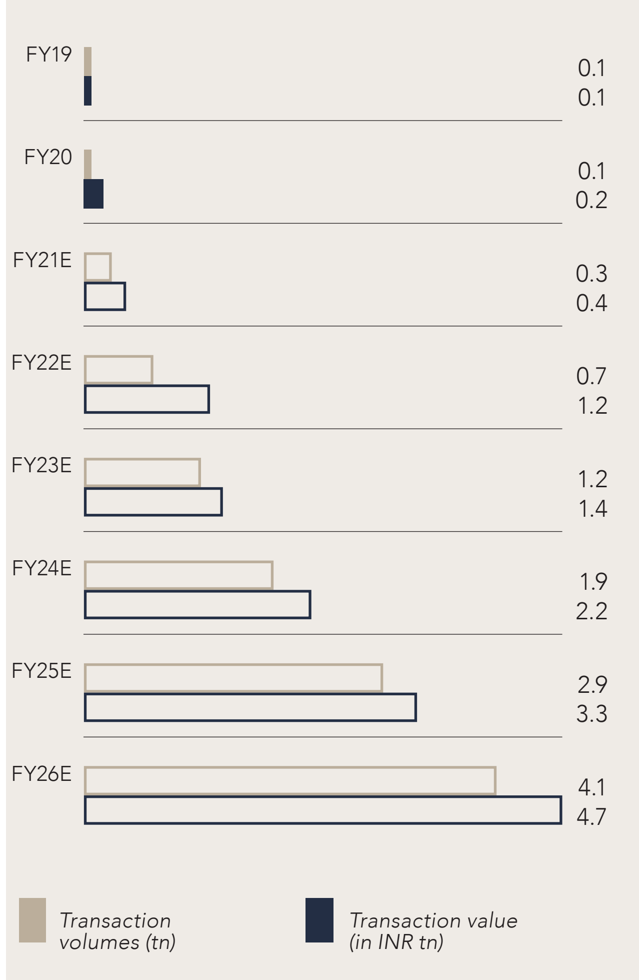
Micro ATM is a device used by Business Correspondents (BC) to provide basic financial services. BCs are typically local shop owners with micro-ATMs installed in their stores to help their customers transact easily and instantly using the platform installed in these m-ATMs. Deposit, withdrawal, fund transfer, and balance inquiry are the four fundamental types of transactions that can be carried out using m-ATMs.

7: statista.com

Bharat Bill Payment System (BBPS)

The government initiatives towards increasing water and electricity supply in rural areas is expected to propel growth in utility bill payments, hence increasing the base of BBPS users.

PROJECTED GROWTH OF BBPS TRANSACTIONS [6]



Account Aggregator (AA)

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

Direct Money Transfer

Inter-state migrants, usually labourers, make up a large component of India's workforce. The number of migrants is estimated at 65 million[8]. Direct Money Transfer (DMT) services are used by these migrants to send money back to their home towns and villages. Because they do not have local bank accounts, money transfers and banking access are difficult for this consumer group. Customers who use DMT-enabled outlets can convert their cash savings and remit them to their own or family's bank accounts at any time. Urbanisation leading to large scale migration, increase in Government backed Direct Benefit Transfers (DBT), growing Banking Correspondent (BC) penetration are the expected growth drivers for DBT. As a result, it is expected that domestic remittance market will grow from ₹ 2.1 trillion in FY21 to ₹ 3.4 trillion in FY25 [9].

Urbanisation leading to large scale migration, increase in Government backed Direct Benefit Transfers (DBT), growing Banking Correspondent (BC) penetration are the expected growth drivers for DBT.

4: Inc42
8: Amitabh Kundu in RIS Diary
9: ICICI Securities report

Key Trends in the Indian Fintech sector

WealthTech

The estimated value of total equity in the Indian stock market was US$ 990 billion in FY2021, and it is expected to expand 2.3 times to US$ 2.2 billion in FY2026. WealthTech appears to be a lucrative business potential in India, thanks to expanding awareness and demand for financial assets, the addressable market has increased significantly over the years.

InsurTech

Insurance technology is the fastest growing Fintech sub-sector in terms of market size. The addressable market is expected to grow around 6x from US$ 56 billion in 2021 to US$ 339 billion in 2025. For the next three years, the fast adoption of non-life insurance, which covers health, education, vehicles, and other areas, will drive the growth of this segment.

Fintech SaaS

The Covid-19 pandemic boosted the adoption of digital financial products and services among Indian SMEs, resulting in increased demand for Fintech SaaS solutions for app-based accounting and bookkeeping and no-code payment aggregation. In the following three years, India's fintech SaaS industry is predicted to grow by 2.7 times, from US$ 4.6 billion in 2022 to US$ 12.6 billion in 2025.

Buy Now Pay Later (BNPL) [4]

BNPL enables payment for goods and services. It is a method of short-term financing allowing consumers to make instant online or offline purchases and pay for them at a future date. The model has witnessed an increase in adoption among varied sectors including Fintechs and banks.

BNPL is expected to grow at a CAGR of 45% touching US$ 15 billion and account for 9% of all e-commerce payments by 2024. The underlying vectors are supposed to be India's large addressable market, low retail credit penetration and the consumption-oriented mindset.

Market Consolidation

The higher a company's market share, it stands to reason, the better its chances of a successful IPO, as it boosts investor confidence. In fact, significant market share is one of the key factors used by experts to measure a company's competitive position. The current Fintech space is highly fragmented; hence, a flurry of M&A deals is expected to come about. Furthermore, the need for full-stack solutions to quickly acquire potential clients and new markets is expected to spur the top players on an acquisition spree.

Future Growth Drivers [10]

- Fintech companies have profited from a number of government and regulatory efforts in recent years, Jan Dhan Yojana and Aadhaar implementation, are just a few examples. The rising ubiquity of the internet and cell phones, low-cost internet data plans, coupled with the lockdown induced digital transformation have accelerated the acceptance of Fintechs.
- Other factors include the robust financial ecosystem, a young population receptive to technology adoption, increasing per capita income, and the low penetration of financial services across India.
- There is a high potential for Fintechs offering solutions in specialised financial domains that include, digital payments, lending, insurance, peer-to-peer lending, and wealth management, in addition to the regular payments business.
- A technologically skilled workforce has aided the rapid expansion of Fintech start-up entrepreneurs, in addition to the integration of modern technologies in financial services. In a country with one of the fastest-growing start-up ecosystems and the world's second-largest internet user population, Fintech start-ups are designing innovative products that can appeal to younger generations. Millennials and other new-age shoppers are keen to ditch cash in favour of making rapid purchases with a few taps on their phones. Furthermore, the use of digital technology has resulted in a significant increase in customer outreach while also giving customers with more flexible and easy options. The growing use of data analytics is enabling businesses to deliver solutions that are more localised and customised.
- Fintech start-ups can take advantage of the possibility to form new alliances with non-digital and non-tech companies moving towards digitalisation. New business prospects are projected to emerge through broad B2C and B2B relationships with firms operating in the banking, e-commerce, and logistics space.
- Embedded finance propositions are expected to increase, with banks seeking help from Fintech providers to expand their capabilities with embedded finance, digital wallets, and supply chain solutions. Cloud hosting and Open APIs are enabling Fintechs to launch new products rapidly.
- Fintechs are increasingly focusing on data value propositions. Scaling Fintechs have begun to recast themselves as data organisations, marketing themselves as data providers that also offer payments, lending, insurance, or other related activities.
- Regulators have taken the initiatives to leverage technology for facilitating digital penetration. The UPI system was leveraged to introduce UPI123Pay to facilitate digital enablement of over 40 crore feature phone users in the country. The Payments Infrastructure Development Fund (PIDF) has been created to boost the growth of acquiring infrastructure. RBI has issued guidelines for offline payments, tokenisation, and regulatory sandbox. Reimbursement of Merchant Discount Rate (MDR) on RuPay card and UPI transactions have been declared as well. Recently, RBI also proposed to allow linking of credit cards to the UPI platform. Due to this, credit cards are expected to become more accessible through QR codes without the need for a Point of Sale (POS) machine.
- According to a recent research by the Boston Consulting Group and the FICCI, the country's Fintech companies are expected to triple in value over the next five years, reaching a value of US$ 150 billion by 2025.

10: KPMG report, news reports

Building a financial services marketplace in underserved areas will be critical in enabling rural customers to participate in financial activities

Future Fintech developments

Expansion of Tokenisation

RBI has expanded the scope of tokenisation to cover additional use cases like laptops, desktops, wearables (wristwatches, bands, etc.), internet of things (IoT) devices along with card on-file tokenisation (CoFT). It will also ensure that the whole consumer check-out experience is preserved, in addition to improving card-related security. Tokenisation will boost small-value transactions for in- store and transit payments as the quantity and use of wearable devices across the segments rises.

Introduction of Retail Digital Payment Solutions in Offline Mode

A framework for retail digital payments in offline mode is being developed across the country by RBI. This will extend the reach of digital payments even farther, providing new options for both individuals and enterprises.

Building a marketplace crucial to enable participation of rural users

Building a financial services marketplace in underserved areas will be critical in enabling rural customers to participate in financial activities, which will come at the back of financial literacy and counselling on how to get started and use digital payments.

A financial services marketplace could be developed by the large network of post offices that would be linked to the core banking system and the Digital Banking Units (DBUs) set up by the banking ecosystem, as proposed by the Honourable Finance Minister in her 2022 Budget speech. This will help in building the necessary marketplace to provide a diverse range of banking services tailored for a semi-urban and rural environment.

Innovative Payment Services

Driving innovative instant payment services like UPI 123Pay to digitise payments among customers with feature phones is expected to be critical to unlocking widespread adoption of digital payments.

The feature phone user might utilise UPI 123Pay to make payments using a pre-defined IVR (interactive voice response) number, payments by missed call, payments via app created for feature phones, or payments based on proximity sound.

Digitization in various sectors

Other sectors, such as e-commerce in rural areas with last-mile delivery and pick-up and drop services, could benefit from similar digitization. This might be expanded to include on-demand video and audio doctor consultations in local languages, as well as the delivery of necessary medicines. Furthermore, aggregating agri-services such as on-demand harvesting labour, farm equipment rentals, and warehouse space for storage would encourage rural and agri-focused clients to go digital.

Current Scenario

Rise in Fintechs focusing on serving the SMEs & rural individuals

India's 63 million MSMEs contribute 29% to the GDP and nearly a quarter of employment opportunities. It is expected that this contribution will rise to 50% of GDP by 2050. The Indian economy continues to modernise at a strong pace, resulting in a drive for corporate formalisation. MSMEs have traditionally operated in an informal setting; however, there is a multi-decadal tendency that small businesses must formalise and digitise in order to stay relevant and flourish. Since the implementation of GST, the number of GST taxpayers has risen rapidly, from 7.0 million in 2020 to 13.7 million in 2022[11]. In addition, India's 70 million shopkeepers aim to expand their product options and raise their revenue in rural areas. As more people gain access to financial services, these figures are anticipated to substantially increase in the coming years.

While the epidemic accelerated the acceptance of digital payments in 2020, in 2021 they became really mainstream.

When the country was hit by a second wave of the pandemic in 2021, digital financial transactions became even more critical. Tier-2 and Tier-3 cities saw large increases in online transaction volumes of 45.6% and 54.3%, respectively, due to rising smartphone and internet adoption. The total value of AePS enabled transactions increased on the back of various government measures to dole out subsidies to the marginal population in the form of Defined Benefit Transfer (DBT). Resultantly, AePS interbank volume increased by 18%[12] in FY22 to 1.1 billion[12].

The large MSME credit gap

Due to the high cost of services, small loan ticket sizes, and MSMEs' limited ability to furnish immovable collateral, financial institutions have, since a long time, limited their lending exposure to the Indian MSME market. The overall credit gap in the MSME market is estimated to be ₹ 14.53 trillion[13]. Another issue faced by financial institutions is their lack of access to unconventional data of MSMEs that can be used to give out loans. Fintechs are data savvy and can bridge this gap by quickly analysing this data and making a lending proposition basis the transaction led data.

Fintechs have been at the forefront of adopting and inventing innovative solutions that take advantage of cutting-edge technology and platforms including artificial intelligence (AI), machine learning (ML), application programming interfaces (APIs), cloud, automation, and IndiaStack. This usage of technology and data analysis can help deliver credit to the underserved.

Some of the challenges currently faced by the banking system when serving rural areas is the ineffective way of carrying out the last mile distribution, high customer acquisition costs, low internet bandwidth, financial illiteracy, among other factors. This can only be addressed through a technology-driven ecosystem and an open technology framework for last mile partnerships. This is a structural opportunity for Fintechs as it creates an attractive product market gap.

How are Fintechs enabling Financial Inclusion?

The Government introduced Jan Dhan-Aadhar-Mobile (JAM) trinity to connect the banking infrastructure with government schemes and deliver financial inclusion through digital means. This increased the government's usage of digital payments for welfare and served as the largest launchpad for Direct Benefit Transfer (DBT). However, the last mile delivery of the DBT model remains a challenge. Hence, Fintechs have adopted an asset light, multi product model to facilitate easy delivery. Fintechs now provide last-mile connectivity to banks, connecting the rural people to contemporary technology and offering services through small retail establishments, thanks to their creative business models. They empower BCs through technology-enabled platforms, and they're riding on the government's many initiatives over the last decade, such as JAM trinity, RuPay cards, and the IndiaStack, which is constantly improving digital infrastructure.

Fintechs now provide last- mile connectivity to banks, connecting the rural people to contemporary technology and offering services through small retail establishments, thanks to their creative business models. They empower BCs through technology-enabled platforms.

Fintechs Collaboration with Banks

Through this collaboration, banks are able to lower their acquisition and service cost as the Fintech covers the entire startup cost. Fintechs can better serve lower-income groups in underserved areas because they operate on a purely digital asset-light model. Fintechs can integrate loan, insurance, and investment options into their product stack by partnering with banks. For banks, partnering with Fintechs allows them to expand customer service channels, resulting in higher user engagement, increased market reach for their products, and network-wide cross-selling. Further, this also helps Banks to fulfil their financial inclusion goals.

Rise in BaaS platforms in India

In recent times, Banking as a Service (BaaS) platforms have risen globally. Banking as a Service allows third-party organisations or partners to access existing financial services firms' platforms via APIs that connect the financial service firm and third-party organisations. BaaS allows Banks to offer digital services to customers such as online banking and mobile banking. When banks utilise an Application Program Interface (API) from a trusted provider, they can offer customers a premium digital experience that would otherwise necessitate a larger overall in-house investment. Banks can also use APIs to link their services to fintech apps, enabling new customers to open debit, credit, or savings accounts from within those apps. BaaS providers who offer API banking can help banks build lasting relationships with top trusted fintech companies.

Fintechs as NeoBanks

In the long run, Fintechs are expected to evolve as NeoBanks wherein banks can use the Fintech's frontend to open bank accounts in semi-urban and rural areas. A Neobank is a digital-only bank with no physical branches and provides the entire range of banking services digitally to its customers. The idea of NeoBanks aligns with financial inclusion and typically serves the MSMEs and rural individuals. In India, however, NeoBanks have partnered with banks and have built platforms that provide services ranging from opening accounts digitally to providing automated analytics for MSMEs. These APIs enable the NeoBank customers to transact with superior product and customer experience. These partnerships enable traditional banks to provide enhanced user experience and cross-sell other products at very low costs. This will then evolve into a multi-product proposition wherein other banking and financial services, as delivered in the BaaS, will be offered on the Neobank platform as well. Also, by acting as a transaction service provider Fintechs will have access to large amounts of transaction data, that will act as a good data point for credit underwriting.

All the above are expected to significantly scale the last mile access of banking in underserved areas and enable true adoption of financial inclusion across rural India.

11: GST Network
12: NPCI
13: marketresearch.com

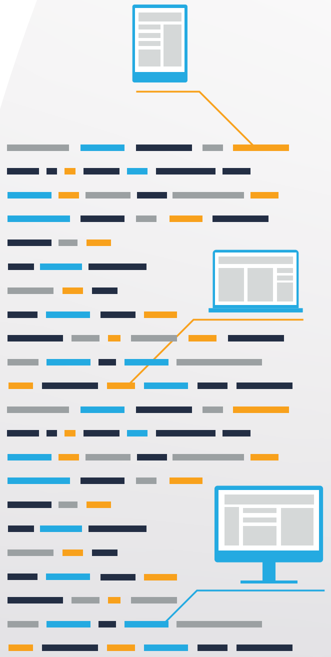
About Niyogin Fintech Limited

In January 2017, Information Interface India Private Limited acquired M3 Global Finance Limited and renamed it to what it is called now – Niyogin Fintech Limited ("NFL" or "Company"). Through this deal, Niyogin ended up raising ₹ 2,348 million from institutional investors.

Niyogin Fintech Limited, founded by Amit Rajpal and Gaurav Patankar, was started with the vision to build a Fintech company to serve the Micro, Small and Medium Enterprises (MSMEs), which remain underserved across technology and financial products. Aligned with this vision, it aims to reach out to the less penetrated parts of India and drive financial inclusion.

In 2018, we initiated our Credit segment in Urban India, wherein we offered small ticket unsecured business loans (UBL) to MSMEs and focussed on market access through financial professionals. To enhance the product stack for Urban India, we initiated our Wealth Tech segment through the acquisition of Moneyfront in 2019. In 2020, we acquired iServeU (initiating the Rural Tech segment) that gave us market access to under-penetrated Rural India. With this acquisition, the Company pivoted its business model from credit centricity to a tech-centric platform-based model.

Today, the Company identifies itself as India's only early-stage listed Fintech company that is focussed on serving the MSMEs through their large product stack. The business is divided into two segments – Rural Tech and Urban Tech.



Our Business Model & Strategy

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

#1

We are building an open tech financial services platform.

Tech-centric model

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

#2

Our open tech platform model is designed to leverage the already established network of financial professionals, business correspondents, and enterprise partners to reach out to our target segment instead of rebuilding the network on our own.

Cost-efficient market access through our partnership led model

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

#3

Leveraging on the customer base by expanding product stack

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

The objective across both our Urban and Rural Tech segments, is to empower our partners to offer best- in- class products and choose the relevant products for their respective segments.

#4

This kind of credit is exclusively meant for our partners and retailers that can be used by them towards the business they do with us.

Opportunity for Transaction-led credit model

In FY2021, we transitioned from offering generalized credit to transaction-led credit. This kind of credit is exclusively meant for our partners and retailers that can be used by them towards the business they do with us. Because of our business, all our partners and retailers are onboarded on either one of the two platforms. At the time of onboarding, they are required to open a close loop wallet that acts as the only medium we transact with each other. This gives us access to their transaction data and cash flow control as partners and retailers generate income on our platform. This enables a better assessment of an individual's creditworthiness as well as the ability to digitally collect payments from the borrowers. This arrangement facilitates easy collateral-free credit availability for the underserved and improves collection rates.

Further, in our Rural Tech platform, capital constraints limit the retailers' ability to execute transactions for rural individuals, hence, using the transaction data available on the platform we can identify these limitations, help the retailers meet their capital needs and drive transaction volumes. By doing this, we can increase our ability to earn income on those transaction volumes and also generate incremental income on the loans issued.

Delivering impact

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

Expanding rural reach

In Rural Tech, iServeU has developed a 'Banking as a Service' or BaaS platform to help our partners deliver financial inclusion. We onboard partners with storefront access (retailers), and operate as an integrated platform that connects partners, their banks (partner banks) and the retailers at one place. As a result, the Company can streamline the process of providing banking services to rural individuals at the local village level and increase their reach through local partnerships. With iServeU, we expanded our penetration in Rural India and currently have over 2,46,000 touchpoints.

Accessibility to banking services

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

Partner model enabling network monetization and income augmentation

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

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

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

We will look for businesses that align with our vision and demonstrate synergies that will help us grow together.

Mergers & Acquisitions (M&A)

Besides, growing our Company organically, we have been open to M&A activities in the start-up ecosystem with the aim to either expand our product stack or achieve scale by increasing the network of channel partners. As mentioned, in the past, we acquired 50.01% of Moneyfront. The decision was driven by the need to expand our product stack by adding Wealth Tech. Similarly, recent activity, wherein we acquired 51.00% of iServeU, the decision was driven by the need to penetrate into Rural India and increase our product stack to serve their requirements.

Therefore, going forward our decisions related to M&A would be taken in a similar fashion wherein we will look for businesses that align with our vision and demonstrate synergies, that will help us grow together. The table below highlights the future outlook for our three products.

Rural Tech	*Credit*	*Wealth Tech*
• Expand Products • Build Scale	• Expand Products • Further Market Access	• Expand Products • Build Scale

Technology & Data Infrastructure

Niyogin is a Fintech driving innovation through technology and building economic infrastructure for MSMEs. Technology is the driver for our core product offering i.e., the open tech platform vision to drive financial services adoption and inclusion.

There are two specific areas of investments in technology

1) The product capability investments

2) The technology platform and infrastructure.

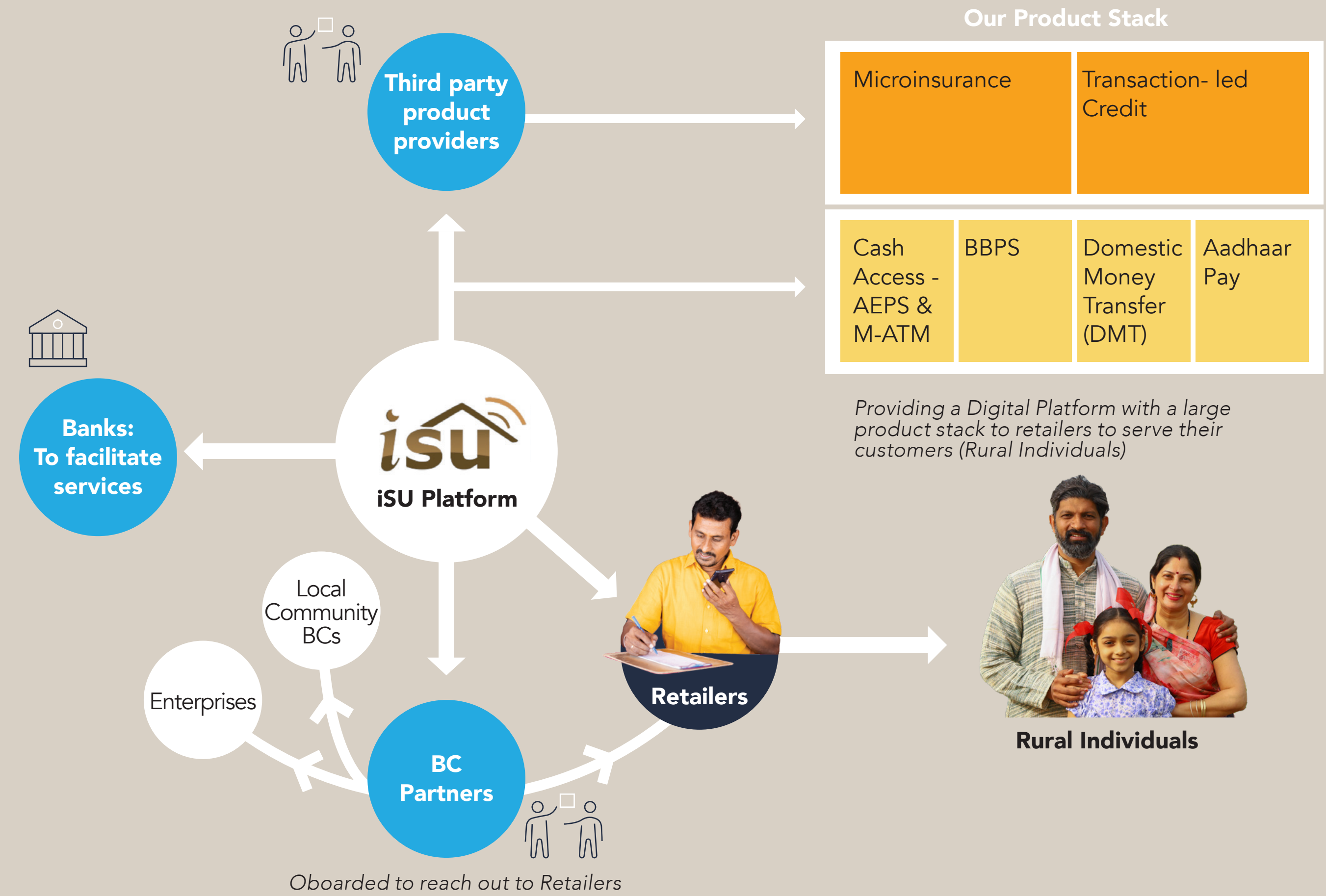
We continued to make significant investments in both these areas over the past year and will continue to accelerate our investments to expand our product offerings and create a more flexible and scalable platform.

The platform is being built with the objective and capability to offer the entire banking services stack consumable as full-stack, API and SDK depending on partner's own technology evolution and choice. This would make us a unique tech financial services infrastructure platform that powers distribution/customer facing businesses with varied requirements. For this, we work closely with various leading technology companies across diverse domains, financial institutions, payment networks, and banks. We expect technology investments to remain elevated.

Our Segments

Rural Tech

iServeU, which is our 'Banking as a Service' (BaaS) platform, serves the Rural Tech segment. The BaaS platform is employed by our partners in customer-facing touchpoints like retail storefronts or SMEs that enables these touchpoints to provide basic banking services to their local communities. Our tie-up with product partners such as banks, insurance companies, among others, helps us facilitate a technology-led product delivery system. On the other hand, through our partnership-led model, we onboard Business Correspondent (BC) partners (includes enterprises and local community BCs) on the platform to reach out to local retail stores. By connecting banks, BC partners, and BC agents in one place, we make the retailer well-equipped to provide frictionless and easily accessible banking, financial, and payment services to local communities.



Products

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

Transaction-led credit is being done within our platform ecosystem. While all the other products are meant to serve the rural individuals, this is a proposition meant for partners and retailers to increase their ability to grow their business with us and ultimately earn more income for all the stakeholders involved.

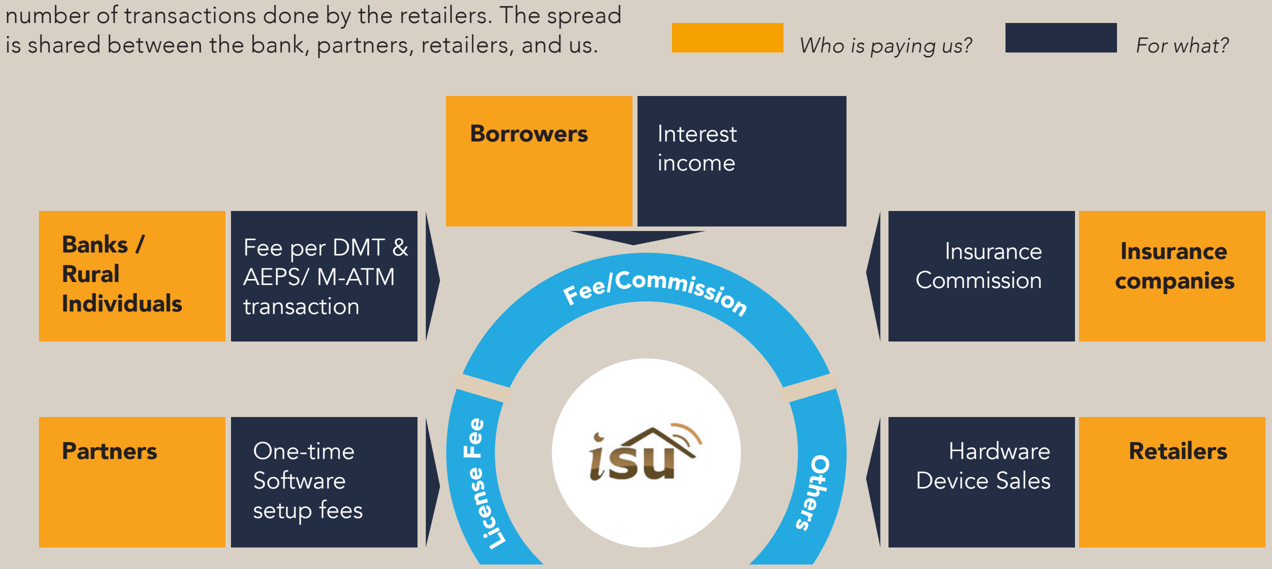
Revenue Model

One-time software setup fee is the license fee that is fixed in nature and is paid by the partner to use the platform. Through the platform, partners can connect with their partner banks online, manage the retailers onboarded, and keep a track of the transactions made by every retailer.

Fee/commission income is variable in nature and earned on a per transaction basis and hence, depends on the number of transactions done by the retailers. The spread is shared between the bank, partners, retailers, and us.

Incremental interest income is earned on the transaction- led credit issued to partners and retailers.

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



Business Update

Our transaction led credit is seeing good traction.

On the partnerships front, apart from expanding our business with partners like Common Service Centers, Bharat Financial amongst others, we added a significant number of marquee partners such as Sahej, Bajaj Finance, Hesa, and Hermes iT, as well as Airtel Payments Bank to augment our bank partnerships during the year. We have been powering all our partners' distribution front ends with our Rural Tech platform products.

In the last quarter, we also joined hands with India Post Payments Bank to deliver multiple solutions to bolster their digital banking strategy. As a technology service provider (TSP), we will be deploying various innovative digital banking solutions in their network as well.

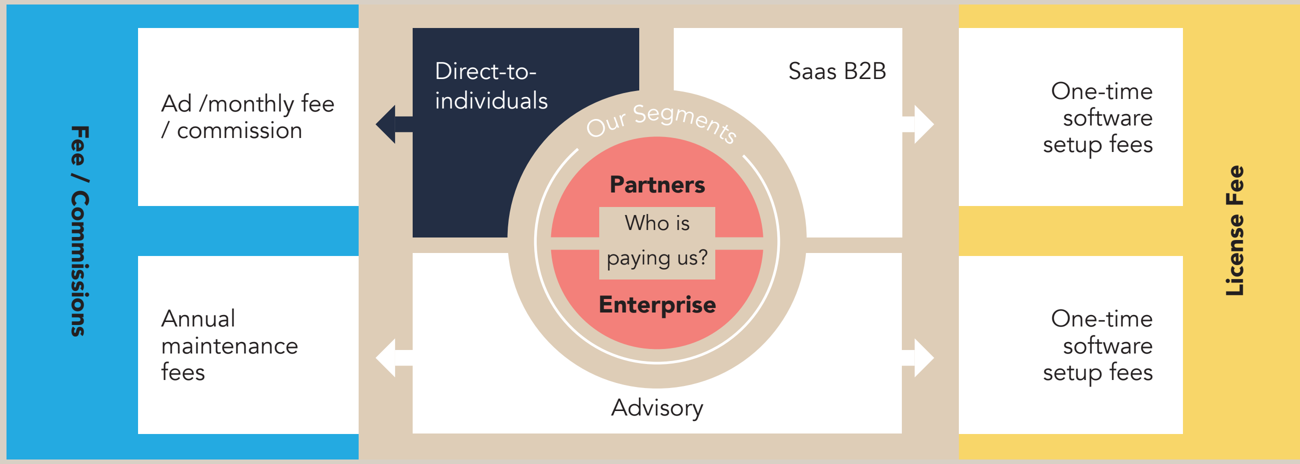
We will be launching India's first 'NeoBank as a service' platform for one of the largest BC agent networks. We are also working with an upcoming NeoBank to launch a Prepaid card solution for their customers. These are some examples, where our new propositions are finding favour with the market.

On the platform capability front, we upgraded our domestic remittance product and Bharat Bill Pay Agent institution. We also made a significant change to our platform wherein we have now become device agnostic and offer micro-ATM services in the "Bring your own device" model to enable an open architecture which widens our platform TAM (target addressable market) significantly as we can now target a wide range of devices which are already installed. As a result, an embedded micro-ATM solution for POS players was also launched in the first half of the year, a solution that helps micro- ATM transactions through existing POS devices. The model is being rolled out in strategic partnership with Atos Worldline.

The last quarter marked the launch of our proprietary switching platform "iswitch" on NPCI's NFS network in collaboration with IndusInd Bank. This is India's first cloud native switching solution, and it will help our banking partners achieve their goal of providing a frictionless end- user experience at scale while being wholly compliant with regulations.

As a result of our developments in the year gone by, the retailer network or number of BC agents increased by 89% YoY to 246,853. The Gross Transaction Value (GTV) of the Rural Tech platform was ₹ 87.2 billion in FY22, up 51% YoY from ₹ 57.6 billion in FY21. Although the ticket size varies across products, the average ticket size varies between ₹ 2,800 to ₹ 3,800. This segment's revenue growth has been outpacing GTV growth due to our expanding product stack in the Rural Tech market.

Urban Tech



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

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

Products

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

Our Wealth tech product stack includes –

- **Direct-to-individuals platform:** The pre-existing platform for individuals to assist them in financial planning.
- **SaaS B2B platform:** This platform enables financial professionals to build their own wealth practice and help MSMEs and MSME owners in wealth management.
- **Wealth analytics platform:** Analytical services to wealth managers of large enterprises.

Revenue Model

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

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

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

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

Business Update

During the year, we saw strong momentum in product distribution and in our SaaS solutions on analytics. We further expanded our product stack with SaaS based tax solution and insurance.

We are in the process of exiting the credit-led customer acquisition with the aim to de-risk our credit book. Further, over the past year, we have steadily grown our transaction led credit book depending on our partners requirements. Our loan book (net of provision) stood at ₹ 577.7 million at the end of FY2022.

On the Wealth Tech front, our new product launches resulted in 122% increase in Wealth AUM touching ₹ 21.9 billion while our customer base grew by 13% to 20,375 in FY2022.

FY2022 Key Highlights

Hypergrowth Plan

In FY22, we announced our hypergrowth plan that would involve an investment of ₹ 100 Crores. This investment as part of our plan will be focussed on building intellectual property and will straddle solutions around NeoBank, POS solutions, prepaid cards, collections, lending, insurance, among others. We will be developing and launching various items across all our business lines over the next 12 to 18 months. Along with this investment, we have also put in place some ambitious targets for ourselves to be accomplished by FY25. Our objective is to increase our Gross Transaction Value (GTV) by 11x of what it is today, i.e., from the current level of ₹ 8,720 Crores Crores in FY22 to ₹ 100,000 Crores; become a ₹ 500 Crores revenue generating company and have EBITDA margins in the range of 10% to 12%.

We derive confidence to achieve this target due to reasons outlined herein. One of them has been our revenue and cost growth trajectory. Our revenues have been growing at a faster pace compared to our costs, that re-emphasizes our efficient business model wherein we are not burning any cash and operating on an asset-light model. Hence, we will be able to take advantage of the operating leverage that will come into play as we continue to scale up. This will ultimately increase our margins. Coupled with this are our significant partnership wins including our tie up with India Post, which gives us confidence to achieve our outlined goal.

New appointments in Board and Management

During the year, Dr. Ashby H.B. Monk was appointed as an Independent Director. He is currently a Senior Research Engineer, School of Engineering at Stanford University and holds the position of Executive Director of the Stanford Research Initiative on Long-Term Investing. Along with him, Mr. Tashwinder Singh, the Chief Executive Officer of Niyogin Limited was elevated to the Board as the Managing Director, given his contribution in driving the business forward.

We have broadened our management team with the appointment of Mr. Pankaj Chaudhary as the Chief Business Officer for the Urban Tech business.

Our revenues have been growing at a faster pace compared to our costs, that re-emphasizes our efficient business model wherein we are not burning any cash and operating on an asset-light model.

We also launched our proprietary switching platform "iswitch" on NPCI's NFS network in collaboration with IndusInd Bank to help our banking partners achieve their goal of providing a frictionless end-user experience at scale while being wholly compliant with regulations.

He has 16+ years of experience in financial services. Further, Mr. Raghavendra Somani, a qualified Chartered Accountant, has been elevated from the position of Deputy CFO to Interim CFO.

Expanded our distribution Network and Onboarded Partners

On the Rural Tech front, we onboarded marquee partners such as Sahej, Bajaj Finance, Hesa, and Hermes iT, as well as Airtel Payments Bank to augment our bank partnerships. Moreover, our exclusive partnership with India Post Payments Bank has been a material development during the year.

We are also working with one of the largest BC agent networks to launch India's first 'NeoBank as a service' platform and with an upcoming NeoBank to launch a Prepaid card solution for their customers.

New Product Launches and Upgrades

On the Rural Tech front, we upgraded our Domestic Remittance product and Bharat Bill Pay Agent institution.

On the Urban Tech front, we saw strong momentum in our SaaS solutions on analytics. We further expanded our product stack with SaaS based tax solution and insurance.

Enhancing Platform Capability

We also made a significant change to our platform wherein we have started offering micro-ATM services in the "Bring your own device" model to enable an open architecture which widens our platform TAM (Target Addressable Market) significantly as we can now target a wide range of devices which are already installed.

We also launched our proprietary switching platform "iswitch" on NPCI's NFS network in collaboration with IndusInd Bank to help our banking partners achieve their goal of providing a frictionless end-user experience at scale while being wholly compliant with regulations.

We will continue our substantial investments in expanding our platform capabilities by acquiring necessary licenses required to offer full-stack financial services and increase our product stack. This will drive greater partner adoption for our platform.

Future Outlook

The key priorities as we step into FY23 will mainly revolve around gaining market access, expanding the network, and network monetization, as we continue to look out for M&A opportunities. All these factors will help us in achieving the Hypergrowth plan outlined above.

Platform capabilities and building market access

We will continue our substantial investments in expanding our platform capabilities by acquiring necessary licenses to offer full-stack financial services and increase our product stack. This will drive greater partner adoption for our platform.

Through FY22, we have incubated large partner relationships. The platform investments and the scaling current relationships should allow us to significantly expand our network into FY23. We will further be employing aggressive new customer acquisition strategies by lowering barriers for partners to start business with us and focus on increased user retention and activation rate.

We will forge stronger partnerships with banks and device suppliers to negotiate better deals to improve the bottom line.

Build the talent pool

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

M&A opportunities

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

Financial Review

Consolidated Profit & Loss Statement

in ₹ million

PARTICULARS	FY22	FY21	YoY CHANGE
Total Income	**1,070.8**	506.3	11.5%
Total Expenses	**1,148.1**	578.8	98.4%
Adjusted EBITDA (ex-ESOP)	**29.6**	(20.0)	NA
Reported Pre-Tax Profit/ (Loss) {A}	**(77.3)**	(72.5)	NA
Depreciated & Amortization	**53.9**	50.1	7.6%
ESOP {B}	**53.0**	33.4	58.7%
Non- GAAP PBT {C}= A+B	**(24.3)**	(39.1)	NA

We achieved a significant milestone in FY22 as our revenues doubled and crossed ₹ 1000 Million in FY22 reporting ₹ 1,070.8 million million revenues as compared to ₹ 506.3 million in FY21. We further reported positive EBITDA (excluding ESOP charges) of ₹ 29.6 million in FY22, compared to ₹ -20.0 million in FY21, as our Rural Tech business started picking up pace.

Our Non-GAAP losses before tax for the full year reduced to ₹ 24.3 million, compared to ₹ 39.1 million in the previous year. Our ESOP charge for the whole year increased from ₹ 33.4 million in FY21 to ₹ 53.0 million in FY22. In our credit market, outstanding loans and advances were at ₹ 577.7 million as of March 31, 2022, up 26.7% led by transaction-led credit.

We continue to be debt-free and cash-flow positive. Our cash position stood at ₹ 869.9 million as of March 31, 2022, driven by transaction-led credit deployment and investment in iServeU, our subsidiary.

Key Financial Ratios

PARTICULARS	FY22	FY21
Fee to Total Income (%)	**39.4**	38.2
Total Income to Total Assets (%)	**29.5**	20.2
Book Value (₹)	**30.3**	30.3

1. *Fee income increased as a percentage of Total Income driven by our Rural Tech business.*
2. *Total Income increased significantly as a percentage of Total Assets on account of our increased focus on fee income and asset light balance sheet.*
3. *Book value was constant due to marginal increase in equity share capital.*

Opportunities

Rural NeoBank model

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

Large Addressable Market

There are close to 63 million MSMEs in India and over 800 million Indians living in rural India. This segment is informal and underserved across the spectrum of various product and services. The formalization of the economy, expanding incomes, and technology innovation create a massive opportunity for platform-led models to tap and serve this market segment. As an example, we have already seen AEPS transaction throughputs scale to US$ 39 billion per annum from virtually nothing six years back. Further, the platform delivery model allows Fintech companies to be customer-centric and move across the financial services spectrum as well into non-financial but adjacent product areas. Our business model is well-positioned to capture this market opportunity and scale.

Potential to expand the distribution network

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

Financial Inclusion

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

Growing inorganically

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

Innovative use of data

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

Threats & Mitigation

NAME OF RISK	DESCRIPTION	HOW ARE WE MITIGATING THIS THREAT?
Credit	Companies involved in lending are exposed to the potential risk of a borrower defaulting on their obligations. This leads to lost principal and interest amounts, increased collection costs, and disruption to cash flows for the lenders. Moreover, traditional banks and NBFCs refrained from lending to MSMEs due to their lack of credit history and reliable financial statements. Therefore, companies giving out loans to MSMEs are said to run at a higher risk of default.	Our Company transitioned from giving out generalized credit to offering transaction-led credit. Under this approach, Niyogin uses the transaction data available on the platform to get a better idea about the revenue sources of the borrower. This not only enables us to stick to our objective of providing easy, fully digital, collateral-free loans but is expected to improve our collection efficiency owing to a better evaluation of creditworthiness.
Distribution	Financial professionals, partners, and retailers, together make up our partner-led distribution network, which stands as the core part of our business. The large network we are building will benefit us for years to come as we keep increasing the product stack and as our partners keep growing their clients. Hence, ensuring that doing business with us is as profitable for them as it is for us becomes key.	The Company makes it a win-win situation for all the stakeholders involved by meeting the working capital needs of partners and retailers through transaction-led credit that helps them grow transaction volumes and hence, their fee income. Furthermore, we continue to add more products to the stack to help our partners serve their clients better.
Technology	Problems like obsoletion of technology, platform downtime, data leaks, and information theft have been widespread in the Fintech space. Therefore, since technology up-gradation and data protection hold utmost importance, players need to invest extensively to develop strong mechanisms to control this risk and comply with regulatory requirements of data security. Moreover, control of data and choice of sharing the same with various apps and websites should be a strong prerogative by the people; in these lines, awareness and digital education play a major role but are still lacking, leading to misuse of confidential information data.	We regularly assess our technology infrastructure against our current business levels and future expansion plans. We continually keep our hardware and software updated to remain relevant. Additionally, we continue to create safeguards against any cyber- attacks.
Competition	There are various companies operating in our target market and product segments. These range from Fintech companies to traditional brick and mortar models, including but not limited to banks and NBFCs. Additionally, with the sudden rise in Fintech opportunities, many players may/have enter(ed) the market and opened businesses in overlapping or similar spaces. A number of Fintechs have been crowding the space, creating the need to create a brand recall. Therefore, capturing market share and customers in such a fragmented market will likely increase competition among the players unless consolidation becomes prevalent.	Our unique tech platform infrastructure model is designed to sit one level above most of the players in the market. In effect we are powering various brick and mortar enterprises and Fintech platforms to offer the financial services product stack. In some cases, we are working with these companies as our partners. Further, our variably costed model vs. competition keeps us cost-competitive and allows us to scale up and scale down specific products quickly. We are competing with Fintechs by obtaining cost-efficient market access that reduces our customer acquisition costs, leveraging the already established network of partners to reach out to our target customers, and enhancing our product stack to drive cross-selling and boost customer stickiness.

Internal Control Systems and their Adequacy

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

Material Developments in Human Resources

In its business continuing activities, our Company continues to place a strong emphasis on recruiting and retaining the best talent spanning different functions. Our compensation policy is based on the 'Pay for Performance' concept, and it has been adopted at all levels to ensure that remuneration is aligned with individual performance. Both the business and functional heads follow the same process and procedure. Maintaining Global Employment Standards and keeping up with the field's ever-evolving technology, the organisation has undertaken significant steps to make its employees more effective, well-organized, skilled, and trained. Building high-performing teams, promoting creativity, inducting leadership at all levels, preparing the citizens for higher positions, broadening the search for new talent, and strengthening the recruiting process are the strategies that are being implemented to increase the talent threshold. The Company's workforce strength as of March 31, 2022, was 72.

Glossary

- **Aadhaar enabled Payment System (AePS):** AePS is a bank-led concept that enables online interoperable financial transactions at PoS (Point of Sale/Micro ATM) using Aadhaar authentication through any bank's Business Correspondent (BC).
- **Account Aggregator (AA):** A new class of NBFC authorised by RBI for providing the service of retrieving or collecting information of its customer pertaining to such financial assets
- **Artificial Intelligence (AI):** The simulation of human intelligence processes by machines, particularly computer systems, is known as artificial intelligence.
- **Business Correspondent (BC):** Retail agents hired by financial institutions to provide banking services outside of a bank branch or ATM are known as Business Correspondents.
- **Bharat Bill Payment System (BBPS):** An integrated bill payment system in the country for providing customers with an interoperable and accessible bill payment service via a network of agents, allowing for numerous payment ways and delivering immediate payment confirmation.
- **Direct Benefit Transfer (DBT):** Transfer of government subsidies directly through people's Aadhaar seeded Bank accounts for reducing delays and leakages.
- **Gross Transaction Value (GTV):** The total transaction value through the platform in a specific time period is referred to as GTV.
- **IndiaStack:** IndiaStack is a set of APIs that allow governments, corporations, entrepreneurs, and developers to take advantage of an innovative digital infrastructure for cash less service delivery.
- **Jan Dhan Aadhaar Mobile (JAM):** The JAM (short for Jan Dhan-Aadhaar-Mobile) trinity is a government of India initiative to integrate Indians' Jan Dhan accounts, mobile numbers, and Aadhaar cards in order to stop government subsidies from leaking out.
- **Micro-ATM (M-ATM):** A device used by BCs to connect to their bank, authenticate customers, and conduct transactions. Micro-ATMs are based on a bank-led financial inclusion strategy, in which the Aadhaar infrastructure is layered on top of current banking and payment infrastructure.
- **Neobank:** A Neobank is a type of digital bank that does not have any physical locations.
- **National Payments Corporation of India (NPCI):** An umbrella organisation in India that manages retail payment and settlement systems.
- **Peer-to-peer (P2P):** A peer-to-peer (P2P) service is a decentralised platform that allows two people to communicate directly with one another without the need for a third party to intervene.
- **RuPay:** A global card payment network for India with wide payment acceptance at ATMs, POS devices and e-commerce sites.
- **Unified Payments Interface (UPI):** UPI is a mobile-based, 365-day-a-year 'rapid payment' system that allows users to send and receive money quickly using a Virtual Payment Address (VPA) that is created by the user. It can be used on a smart phone (app-based), a feature phone (USSD-based), or at a merchant location to make person-to-person (P2P) and person-to-merchant (P2M) payments (app based).

Cautionary Statement

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

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

Notice of the 34th Annual General Meeting

NOTICE is hereby given that the 34th Annual General Meeting (**'AGM'**) of the members of **Niyogin Fintech Limited** will be held on Wednesday, September 14, 2022 at 4.00 p.m. (IST) through video conferencing (**"VC"**)/ Other Audio-Visual Means (**"OAVM"**) to transact the following businesses:

ORDINARY BUSINESS

1. To consider and adopt the audited financial statements (including consolidated audited financial statements) of the Company for the financial year ended March 31, 2022 along with the reports of the Board of Directors and the Auditors thereon;

2. To appoint a Director in place of Mr. Amit Vijay Rajpal (DIN: 07557866), who retires by rotation and being eligible, offers himself for re-appointment.

"**RESOLVED THAT** Mr. Amit Vijay Rajpal (DIN: 07557866), who retires by rotation from the Board of Directors pursuant to the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, and being eligible offers himself for re-appointment, be and is hereby re-appointed as the Director of the Company whose office shall be liable to retirement by rotation."

SPECIAL BUSINESS

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

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

"**RESOLVED THAT** pursuant to the provisions of the Regulation 23 and all the other applicable provisions, if any, of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the applicable provisions of the Companies Act, 2013 ('Act'), if any, and rules made thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Company's policy on Materiality of Related Party Transaction(s) and pursuant to the consent of the Audit Committee and Board of Directors of the Company, approval of the members be and is hereby accorded to the Board of Directors (hereinafter referred to as the "Board" and shall include duly constituted Committee(s) thereof) to ratify/ approve/ continue with all the existing contracts / arrangements/ transactions (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) and to enter into arrangements/ transactions/ contracts with Iserveu Technology Private Limited, a related party of the Company, the aggregate amount/value of all such contracts/ arrangements/ transactions that are/maybe entered into by the Company with Iserveu Technology Private Limited and remaining outstanding at any one point in time shall not exceed ₹ 60,00,00,000/- (Rupees Sixty Crores Only) during any one financial year as detailed in the explanatory statement, for a period up to the 35th Annual General Meeting of the Company to be held in the year 2023, wherein fresh approval of the shareholders shall be obtained in this regard; provided that the said contract(s)/ arrangement(s)/transaction(s) being carried out at arm's length basis and in the ordinary course of business of the Company;

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

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

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

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

Sd/-
Neha Agarwal
Company Secretary & Compliance Officer
ACS 41425

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

Date: August 02, 2022
Place: Mumbai

Notes:

1. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs, Government of India ("MCA") issued General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021, 19/2021, 21/2021 and 02/2022 dated April 08, 2020, April 13, 2020, May 05, 2020, January 13, 2021, December 08, 2021, December 14, 2021 and May 05, 2022, respectively, ("MCA Circulars") allowing, inter-alia, conduct of AGMs through Video Conferencing/ Other Audio-Visual Means ("VC/ OAVM") facility on or before December 31, 2022, in accordance with the requirements provided in paragraphs 3 and 4 of the MCA General Circular No. 20/2020. In compliance with these Circulars, provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 34th AGM of the Company is being conducted through VC/ OAVM facility ('e-AGM') and in this connection the Company has availed the services of National Securities Depository Limited (**'NSDL'**) for providing the VC and e-voting facility, which does not require physical presence of members at a common venue.

2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 ("the Act") read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of Listing Regulations (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorized e-voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by NSDL.

3. Pursuant to section 105 of the Act a member is entitled to attend and vote at the AGM is entitled to appoint proxy to attend and vote on his/ her behalf and the proxy need not be a member of the Company. Since, this AGM is being held through VC/ OAVM, the physical attendance has been dispensed with. Accordingly, the facility for appointment of proxies by the members to attend and cast vote is not available for this AGM and therefore Proxy Form and Attendance Slip are not annexed to this notice. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

4. The deemed venue for the 34th e-AGM shall be the registered office of the Company.

5. Statement pursuant to Section 102(1) of the Act forms part of this Notice.

6. Pursuant to Regulation 36 (3) of Listing Regulations and Secretarial Standard-2 issued by The Institute of Company Secretaries of India, in respect of the appointment of Directors seeking appointment/ re-appointment forms an integral part of the Notice. Requisite declarations have been received from Directors seeking appointment/ re-appointment.

7. 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. Instructions and other information relating to e-voting are given in this Notice.

8. The facility of joining the e-AGM through VC/OAVM will be opened 15 minutes before and will remain open upto 15 minutes after the scheduled start time of the e-AGM, i.e. from 3:45 p.m. (IST) to 4:15 pm (IST) and will be available for 1,000 members on a first-come first-served basis. This rule would however not apply to participation of members holding 2% or more shareholding, promoters, institutional investors, directors, key and senior managerial personnel, auditors, etc. Institutional Investors, who are members of the Company are encouraged to attend and vote at the 34th e-AGM of the Company.

9. Notice is also given under section 91 of the Act read with regulation 42 of the Listing Regulations that the Register of Members and the Share Transfer Book of the Company will remain closed from Thursday, September 08, 2022 to Wednesday, September 14, 2022 (both days inclusive).

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

11. In terms of section 101 and 136 of the Act, read together with the Rules made thereunder, the listed companies may send the notice of Annual General Meeting and the Annual Report, including Financial Statements, Board Report etc. by electronic mode. In compliance with the MCA circulars, the Annual Report for the financial year 2021-22 alongwith the Notice of the AGM of the Company inter alia indicating the process and manner of e-voting are being sent only through electronic mode to those members whose email addresses are registered with the Company/Depositories. The Company shall send the physical copy of Annual Report 2021-22 to those members who request the same at niyogin.compliance@niyogin.in mentioning their Folio No./DP ID and Client ID. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website www.niyogin.com, websites of the Stock Exchange, i.e., BSE Limited at www.bseindia.com, website of Company's Registrar and Transfer Agent, Link Intime Private Limited ("Link Intime") at www.linkintime.co.in and also on the website of NSDL at https://www.evoting.nsdl.com.

12. To receive shareholders' communications through electronic means, including Annual Reports and Notices, members are requested to kindly register/ update their e-mail address with their respective depository participant, where shares are held in electronic form. Where shares are held in physical form, members are advised to register their e-mail address with Link Intime. Further, those members who have not registered their e-mail addresses and mobile nos. and in consequence could not be served the Annual Report and Notice of e-AGM, may temporarily get themselves registered with Link Intime. Members are requested to support our commitment to environmental protection by choosing to receive the Company's communication through e-mail going forward.

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

14. In case of joint holders, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the 34th e-AGM.

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

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

17. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/Exchange of securities certificate; Endorsement; Sub-division/Splitting of securities certificate; Consolidation of securities certificates/folios; Transmission and Transposition. Accordingly, shareholders are requested to make service requests by submitting a duly filled and signed Form ISR–4. It may be noted that any service request can be processed only after the folio is KYC compliant. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.

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

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

20. In case a person has become a member of the Company after dispatch of AGM Notice, but on or before the cut-off date for e-voting, i.e., Wednesday, September 07, 2022, such person may obtain the User ID and Password from Link Intime. Alternatively, member may send signed copy of the request letter providing the e-mail address, mobile number, self-attested PAN copy along with client master copy (in case of electronic folio)/copy of share certificate (in case of physical folio) via e-mail to Link Intime for obtaining the Annual Report and Notice of e-AGM.

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

22. The Chairman shall formally propose to the members participating through VC/OAVM facility to vote on the resolutions as set out in the Notice of the 34th e-AGM and announce the start of the casting of vote through the e-voting system of NSDL.

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

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

25. The attendance of the members attending the 34th e-AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

26. Subject to receipt of requisite number of votes, the resolutions proposed in the Notice shall be deemed to be passed on the date of the AGM, i.e. Wednesday, September 14, 2022.

27. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which the Directors are interested under Section 189 of the Act, and all other documents referred to in the Notice shall be available for inspection in electronic mode. Members can inspect the same by sending an email to niyogin.compliance@niyogin.in.

28. Share transfer documents and all correspondence relating thereto, should be addressed to RTA at C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 or at their designated email id i.e. rnt.helpdesk@linkintime.co.in.

29. Members seeking any information with regard to the accounts or all documents referred to in the accompanying Notice and the Explanatory Statements shall be available for inspection through electronic mode, by sending request to the Company at niyogin.compliance@niyogin.in on or before September 13, 2022. The same will be replied by the Company suitably.

30. Certificate from Secretarial Auditors of the Company certifying that the ESOP Schemes of the Company are being implemented in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 forms part of the Annual report.

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

I. The remote e-voting will be provided by NSDL which will commence from September 11, 2022 (9:00 a.m. IST) and end on September 13, 2022 (5:00 p.m. IST). During this period, members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of September 07, 2022 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. The members who have cast their vote by remote e-voting prior to the AGM may also participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again. The facility for voting during the AGM will also be made available. Members present in the AGM through VC/ OAVM and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the e-AGM. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

II. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020, under Regulation 44 of the Listing Regulations, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants.

Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

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

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

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

Step 1: Access to NSDL e-voting system

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
For members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******
For members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
For members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 120901 then user ID is 101456001***

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(3) If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

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

General Guidelines for shareholders

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

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

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting user manual for shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990/1800 224 430 or send a request to Mr. Sagar S Gudhate at evoting@nsdl.co.in.

IV. The instructions for members for e-voting on the day of the AGM are as under:

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

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

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

4. In case of any grievances connected with facility for e-voting on the day of AGM, please contact Mr. Sagar S. Gudhate at evoting@nsdl.co.in.

V. Instructions for members for attending the AGM through VC/OAVM are as under:

1. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-voting system. Members may access by following the steps mentioned above for access to NSDL e-voting system. After successful login, you can see the link of "VC/OAVM link" placed under "Join General Meeting" menu against the company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company i.e. 120901 will be displayed. Please note that the members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice to avoid last minute rush.

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

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

4. Members who need assistance before or during the AGM, can contact NSDL at evoting@nsdl.co.in or call on toll free no.: 1800 1020 990 /1800 224 430 or contact Mr. Sagar S. Gudhate at evoting@nsdl.co.in.

5. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at niyogin.compliance@niyogin.in between September 08, 2022 (9:00 am IST) to September 12, 2022 (5:00 pm IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

VI. Other Instructions:

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

2. The voting rights of members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date of September 07, 2022.

3. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is sent through e-mail and holding shares as of the cut-off date i.e. September 07, 2022, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. September 07, 2022 may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-voting system".

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

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

ITEM NO. 3:

As per the provisions of Section 188 of the Companies Act, 2013 ("Act"), transactions with related parties which are on an arm's length basis and in the ordinary course of business, are exempted from the obligation of obtaining prior approval of shareholders. However, such transactions, if material, require the approval of shareholders through a resolution, notwithstanding the fact that the same are at an arm's length basis and in the ordinary course of business, as per the requirements of the provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("Listing Regulations").

As per the amendment to clause (zc) of Regulation 2(1) read with the proviso to Regulation 23(1) of the Listing Regulations, which are effective from April 01, 2022, the transactions involving transfer of resources, services or obligations between a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand will be considered as "related party transactions", and as "material related party transactions", if the transaction to be entered into individually or taken together with previous transactions during a financial year, exceeds ` 1,000 crore or 10% of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower. Further, such material related transaction shall require prior approval of shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

The shareholders at the Annual General Meeting held on Friday, September 17, 2021 had approved the material related party transactions w.e.f. April 01, 2021 and the same shall be valid for a period of 3 years. However, pursuant to the amended regulations, prior approval of shareholders is required in case of transactions held/ to be held for FY 2022-23 and hence the resolution at Item No. 03 of this notice for the approval of shareholders till the 35th Annual General Meeting of the Company to be held in the year 2023 wherein fresh approval of the shareholders shall be obtained in this regard.

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

The Company and/ or its subsidiaries have entered/ may be required to enter into contracts and / or transactions and / or arrangements, as stated in the resolution at Item Nos. 03, during FY 2022-23, at an arm's length basis and in the ordinary course of business and the details of the same are as follows:

Sr. No.	Nature of Transaction	Amount (in ₹ Crores)
1.	Payment or receipt of marketing support Fees/Commission / Service fees/Referral/ Arranger Fee / Reimbursement of expenses, avail or provide services, etc. and such other transactions as may be approved by Audit Committee and Board.	10
2.	Investments/ Granting Loans/Inter-Corporate Deposits/ Guarantee taken/ to be taken	50
	Total	**60**

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

These transactions, during the financial year 2022-23, between the Company and / or its subsidiaries on one side and the related parties as mentioned above, separately on the other side, may exceed the revised threshold of "material related party transactions" under the Listing Regulations i.e. ₹ 1,000 crore or 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company for the Financial Year ending March 31, 2022, whichever is lower. All these transactions will be executed at an arm's length basis and in the ordinary course of business of the Company and / or its subsidiaries. The approval of the shareholders is valid till the 34th Annual General meeting of the Company to be held in the year 2022 and it is proposed to take a fresh approval of the shareholders in this regard.

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

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

<table>
<tr><th>Name of the Related Party</th><th colspan="3">Iserveu Technology Private Limited ('Iserveu')</th></tr>
<tr><td>Name of the Director(s) or Key Managerial Personnel ("KMP") who is related, if any;</td><td colspan="3">(i) Mr. Amit Rajpal, Promoter & Chairman of the Company is also on the Board of Iserveu.
(ii) Mr. Tashwinder Singh, Managing Director designated as Chief Executive Officer of the Company is also on the Board of Iserveu.
(iii) Mr. Raghvendra Somani, Chief Financial Officer (Interim) of the Company is also on the Board of Iserveu.

However, none of the Directors of the Company holds any shareholding in Iserveu.</td></tr>
<tr><td>Nature of relationship</td><td colspan="3">As detailed in this explanatory statement</td></tr>
<tr><td rowspan="4">Nature, Material Terms, particulars of the contract or arrangements; and monetary value</td><td>Sr. No.</td><td>Nature of Transaction</td><td>Amount (in ₹ crores)</td></tr>
<tr><td>1.</td><td>Payment or receipt of marketing support Fees/Commission / Service fees/Referral/ Arranger Fee / Reimbursement of Expenses, avail or provide services, etc. and such other transactions as may be approved by Audit Committee and Board.</td><td>10</td></tr>
<tr><td>2.</td><td>Investments/ Granting Loans/Inter-Corporate Deposits/ Guarantee taken/ To be taken</td><td>50</td></tr>
<tr><td></td><td>Total</td><td>60</td></tr>
<tr><td>Whether the transactions have been approved by Audit Committee and the Board of Directors</td><td colspan="3">Yes. The Audit Committee and Board of Directors of the Company have approved the transactions at their respective meetings held on August 02, 2022</td></tr>
<tr><td>Any other information relevant or important for the members to take a decision on the proposed resolution.</td><td colspan="3">Transactions are in the ordinary course of business and at arm's lengths basis.</td></tr>
</table>

Information pursuant SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021

Sr. No.	Particulars	Remarks
	Details of Summary of information provided by the management to the Audit Committee	
1	Type, material terms and particulars of the proposed transaction	As detailed above. All transactions to be entered into are at arm's length.
2	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);	Iserveu Technology Private Limited, one of the subsidiary of the Company wherein the Company holds 51.00%
3	Tenure of the proposed transaction (particular tenure shall be specified);	Recurring nature and approval is for Financial Year 2022-23
4	Value of the proposed transaction	60 crores
5	If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:	

(i)	details of the source of funds in connection with the proposed transaction	Not Applicable
(ii)	where any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investments:	
	(a) Nature of Indebtness	Not Applicable
	(b) Cost of funds	Not Applicable
	(c) Tenure	Not Applicable
(iii)	Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and	
(iv)	the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT;	For working capital requirements
6	Justification as to why the RPT is in the interest of the listed entity	Arrangement is commercially beneficial.
7	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders.	Not Applicable
8	Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis;	56.04%

Based on the information on the proposed transactions, summarized in this Notice, the Audit Committee and Board have approved the aforesaid Related Party Transactions at their respective meetings held on August 02, 2022 in terms of Regulation 23 of the Listing Regulations and noted that these transactions are in the ordinary course of business and are at arm's length basis.

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

The Board expects growth in the business of Company and the material subsidiary and so is of the opinion that the aforesaid related party transaction is in the best interest of the Company and accordingly recommends the Ordinary Resolution set out as Item No. 3 of the Notice for the approval of the members of the Company.

Annexure to Notice

ADDITIONAL INFORMATION OF DIRECTOR FOR APPOINTMENT / RE-APPOINTMENT AS REQUIRED UNDER SECRETARIAL STANDARDS AND REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Name of Director	Mr. Amit Vijay Rajpal
Date of Birth	March 04, 1973
Age	49 years
Qualification	Masters in Business Administration from IIM- Calcutta and Bachelor of Commerce
Experience	He has over 17 years of experience in the financial services industry. He also served as a Managing Director of Morgan Stanley for a period of 11 years.
Nature of expertise in specific functional areas	Financial Services, Investment strategies
Terms and Conditions of Re-appointment	Mr. Amit Rajpal will be re-appointed on the same terms and conditions as they were approved by the members at their 32nd Annual General Meeting held on September 17, 2020
Details of Remuneration sought to be paid	NIL
Details of Remuneration last paid	NIL
Date of first appointment in the Board	December 05, 2016
Shareholding in the Company	1875242
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Not Applicable
Number of meetings of the Board attended during the year	6/6
Number of Memberships in Committees (including this Company)	Provided in the Report on Corporate Governance
Directorships held in other companies in India	

The Director being appointed/re-appointed above is not disqualified from being appointed/re-appointed as such. He has also provided his consent in regard to the appointment/re-appointment.

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

Sd/-
Neha Agarwal
Company Secretary & Compliance Officer
ACS 41425

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

Date: August 02, 2022
Place: Mumbai

Directors' Report

DEAR MEMBERS,

Your Directors present the 34th Annual Report along with the audited standalone and consolidated financial statements of the Company for the year ended March 31, 2022.

1. FINANCIAL PERFORMANCE:

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

(Amounts in ₹ lakhs)

Particulars	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
Total Income	**2439.18**	**2,599.83**	**10707.91**	**5,063.27**
Total Expenditure	2859.36	3,243.68	11480.63	5,788.43
Profit/(Loss) before Tax	(413.97)	(631.38)	(772.72)	(725.17)
Less: Provision for taxation				
Current Tax	-	-	46.67	56.50
Deferred Tax Asset	-	-	(59.34)	(39.60)
Net Profit/(Loss) after Tax	(413.97)	(631.38)	(760.05)	(742.07)
Transfer to Reserve under Section 45IC of the RBI Act, 1934				
Balance brought forward from previous period	(4513.45)	(3,882.09)	(4,622.96)	(3,943.33)
Balance carried to Balance Sheet	(4927.42)	(4,513.45)	(5207.33)	(4,622.96)
Earning Per Share				
- Basic	(0.44)	(0.73)	(0.63)	(0.79)
- Diluted	(0.44)	(0.73)	(0.63)	(0.79)

2. PRESENTATION OF STANDALONE AND CONSOLIDATED FINANCIAL STATEMENTS:

The financial statements of the Company for FY 2022, on a standalone and consolidated basis, have been prepared in compliance with the Companies Act, 2013 (the 'Act') applicable Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and amendments thereto (the 'SEBI Listing Regulations') and are disclosed in accordance with Schedule III of the Act. The consolidated financial statements incorporate the audited financial statements of the subsidiaries of the Company.

3. FINANCIAL AND COMPANY'S PERFORMANCE:

Your Company is in the business of providing unsecured working capital credit to MSMEs across India by applying state of the art fintech solutions that streamlines client onboarding, underwriting, documentation, loan disbursals and repayment. It is a registered as a Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company under Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 and is listed on the Bombay Stock Exchange Limited ('BSE Limited').

Detailed information on the operations of the different business lines and state of affairs of the Company and its subsidiaries are covered in the Management Discussion and Analysis.

On a consolidated basis, the revenue for FY 2022 was ₹ 10707.91 lakhs. The loss for the year was ₹ 760.05 lakhs.

On a standalone basis, during the year under review, the revenue of the Company stood at ₹ 2439.18 lakhs. The Company posted loss of ₹ 413.97 lakhs as against ₹ 631.38 lakhs in the previous year.

4. DIVIDEND:

In view of the loss incurred by the Company during the year under review, your Directors do not recommend any dividend for the financial year ended March 31, 2022.

5. DIVIDEND DISTRIBUTION POLICY:

The Board of Directors of the Company at its meeting held on May 19, 2021 adopted a Dividend Distribution Policy for the Company, which sets out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to its shareholders. The Dividend Distribution Policy is placed on the Company's website at https://docs.niyogin.com/wp-content/uploads/2022/01/dividend-distribution-policy.pdf.

6. DEBT EQUITY RATIO:

Your Company's Debt : Equity ratio as on March 31, 2022 stands NIL.

7. NET OWNED FUNDS:

The Net Owned Funds of your Company as on March 31, 2022 stood at ₹ 17,287.90 lakhs.

8. CREDIT RATING:

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

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

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

10. SUBSIDIARIES

The Company has 3 subsidiaries as on March 31, 2022. There are no associate or joint venture companies within the meaning of Section 2(6) of the Act. There has been no material change in the nature of the business of the subsidiaries.

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

- **Investdirect Capital Services Private Limited (Investdirect)**
  During the year under review, there was an increase in the shareholding from 50.01% to 60.76% of the Company in Investdirect on account of conversion of Compulsorily Convertible Preference shares into Equity shares. Investdirect is an automated direct plan platform provider assisting clients in investing in mutual funds as well as other equity and fixed income instruments. It enables users to consolidate their fund holdings from traditional channels to direct channel with the aim of upselling higher value products along with building advisory capability. Investdirect is having its registered office in Mumbai, Maharashtra.

- **Monemap Investment Advisors Private Limited (Moneymap)**
  A step subsidiary i.e. Moneymap is 100% owned by Investdirect. Moneymap is an Investment Advisor and holds a valid license issued by SEBI. Moneymap is having its registered office in Mumbai, Maharashtra.

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

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

The policy for determining material subsidiaries is disclosed on the Company's website and the weblink for the same is https://docs.niyogin.com/wp-content/uploads/2022/01/material-subsidiary-policy.pdf

In terms of the aforesaid policy, Iserveu is a material subsidiary of the Company.

11. REDEEMABLE PREFERENCE SHARES:

During the year, the Company had subscribed to 33,444 - 0.1% redeemable non-cumulative preference shares ("RPS") of ₹10 each of Iserveu on a premium of ₹ 14,940/- (Rupees Fourteen Thousand Nine Hundred and Forty only) per redeemable non-cumulative preference share for a term of 15 years aggregating to total consideration of ₹ 4,999.87 lacs on a preferential basis pursuant to the Redeemable Preference Shares Subscription Agreement dated March 17, 2022 ("Agreement"). The RPS were allotted to the Company on March 28, 2022. The RPS shall not carry any voting rights, except as provided under applicable law. Redemption shall be at such value as may be agreed between the parties which shall not be less than the cost of acquisition of RPS, subject to applicable law. In the event of liquidation, the amount available for distribution shall be applied in priority to all equity shares and all other securities in the capital of the Company as per the terms mentioned in the Agreement.

12. SCHEME OF AMALGAMATION:

The Board of the Directors of your Company at their meeting held on December 16, 2019, approved Scheme of amalgamation under Sections 230-232 of the Act and the rules and regulations made thereunder, of Information Interface India Private Limited (**"IIIPL"**) with Niyogin Fintech Limited (**"NFL"**) and their respective shareholders and creditors (**"Scheme"**). The Scheme as aforesaid has received approval from the stock exchange and Reserve Bank of India on July 09, 2020 and July 23, 2020 respectively. Approval of the Equity shareholders and Unsecured creditors pursuant to the Order of Chennai Bench of National Company Law Tribunal dated December 01, 2021 has been received vide Special Resolution dated February 15, 2022. Subsequently, the Company filed the Petition on February 25, 2022 vide Petition Number CP(CAA)/46&47(CHE)/2022. The National Company Law Tribunal, Chennai Bench **("Hon'ble NCLT")** has approved the order and the certified copy of the order was received by the Company on July 21, 2022 (**"Order"**). However, the Company is seeking certain clarifications in Clause 11 (vi) in the said Order received from Hon'ble NCLT and the Company has separately approached the Hon'ble NCLT for the same. The Company is awaiting for further instructions from the Hon'ble NCLT before proceeding with any filings.

13. SHARE CAPITAL:

Pursuant to the NFL- Employee Stock Option Plan 2018 ('ESOP Scheme'), during the FY 2022, the Board issued and allotted 7,10,004 (Seven Lakhs Ten Thousand and Four) to the eligible employees under the ESOP Scheme (for information pertaining to ESOPs, please refer Annexure to the Directors' Report).

Subsequent to the aforesaid allotments, the issued and paid-up equity share capital of the Company as on March 31, 2022 stands at ₹ 94,21,14,700 /- (Rupees Ninety-Four Crores Twenty-One Lakhs Fourteen Thousand Seven Hundred Only) divided into 9,42,11,470 (Nine Crores Forty-Two Lakhs Eleven Thousand Four Hundred and Seventy) equity shares of ₹ 10/- (Rupees Ten Only) each.

14. DEPOSITORY SYSTEM:

The Company's equity shares are compulsorily tradable in electronic form. As on March 31, 2022, 99.94% of the Company's total paid-up capital representing 9,41,56,270 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.

15. PARTICULARS OF LOANS, GUARANTEES & INVESTMENTS:

Details of loans, guarantee and investments, if any, covered under the provisions of section 186 of the Act are provided in the notes to financial statements.

16. RELATED PARTY TRANSACTIONS:

All contracts/ arrangement/ transactions entered by the Company during FY 2022 with related parties were in compliance with the applicable provisions of the Act and SEBI Listing Regulations. Prior omnibus approval of the Audit Committee is obtained for all related party transactions which are foreseen and of repetitive nature. A statement giving details of all related party transactions were placed before the Audit Committee and the Board of Directors for their approval / noting on a quarterly basis. Appropriate approvals of the members were taken, as applicable pursuant to the SEBI Listing Regulations.

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

The policy on materiality of related party transactions and on dealing with related party transactions as approved by the Board is uploaded on the Company's website www.niyogin.com.

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

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

18. DIRECTORS & KEY MANAGERIAL PERSONNEL:

(a) Directors:

As on March 31, 2022, the Company's Board consists of the following Directors:

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

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

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

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

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

(vi) *Mr. Tashwinder Singh - Managing Director designated as Chief Executive Officer (DIN: 06572282)

(vii) *Dr. Ashby Monk – Independent Director (DIN: 09441825)

*The Board of Directors, at its meeting held on February 02, 2022 upon the recommendation of the Nomination and Remuneration Committee, had appointed Mr. Tashwinder Singh as the Managing Director (Additional) designated as CEO and Dr. Ashby Monk as an Additional Independent

Director. Further, in terms of Regulation 17(1C) of SEBI Listing Regulations, the members of Company approved the appointment of Mr. Tashwinder Singh as Managing Director, designated as CEO and Dr. Ashby Monk as an Independent Director by passing special resolution dated March 05, 2022 through Postal Ballot. In the opinion of the Board, Dr. Ashby Monk is a person of integrity and possesses the expertise and experience required to be appointed as an Independent Director of the Company.

Mr. Noorallah Charania tendered his resignation from the office of Whole-Time Director of the Company with effect from February 03, 2022. The Board places on record its appreciation for the services rendered by Mr. Charania as Director of the Company.

During the year under review, Mr. Makarand Patankar (DIN:01584128) Whole-Time Director and Ms. Sutapa Banerjee (DIN: 02844650), Independent Director ceased to be Directors of the Company with effect from December 04, 2021 on account of completion of their term of 5 years.

In accordance with Section 152 and other applicable provisions of Act, Mr. Amit Rajpal (DIN: 07557866), Non–Executive Non-Independent Director retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting. The Board commends his re-appointment.

The necessary resolution for re-appointment of the Directors and the brief profile of Mr. Amit Rajpal has been included in the notice convening the ensuing AGM.

Proficiency of Independent Directors:

All the Independent Directors of the Company have registered their names in the database maintained by the Indian Institute of Corporate Affairs, Manesar. Those Independent Directors who are not otherwise exempted shall appear for the common proficiency test conducted by the said institute within the prescribed time.

(b) Key Managerial Personnel:

As on March 31, 2022, the following persons are acting as the Key Managerial Personnel (KMP) of the Company pursuant to Section 2(51) and 203 of the Act:

(i) Mr. Tashwinder Singh – Managing Director designated as Chief Executive Officer (w.e.f. February 02, 2022)

(ii) Mr. Raghvendra Somani – Chief Financial Officer - Interim (w.e.f. March 15, 2022)

(iii) Ms. Neha Agarwal – Company Secretary & Compliance Officer

19. BOARD & COMMITTEE MEETINGS:

During the year under review, six (6) Board Meetings and six (6) Audit Committee Meetings were convened and held. The intervening gap between the meetings was within the period prescribed under the Act.

The details on the number of board/ committee meetings held are provided in the Report on Corporate Governance.

20. FORMAL ANNUAL EVALUATION:

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

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

In addition to the above parameters, the Board also evaluated fulfilment of the independence criteria as specified in SEBI Listing Regulations by the Independent Directors of the Company and their independence from the management. The evaluation brought out the cohesiveness of the Board, a Boardroom culture of trust and cooperation, and Boardroom discussions which are open, transparent and encourage diverse viewpoints.

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

21. DISCLOSURES BY DIRECTORS:

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

Declaration of independent directors

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

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

There has been no change in the circumstances affecting their status as Independent Directors of the Company. In the opinion of the Board, the Independent Directors possess the requisite integrity, experience, expertise and proficiency required under all applicable laws and the policies of the Company.

22. 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 matters inter-alia covering the Company's strategy, business model, operations, markets, organization structure, product offerings, finance, risk management framework, quarterly and annual financial results, human resources, technology, quality, role, rights, responsibilities of the Independent Directors and such other areas as may arise from time to time, where Directors get an opportunity to interact with the Company's management (Familiarization Programme).

The details of familiarisation programmes for the directors are disclosed on the Company's website and the weblink for the same is https://www.niyogin.com/investors

23. POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION:

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a Nomination & Remuneration policy. This policy inter alia provides:

(a) The criteria for determining qualifications, positive attributes and independence of Directors; and

(b) Policy on remuneration of directors, key managerial personnel and other employees.

The Policy is directed towards a compensation philosophy and structure that will reward and retain talent. The Nomination & Remuneration Policy is stated in the Corporate Governance Report and is also available on the Company's website at https://docs.niyogin.com/wp-content/uploads/2022/01/nomination-remuneration-policy.pdf

24. DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 134(3)(c) of the Act and based on the information provided by the management, the Directors confirm that:

(a) in the preparation of the annual accounts for the financial year ended March 31, 2022, the applicable accounting standards and Schedule III of the Companies Act, 2013, have been followed and there are no material departures from the same;

(b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at March 31, 2022 and of the profit/ loss of the Company for the financial year ended March 31, 2022;

(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.

25. 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 33rd Annual General Meeting held on September 17, 2021 approved the appointment of M/s Pijush Gupta & Co., Chartered Accountants (ICAI Firm Registration No. 309015E) as the Statutory Auditors of the Company for an initial term of 5 years i.e. from the conclusion of 33rd Annual General Meeting till the conclusion of the 38th Annual General Meeting of the Company. The Statutory Auditors have confirmed that they are not disqualified from continuing as auditors of the Company. The statutory audit report for the FY2022, is unmodified, does not contain any qualification, reservation or adverse remark or disclaimer by the statutory auditor and forms part of the Annual Report. During the year under review, the Auditors had not reported any matter under Section 143(12) of the Act, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.

The statutory auditors have also confirmed adherence to the requirement of Para 8.3 of the circular issued by RBI in respect of Appointment of Statutory Central Auditors (SCAs)/ Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021.

26. SECRETARIAL AUDIT:

Pursuant to the provisions of Section 204 of the Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s Mitesh J. Shah & Associates, Company Secretaries to undertake the Secretarial Audit of the Company for the financial year ended March 31, 2022 and Iserveu (material subsidiary) had appointed M/s Saraf & Associates, Practising Company Secretaries as its secretarial auditor. The secretarial audit reports form a part of the Annual Report. Further, pursuant to amendments under SEBI Listing Regulations and SEBI circular dated February 08, 2019, a report on secretarial compliance as required under Regulation 24A was submitted to the stock exchanges as obtained from M/s Mitesh J. Shah & Associates, Company Secretaries for FY2022. These reports do not contain any qualification, reservation or adverse remark or disclaimer.

27. REQUIREMENT FOR MAINTENANCE OF COST RECORDS

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

28. PARTICULARS OF DEPOSITS:

Your Company being a 'Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking 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.

29. INTERNAL FINANCIAL CONTROL SYSTEM:

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

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

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

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

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

31. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143 (12) OF THE ACT:

During the year under review, no instances of fraud committed against the Company by its officers or employees were reported by the Statutory Auditors and Secretarial Auditors under Section 143(12) of the Act to the Audit Committee or the Board of Directors of the Company.

32. CORPORATE SOCIAL RESPONSIBILITY ('CSR'):

As per the provisions of Section 135 of the Act, 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.

33. ANNUAL RETURN:

A copy of the annual return in the prescribed form MGT-7 as provided under section 92(3) of the Act, is placed on Company's website www.niyogin.com

34. PARTICULARS OF EMPLOYEES:

As on March 31, 2022, there were 72 employees on the payroll of the Company. During the year, no employee employed throughout the year was in receipt of remuneration of ₹ 1 crore and 2 lakhs or more per annum and no employee employed for part of the year was in receipt of remuneration of ₹ 8.5 lakhs or more per month.

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

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

35. EMPLOYEE STOCK OPTION SCHEME:

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

The stock options granted to the employees operate under various schemes. There has been no variation in the terms of the options granted under any of the schemes and all the schemes are in compliance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (SBEB Regulations) and the same has been certified by the Secretarial Auditors of the Company. The Company has not issued any sweat equity shares or equity shares with differential voting rights during the FY2022.

A statement giving complete details as at March 31, 2022, pursuant to regulation 14 of SBEB Regulations are provided in Annexure to this report.

36. STATUTORY DISCLOSURES:

- The financial statements of the Company and its subsidiaries are placed on the Company's website www.niyogin.com
- The directors' responsibility statement as required by section 134(5) of the Act, appears in this report.
- There is no change in the nature of business of the Company during FY2022.
- A Cash Flow Statement for FY2022 is attached to the Balance Sheet.
- Pursuant to the legislation 'The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013', the Company has a Policy on Prevention of Sexual Harassment at Workplace and has constituted an Internal Complaints Committee. The policy is available on the Company's website. There was no case reported during the year under review. Following is the detailed presentation of the same:

  a) Number of complaints filed during the financial year: NIL

  b) Number of complaints disposed off during the year: NIL

  c) Number of complaints pending as on end of financial year: NIL

37. AUDIT COMMITTEE:

The details pertaining to the composition of the Audit Committee are included in the Report on Corporate Governance Report.

38. RISK MANAGEMENT:

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

39. VIGIL MECHANISM:

Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors has formulated a Vigil Mechanism Policy which is in compliance with the provisions of Section 177 (10) of the Act and regulation 22 of the SEBI Listing Regulations. The policy provides for a framework and process whereby concerns can be raised by its employees against any kind of discrimination, harassment, victimization or any other unfair practice being adopted against them.

40. 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: ₹ 5.25 Lakhs

41. SECRETARIAL STANDARDS OF ICSI:

The Company has complied with the requirements of the applicable Secretarial Standards as notified from time to time.

42. BUSINESS RESPONSIBILITY REPORT:

Regulation 34(2) of SEBI Listing Regulations, inter alia, provides that the annual report of the top 1000 listed entities based on market capitalization (calculated as on March 31 of every financial year) shall include a Business Responsibility Report (BRR). As on March 31, 2022, your company is not amongst top 1000 listed entities, hence this is not applicable.

43. ACKNOWLEDGEMENT:

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

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

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

Date: August 02, 2022
Place: Mumbai

Sd/-
Tashwinder Singh
MD & CEO
DIN: 06572282

Annex to the Director's Report – 1

Remuneration details under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the Financial Year ended March 31, 2022

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*	NA
		Mr. Amit Rajpal	NA
		Mr. Gaurav Patankar	NA
		Mr. Tashwinder Singh**	NA
		Mr. Kapil Kapoor	NA
		Ms. Sutapa Banerjee*	NA
		Mr. Eric Wetlaufer	NA
		Ms. Subhasri Sriram	NA
		Dr. Ashby Monk**	NA
		Mr. Noorallah Charania#	9.09
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 2022 (in %)
		Mr. Makarand Patankar*	NIL
		Mr. Amit Rajpal	NA
		Mr. Gaurav Patankar	NA
		Mr. Tashwinder Singh	NIL
		Mr. Kapil Kapoor	NA
		Ms. Sutapa Banerjee*	NA
		Ms. Subhasri Sriram	NA
		Mr. Eric Wetlaufer	NA
		Dr. Ashby Monk	NA
		Mr. Noorallah Charania#	14
		Mr. Rumit Dugar	NIL
		Ms. Neha Agarwal	48
		Mr. Raghvendra Somani^	10.3
3.	The percentage increase in the median remuneration of employees in the financial year	3.33%	
4.	Number of permanent employees on the rolls of Company at the end of financial year	72	
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year was 15.22% whereas the average percentile increase in the managerial remuneration was 14.93% The average increase every year is in line with our reward philosophy and benchmarking to be competitive versus our competitor companies		
6.	Affirmation that the remuneration is as per the Remuneration Policy of the Company	It is affirmed that the remuneration paid is as per the Remuneration Policy of the Company.	

Note:

- * Mr. Makarand Patankar and Ms. Sutapa Banerjee ceased to be the Whole-Time Director and Independent Director of the Company respectively w.e.f. December 04, 2021 on account of completion of tenure.
- **Mr. Tashwinder Singh and Dr. Ashby Monk were appointed as the Managing Director designated as Chief Executive Officer and Independent Director respectively w.e.f. February 02, 2022..
- # Mr. Noorallah Charania resigned as the Whole-Time Director w.e.f. February 03, 2022.
- Mr. Rumit Dugar resigned as the Chief Financial Officer of the Company w.e.f. March 15, 2022.
- ^ Mr. Raghvendra Somani was appointed as the Chief Financial Officer (Interim) of the Company w.e.f. March 15, 2022.
- Sitting fees paid to Non-Executive Independent Directors during the FY 2021-22 has not been included for calculation of remuneration paid to them.
- Permanent employees does not include trainees, contract employees.

Annex to the Director's Report - 2

DISCLOSURES PURSUANT TO SECURITIES AND EXCHANGE BOARD OF INDIA (SHARE BASED EMPLOYEE BENEFITS AND SWEAT EQUITY) REGULATIONS, 2021

Disclosure pursuant to Regulation 14 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 for the financial year ended March 31, 2022

A) Relevant disclosures in terms of the 'Guidance note on accounting for employee share- based payments' issued by Institute of Chartered Accountants of India ('ICAI') or any other relevant accounting standards as prescribed from time to time.

The disclosures are provided in the Notes to Financial Statements of the Company for the financial year ended March 31, 2022.

B) Details related to ESOP Schemes of the Company are summarised as under:

Particulars	NFL- ESOP 2018	NFL- ESOP 2019	NFL- ESOP 2020
Date of shareholder's approval	July 09, 2018	December 24, 2019	October 16, 2020
Total number of options approved of face value of ₹ 10/- each	40,00,000 options convertible into 40,00,000 equity shares	10,00,000 options convertible into 10,00,000 equity shares	50,00,000 options convertible into 50,00,000 equity shares

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

C) The Company has adopted fair value method in accounting for employee cost on account of all the ESOP schemes.

D) Option movement for the year ended March 31, 2022:

The position of the existing schemes are summarized as under:

Particulars	NFL ESOP - 2018	NFL ESOP - 2019	NFL ESOP - 2020
Number of options outstanding at the beginning of the year	14,54,045	31,225	34,39,416
Options granted during the year	13,20,000	0	0
Options cancelled during the year	0	0	0
Options lapsed during the year	4,51,502	0	0
Options vested during the year	4,08,602	0	0
Options exercised and allotted during the year	7,10,004	0	0
Total number of shares arising as a result of exercise of options	7,10,004	0	0
Money realised by exercise of options (₹)	1,04,70,984	0	0
Number of options outstanding at the end of the year	16,12,538	31,225	34,39,416
Number of options exercisable at the end of the year	2,08,026	31,225	5,15,912
Employee wise details of options granted to Key Managerial Personnel / Director /Senior managerial personnel during the year	Annexure ‘A’	-	Annexure ‘A’
• Any other employee who received a grant in any one year of options amounting to 5% or more of options granted during the year	Annexure ‘A’	-	Annexure ‘A’
• Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Annexure ‘A’	-	Annexure ‘A’
Diluted Earnings Per Share (EPS) pursuant to the issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) - 20 (Earnings Per Share)	(0.44)	-	-

As per the terms of the ESOP Schemes, the options lapsed under the ESOP Schemes shall form part of the overall options granted that can be granted under that specific ESOP Scheme. 4,51,502 options lapsed under NFL ESOP – 2018 can be re-granted by the Company to the eligible employees.

The total expense charged to the statement of profit and loss in respect of the options granted aggregated: ₹ 526.90 lakhs (previous year: ₹ 333.70 lakhs).

Annexure 'A'

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

Sr. No.	Employee name	ESOP Scheme	Designation	No. of options	Exercise Price (in ₹)
1.	Mr. Rumit Dugar^	NFL ESOP -2018	Chief Financial Officer	1,00,000	73.40
2.	Mr. Himanshu Rajpal**	NFL ESOP -2018	Chief Business Officer	40,000	73.40
3.	Mr. Noorallah Charania#	NFL ESOP -2018	Whole-Time Director	25,000	73.40
4.	Ms. Neha Agarwal	NFL ESOP -2018	Company Secretary	10,000	73.40
5.	Mr. Raghvendra Somani	NFL ESOP -2018	Chief Financial Officer (Interim)	30,000	73.40
6.	Mr. Ravi Pratap Singh	NFL ESOP - 2018	Chief Technology and Product Officer	1,95,000	70.00
7.	Mr. Ravi Pratap Singh	NFL ESOP - 2018	Chief Technology and Product Officer	1,30,000	10.00
8.	Mr. Pankaj Chaudhary	NFL ESOP - 2018	Chief Business Officer	4,50,000	61.65
9.	Mr. Pankaj Chaudhary	NFL ESOP -2018	Chief Business Officer	1,00,000	10.00

**Exited during the year

^*Mr. Rumit Dugar tendered his resignation from the post of Chief Financial Officer of the Company with effect from March 15, 2022.

#Mr. Noorallah Charania resigned from the office of Whole-Time Director of the Company with effect from February 03, 2022.

Annex to the Director's Report - 3

FORM NO. AOC.2

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

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in subsection (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

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

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

   (b) Nature of contracts/arrangements/transactions

   (c) Duration of the contracts/arrangements/transactions

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

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

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

   (g) Amount paid as advances, if any:

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

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

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

   (b) Nature of contracts/arrangements/transactions

   (c) Duration of the contracts/arrangements/transactions

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

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

   (f) Amount paid as advances, if any:

Annex to the Director's Report - 4

DISCLOSURES PURSUANT TO REGULATION 34(3) OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AS ON MARCH 31, 2022

Related Party Disclosure:

Sr. No.	In the accounts of	Disclosures of amounts at the year end and the maximum amount of loans / advances / investments outstanding during the year	Details
1	Holding Company	• Loans and advances in the nature of loans to subsidiaries by name and amount • Loans and advances in the nature of loans to associates by name and amount • Loans and advances in the nature of loans to firms / companies in which Directors are interested by name and amount	**NIL**
2	Subsidiary Company(ies)	• Loans and advances in the nature of loans to parent by name and amount • Loans and advances in the nature of loans to associates by name and amount • Loans and advances in the nature of loans to firms / companies in which Directors are interested by name and amount	**Iserveu Technology Pvt Ltd (Loan amount – ₹ 6,96,46,654**
3	Holding Company	Investment by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan	**NIL**

Disclosures of transactions of the listed entity with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the listed entity, in the format prescribed in the relevant accounting standards for annual results: Not Applicable

Annex to the Director's Report – 5

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES

Form AOC-1

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

Part "A": Subsidiaries

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

Sr. No.	Particulars	(in ₹)	(in ₹)	(in ₹)
1.	Name of the Subsidiary	Investdirect Capital Services Private Limited (Investdirect)	Moneymap Investment Advisors Private Limited	Iserveu Technology Private Limited
2.	The date since when subsidiary was acquired	19.08.2019	19.08.2019	18.12.2020
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting period of the subsidiary is the same as that of the holding company i.e. April 1, 2021 to March 31, 2022		
4.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	NA	NA	NA
5.	Share capital			
	Authorized Capital	38,62,860.00	3,35,00,000.00	2,10,00,000.00
	Issued, Subscribed and paid-up	37,60,610.00	3,35,00,000.00	5,66,530.00
6.	Reserves & surplus	6,14,34,565	(3,09,16,004)	58,25,43,086
7.	Total assets	7,12,33,676	64,44,858	1,10,35,69,083
8.	Total Liabilities	60,38,501	38,60,862	52,07,93,907
9.	Investments*	1,86,32,946	22,95,844	50,43,11,658
10.	Turnover	2,62,33,532	16,72,611	80,65,38,168
11.	Profit before taxation	18,85,794	(16,82,843)	28,70,945
12.	Provision for taxation	-	-	9,85,151
13.	Profit after taxation	18,85,794	(16,82,843)	18,85,794
14.	Proposed Dividend	-	-	-
15.	% of shareholding	60.76	100% subsidiary of Investdirect	51.00

*Excluding investment in subsidiary

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

Part “B”: Associates and Joint Ventures – Not Applicable

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

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

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended on March 31, 2022

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

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2022** 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 31, 2022** according to the provisions of:

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

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

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

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

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

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

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

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

   d. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

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

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

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

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

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

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

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

   1. The Reserve Bank of India Act, 1934.
   2. Chapter V of the Finance Act, 1994.
   3. The Employees Provident Fund and Miscellaneous Provisions Act, 1952.
   4. The payment of Gratuity Act, 1972.

5. The Payment of Bonus Act, 1965.
6. The Employee State Insurance Act, 1948.
7. The Income Tax Act, 1961.
8. The Indian Stamp Act, 1899.
9. The State Stamp Acts.
10. Negotiable Instruments Act, 1881.
11. Shops and Establishment Act, 1953 and the rules, notifications issued thereunder.

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

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

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

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

I report that:

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

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

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

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

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

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

1. APPROVAL OF SCHEME OF AMALGAMATION:

The Company had received approval from BSE Limited and RBI vide their letter/email dated DSC/AML/SV/R37/1746/2020-21 on July 09, 2020 and July 23, 2020 respectively for scheme of amalgamation under section 230-232 of the Companies Act, 2013, of Information interface India Private Limited and Niyogin Fintech Limited and their respective shareholders and creditors. Approval of the Equity shareholders and Unsecured creditors pursuant to the Order of Chennai Bench of National Company Law Tribunal, dated December 01, 2021 has been received vide Special Resolution dated February 15, 2022. Subsequently, the Company filed the Petition on February 25, 2022 vide Petition Number CP(CAA)/46&47(CHE)/2022 with the National Company Law Tribunal, Chennai Bench. The National Company Law Tribunal, Chennai Bench vide its order dated April 20, 2022 has given the next date of hearing of the Petition shall be on June 22, 2022 for consideration of the approval of the Scheme.

2. ALLOTMENT OF EQUITY SHARES UNDER NFL – EMPLOYEE STOCK OPTION PLAN - 2018:

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

Sr. No.	Type of Meeting	Date of Meeting	Number of Shares (Face value of ₹ 10/- each)
1.	Board Meeting	August 05, 2021	55,066
2.	Board Meeting	September 28, 2021	1,59,306
3.	NRC Meeting	November 01, 2021	4,11,328
4.	NRC Meeting (through circular Resolution)	November 19, 2021	84,304

3. GRANT OF SECURED LOAN TO ISERVEU TECHNOLOGY PRIVATE LIMITED:

The Company had approved material related party transaction with Iserveu Technology Private Limited ('Iserveu'), a subsidiary, at its meeting held on August 05, 2021, for a limit upto ₹ 50,00,00,000/- (Rupees Fifty Crores only) in the ordinary course of business and on arm's length basis. The resolution was further approved by the members at its Annual General Meeting held on September 17, 2021. Pursuant to the same, during the FY 21-22, the Company had given secured loan to Iserveu Technology Private Limited of ₹ 9,00,00,000/- (Rupees Nine Crores only).

4. CONVERSION OF COMPULSORILY CONVERTIBLE PREFERENCE SHARES HELD BY THE COMPANY IN INVESTDIRECT CAPITAL SERVICES PRIVATE LIMITED AND INCREASE IN THE STAKE PURSUANT TO SUCH CONVERSION:

Pursuant to the shareholders agreement dated February 25, 2019, the Company has been allotted 1,16,276 - 0.001% Non-Cumulative Compulsory Convertible Preference Shares ("CCPs") by Investdirect Capital Services Private Limited ("Investdirect"). The Company has further increased its stake in Investdirect by conversion of the aforesaid CCPs thereby subsequently increasing the total shareholding in Investdirect from 50.01% to 60.76%.

5. APPROVAL ON INVESTMENT OF UPTO ₹ 100 CRORES IN ISERVEU TECHNOLOGY PRIVATE LIMITED ("ISERVEU"), SUBSIDIARY OF THE COMPANY:

The Board had approved to invest/infuse upto ₹1,00,00,00,000 (Rupees One Hundred Crores Only) in Iserveu over a period of 3 (three) years ("Investment") at their meeting held on February 02, 2022.

Accordingly, during the year under purview, the Company had subscribed to 33,444 - 0.1% redeemable non-cumulative preference shares ("RPS") of ₹10 each of Iserveu on a premium of ₹14,940/- per redeemable non-cumulative preference share for a term of 15 years aggregating to total consideration of ₹ 4,999.87 lacs on a preferential basis pursuant to the Redeemable Preference Shares Subscription Agreement dated March 17, 2022 ("Agreement"). The RPS were allotted to the Company on March 28, 2022. The RPS shall not carry any voting rights, except as provided under Applicable Law. Redemption shall be at such value as may be agreed between the Parties which shall not be less than the cost of acquisition of Preference Shares, subject to Applicable Law. In the event of liquidation, the amount available for distribution shall be applied in priority to all Equity Shares and all other securities in the capital of the Company as per the terms mentioned in the Agreement.

For Mitesh J. Shah & Associates
(Company Secretaries)

Date: May 14, 2022
Place: Mumbai

Mitesh J. Shah
Proprietor
FCS No. 10070
C. P. No. 12891
Peer Review Certificate No. 1730/2022
UDIN: F010070D000321581

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

Annexure A

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

MANAGEMENT'S RESPONSIBILITY STATEMENT

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

AUDITOR'S RESPONSIBILITY STATEMENT

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

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

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

DISCLAIMER

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

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

For Mitesh J. Shah & Associates
(Company Secretaries)

Date: May 14, 2022
Place: Mumbai

Mitesh J. Shah
Proprietor
FCS No. 10070
C. P. No. 12891
Peer Review Certificate No. 1730/2022

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended March 31, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
ISERVEU TECHNOLOGY PRIVATE LIMITED
U72900OR2016PTC025851
Building No/Flat No.Block-B, 4th Floor
JSS STP Tower 1,Infocity Square
Bhubaneswar Khordha 751024

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ISERVEU TECHNOLOGY PRIVATE LIMITE** (hereinafter called the 'Company'), Subsidiary of Niyogin Fintech Limited, whose equity shares are listed on The BSE Limited. The Company is a Material Subsidiary Company within the meaning of Regulation 16(1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. Secretarial Audit was conducted in a manner that provided us with a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on online verification & examination of records, as facilitated by the Company for purpose of issuing this report and based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on March 31, 2022 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 31, 2022 according to the provisions of:

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

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **(Not Applicable during the period under review)**

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; **(Not Applicable during the period under review)**

(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; **(Not Applicable during the period under review)**

(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 during the period under review)**

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not Applicable during the period under review)**

c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable during the period under review)**

d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (up to August 12, 2021) and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (with effect from August 13, 2021); **(Not Applicable during the period under review)**

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (up to August 15, 2021); **(Not Applicable during the period under review)**

f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 (up to August 15, 2021); **(Not Applicable during the period under review)**

g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible securities) Regulations, 2021(with effect from August 16, 2021); **(Not Applicable during the period under review)**

h) 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; **(Not Applicable during the period under review)**

i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (up to June 09, 2021) and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (with effect from June 10, 2021); **(Not Applicable during the period under review)**

j) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not Applicable during the period under review)**

k) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; **(Not Applicable during the period under review)**

l) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 **(Not Applicable during the period under review)**

The Company has further complied with below mentioned laws, which are specifically applicable to the Company.

a) The Information Technology Act, 2000

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

i. Secretarial Standards in respect of Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

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

I further report that:

- The Board of Directors of the Company was duly constituted as per the provisions of the Companies Act, 2013 and rules made thereunder. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

- Except in case of meetings convened at a shorter notice, adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well 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.

- The decisions of the Board were carried through unanimously as recorded in the minutes of the Meetings of the Board of Directors.

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

I further report that during the audit period, the following events/ actions having a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc. referred to above.

- The Company at its Annual General Meeting held on 15/09/2021 approved Subdivision of its equity share having face value of ₹10/- (Rupees Ten only) each fully paid into 10 (Ten) equity shares of face value of ₹ 1/- (Rupees One only) each fully paid and consequently, the revised authorized share capital of the Company was of ₹ 25,00,000/- (Rupees Twenty-Five Lakhs only) comprising of 25,00,000 (Twenty-Five Lakhs) equity shares of ₹ 1/- (Rupees One only) each and consequently amended the Memorandum of Association of the Company.

- The Company at its Extra-Ordinary General Meeting held on 30/09/2021 increased the existing authorised share capital from ₹ 25,00,000/- (Rupees Twenty-Five Lakhs only) divided into 25,00,000 (Twenty-Five Lakhs) equity shares of ₹ 1/- (Rupees One only) each to ₹ 2,00,00,000/- (Rupees Two Crore only) divided into 2,00,00,000/- (Two Crore) equity shares of ₹ 1/- (Rupees One only) each and consequently amended the Memorandum of Association of the Company.

- The Company at its Extra-Ordinary General Meeting held on 30/09/2021 altered the Main Objects clause of the Memorandum of Association ("MOA") of the Company in order to incorporate new Business activities with a view to expand the Business of the Company, enter new markets and target new customer base.

- The Company at it Extra-Ordinary General Meeting held on 11/02/2022 increased the existing authorised share capital from ₹ 2,00,00,000/- (Rupees Two Crore only) divided into 2,00,00,000/- (Two Crore) equity shares of ₹ 1/- (Rupees One only) each to ₹ 2,10,00,000/- (Rupees Two Crore Ten Lakhs only) divided into 2,00,00,000/- (Two Crore) equity shares of face value ₹ 1/- (Rupees One only) each and 10,00,000 (Ten Lakhs) Preference Shares of face value ₹ 10/- (Rupees Ten only) each and consequently amended the Memorandum of Association of the Company.

- The Board has on 28/03/2022 allotted of 33,444 (Thirty-Three Thousand Four Hundred Forty Four) Redeemable Preference Shares at a Face value of INR 10/- (Indian Rupees 10 each) with a premium of INR 14,940/- (Indian Rupees Fourteen Thousand Nine hundred Forty only) for an aggregate value of INR 49,99,87,800/- (Indian Rupees Forty Nine Crores Ninety Nine Lakhs Eighty Seven Thousand Eight Hundred only) on a Private Placement basis to the Niyogin Fintech Limited.

For Saraf & Associates
Practising Company Secretaries

Date: May 10, 2022
Place: Mumbai

K.G. SARAF
Proprietor
FCS: 1596 | CP: 642
FRN. S1988MH004801
PR. 1003/2020
UDIN: F001596D000297936

Note : This report is to be read with my letter of even date which is annexed as **'ANNEXURE 1'** and forms an integral part of this report.

Annexure 1

To,
The Members,
ISERVEU TECHNOLOGY PRIVATE LIMITED
U72900OR2016PTC025851
Building No/Flat No.Block-B, 4th Floor
JSS STP Tower 1,Infocity Square
Bhubaneswar Khordha 751024

My 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. My responsibility is to express an opinion on these secretarial records based on my audit.

2. I have followed the audit practices as per Auditing Standards issued by the Institute of Company Secretaries of India 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. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My 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 Saraf & Associates
Practising Company Secretaries

Date: May 10, 2022
Place: Mumbai

K.G. SARAF
Proprietor
FCS: 1596 | CP: 642
FRN. S1988MH004801
PR. 1003/2020
UDIN: F001596D000297936

Report on Corporate Governance

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

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

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

2. BOARD OF DIRECTORS:

Keeping with the commitment to the principle of integrity and transparency in business operations for good corporate governance, the Company has an appropriate blend of independent and non-independent directors to maintain the independence of the Board and to separate the Board functions of governance and management.

The responsibilities of the Board, inter alia, include formulation of overall strategy for the Company, reviewing major plan of actions, setting performance objectives, laying down the Code of Conduct for all members of the Board and Senior Management, formulating policies, performance review, monitoring due compliance with applicable laws, reviewing and approving the financial results, enhancing corporate governance practices and ensuring the best interest of the shareholders, the community and its various stakeholders.

A. Board Composition:

In compliance with the provisions of SEBI Listing Regulations, the Company has an optimum combination of executive and non-executive directors with a woman independent director and a non-executive Chairman.

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

As on March 31, 2022, the Board comprised of a Chairman (Non-Executive Non-Independent Director), 1 (One) Managing Director, 1 (One) Non-Executive Director and 4 (four) Non-Executive Independent Directors (including 1 Women Independent Director). 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 Regulations, across all the companies in which he / she is Director as per the disclosures made by all the Directors.

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

B. Meetings of the Board:

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

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

Sr. No.	Date	Strength	No. of Directors present
1	May 19, 2021	8	7
2	August 05, 2021	8	7
3	September 28, 2021	8	6
4	November 01, 2021	8	8
5	February 02, 2022	6	6
6	March 15, 2022	7	7

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 Listing Regulations. Every Director has the right to suggest inclusion of items in the agenda.

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

C. Directors' attendance record & Directorships held:

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

Name	Nature of directorship	No. of Board Meetings attended		Attendance at previous AGM
		Held during the tenure of Directorship	Attended	
Mr. Amit Rajpal	Non-Executive Non- Independent Director	6	6	Yes
Mr. Makarand Patankar*	Whole Time Director	4	1	Yes
Mr. Kapil Kapoor	Non-Executive Independent Director	6	6	Yes
Ms. Sutapa Banerjee*	Non-Executive Independent Director	4	4	Yes
Ms. Subhasri Sriram	Non-Executive Independent Director	6	6	Yes
Mr. Eric Wetlaufer	Non-Executive Independent Director	6	5	Yes
Mr. Gaurav Patankar	Non-Executive Non- Independent Director	6	6	Yes
Mr. Noorallah Charania#	Whole- Time Director	5	5	Yes
Mr. Tashwinder Singh^	Managing Director designated as Chief Executive Officer	1	1	NA
Dr. Ashby Monk^	Non-Executive Independent Director	1	1	NA

*Ms. Sutapa Banerjee and Mr. Makarand Patankar ceased to be Directors of the company w.e.f. December 04, 2021 on account of completion of their tenure of appointment of 5 years.

Mr. Noorallah Charania resigned from the office of Director with effect from February 03, 2022.

^ Mr. Tashwinder Singh and Dr. Ashby Monk are appointed as Managing Director designated as Chief Financial Officer and Independent Director respectively of the Company with effect from February 02, 2022.

(ii) The details of the number of directorships and committee memberships held by the Board of Directors in other Companies as on March 31, 2022 are given below:

Name	No. of directorships in other public companies#	No. of Committee memberships in listed entities (incl. in the Company)@	
		Membership	Chairmanship
Mr. Amit Rajpal	0	2	1
Mr. Makarand Patankar*	0	0	0
Mr. Kapil Kapoor	1	2	1
Ms. Sutapa Banerjee*	5	6	2
Ms. Subhasri Sriram	5	3	2
Mr. Eric Wetlaufer	0	1	0
Mr. Gaurav Patankar	0	1	0
Mr. Noorallah Charania#	0	0	0
Mr. Tashwinder Singh^	2	1	1
Dr. Ashby Monk^	0	0	0

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

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

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

*Ms. Sutapa Banerjee and Mr. Makarand Patankar ceased to be Directors of the company w.e.f. December 04, 2021 on account of completion of their tenure of appointment of 5 years.

Mr. Noorallah Charania resigned from the office of Director with effect from February 03, 2022.

^ Mr. Tashwinder Singh and Dr. Ashby Monk are appointed as Managing Director designated as Chief Executive Officer and Independent Director respectively of the Company with effect from February 02, 2022.

(iii) Directorships in equity listed companies

The name of equity listed entities where directors of the Company held directorships as on March 31, 2022 are as under:

Name	Name of the equity listed entities	Category of Director
Mr. Kapil Kapoor	Info Edge (India) Limited	Non-Executive - Non Independent Director-Chairperson
Mr. Tashwinder Singh	Standard Industries Limited	Non-Executive - Independent Director
	NRB Bearings Limited	Non-Executive - Independent Director-Chairperson
Ms. Subhasri Sriram	TVS Electronics Limited	Non-Executive - Independent Director
	Shriram Asset Management Company Limited	Non-Executive - Non Independent Director

D. Board Diversity

In compliance with the provisions of SEBI Listing Regulations, the Board through Nomination & Remuneration Committee has devised a policy on Board Diversity. The Board comprises of adequate number of members with diverse experience and skills, such that it serves the governance and strategic needs of the Company. The present composition broadly meets this objective. The directors are persons of eminence in areas such as profession, business, industry, finance, law, administration, research, banking, etc. and bring with them experience/ skills which add value to the performance of the Board. The directors are selected purely on the basis of merit with no discrimination on race, color, religion, gender or nationality.

E. Board expertise and attribute

As stipulated under Schedule V of the SEBI Listing Regulations, core skills/ expertise/ competencies as required in the context of the business and sector for it to function effectively and those actually available with the Board have been identified by the Board of Directors.

A tabular representation of the same is as below:

Skill Areas	Mr. Amit Rajpal	Mr. Tashwinder Singh	Mr. Gaurav Patankar	Dr. Ashby Monk	Ms. Subhasri Sriram	Mr. Kapil Kapoor	Mr. Eric Wetlaufer
Industry experience	✓	✓	✓	✓	✓	✓	✓
Management & Governance	✓	✓	✓	✓	✓	✓	✓
Financial expertise	✓	✓	✓	✓	✓	✓	✓
Business transformation & strategy	✓	✓	✓	✓	✓	✓	✓
Technology & innovation	✓	✓	✓	✓	✓	✓	✓
Human resources	✓	✓	✓	✓	✓	✓	✓
Risk, Assurance & Internal Controls	✓	✓	✓	✓	✓	✓	✓
Regulatory, Public policy & economics	✓	✓	✓	-	✓	✓	-

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

B. Details of Shares & Instruments held by the Directors:

Sr. No.	Name	Nature of Directorship	No. of shares held as on March 31, 2022	Type of security
1.	Mr. Amit Rajpal	Non-Executive Director	18,75,242	Equity
2.	Mr. Kapil Kapoor	Independent Director	4,90,052	Equity
3.	Mr. Tashwinder Singh^	Managing Director designated as CEO	2,49,704	Equity
4.	Mr. Noorallah Charania*	Whole-Time Director	15,000	Equity

* Mr. Noorallah Charania resigned from the office of Director with effect from February 03, 2022.

^ Mr. Tashwinder Singh was appointed as Managing Director designated as Chief Executive Officer of the Company with effect from February 02, 2022.

C. Opinion of the Board

The Board hereby confirms that, in its opinion, the independent directors fulfils the conditions specified under the SEBI Listing Regulations and the Act and that they are independent of the management of the Company.

D. Certificate from Practising Company Secretary

The Company has received a certificate from M/s Mitesh J. Shah & Associates, Practising Company Secretary, to the effect that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of the Company by the Ministry of Corporate Affairs or any other statutory authority. This certificate forms part of this Annual Report.

E. Review of Legal Compliance reports

During the year, the Board periodically reviewed compliance reports with respect to the various laws applicable to the Company, as prepared and placed before it by the management.

F. Code of Conduct:

The SEBI Listing Regulations, requires listed companies to lay down a Code of Conduct for its directors and senior management, incorporating duties of directors prescribed in the Act. Accordingly, the Company has a Board approved Code of Conduct for Board members and Senior Management of the Company. This code has been placed on the Company's website and can be accessed at https://docs.niyogin.com/wp-content/uploads/2022/01/code-of-conduct-for-management-and-senior-employees.pdf. All the Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2022. A declaration to this effect signed by the Chief Executive Officer forms part of this Annual Report.

G. Maximum tenure of Independent Directors

In terms of the Act, independent directors shall hold office for a term of up to five consecutive years on the Board of a company but shall be eligible for re-appointment on passing of a special resolution by the members of the company and disclosure of such appointment in the Board's report. The maximum tenure of independent directors of the Company is in accordance with the Act and regulation 25(2) of SEBI Listing Regulations.

H. 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 Act and SEBI Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence.

I. Formal letter of appointment to Independent Directors

The Company issues a formal letter of appointment/re-appointment to independent directors in the manner provided under the Act. As per Regulation 46(2) of the SEBI Listing Regulations, the terms and conditions of appointment/re-appointment of the Independent Directors are placed on the Company's website and can be accessed at https://docs.niyogin.com/wp-content/uploads/2022/01/terms-and-conditions-of-appointment-of-id.pdf

J. Familiarization Programme:

The Company on an ongoing basis endeavor to keep the Board including independent directors abreast with matters relating to the industry in which Company and its subsidiaries operates, business models, risk metrics, mitigation and management, governing regulations, information technology and updates regarding the Company and group, etc. During the year, the directors were updated extensively through separate quarterly presentations and presentations at the Board meetings.

Details of the policy on Company's familiarization programmes are placed on the Company's website and can be accessed at https://docs.niyogin.com/wp-content/uploads/2022/01/board-familiarisation-programme.pdf

K. Director and Officers Liability Insurance (D&O Policy)

The Company has in place a D&O Policy which is renewed every year. It covers directors (including independent directors) of the Company and its subsidiaries. The Board is of the opinion that quantum and risk presently covered is adequate.

3. BOARD COMMITTEES:

In compliance with the requirements of the Act, SEBI Listing Regulations and the applicable laws, the Company has the following committees in place: (i) Audit Committee (ii) Stakeholders Relationship Committee (iii) Nomination & Remuneration Committee (iv) Risk Management Committee (v) Corporate Social Responsibility Committee and (vi) Independent Director's Committee.

The Board determines the constitution of the Committees and the terms of reference for Committee members including their roles and responsibilities.

A. Audit Committee:

Composition, meetings and the attendance during the year:

The Company has complied with all the requirements of the Act and SEBI Listing Regulations relating to the composition of the Audit Committee.

During the year under review, six (6) Audit Committee meetings were held on May 19, 2021, August 05, 2021, September 28, 2021, November 01, 2021, February 02, 2022 and March 15, 2022. The gap between two consecutive meetings was less than 120 days.

The details of the composition of the Committee and attendance of the members at the meetings are given below:

Name of the Director	Designation	Category	No. of meetings held during FY 2022 (6)	
			Entitled to attend	Attended
Ms. Sutapa Banerjee*	Chairman till December 04, 2021	Non-Executive Independent Director	4	4
Ms. Subhasri Sriram#	Member till December 04, 2021 Chairman w.e.f. December 05, 2021	Non-Executive Independent Director	6	6
Mr. Eric Wetlaufer	Member	Non-Executive Independent Director	6	5
Mr. Amit Rajpal	Member	Non-Executive Non-Independent Director	6	6

*Ms. Sutapa Banerjee – ceased to be Chairman of the Committee w.e.f. December 04, 2021 on account of completion of her tenure of five years.

#Ms. Subhasri Sriram – Appointed as the chairman of the Committee w.e.f. December 05, 2021.

All the members of the Audit Committee are financially literate and have accounting related financial management expertise.

The Company Secretary acts as the Secretary to the Committee. The Statutory Auditors, Chief Financial Officer and the Internal Auditors are invitees to the Audit Committee Meetings.

The scope of activities and powers of the Audit Committee are in line with Regulation 18 of SEBI Listing Regulations and Section 177 of the Act. During FY 2022, the Board had accepted all the recommendations of the Committee.

Terms of reference:

The terms of reference of the Audit Committee are broadly as follows:

1) 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.

2) Recommending to the Board the appointment, re-appointment and removal of statutory auditors, cost auditors, branch auditors and fixation of their remuneration.

3) Approving the payments to statutory auditors for any other services rendered by them.

4) Reviewing with management the annual financial statements and auditor's report before submission to the Board for approval, focusing primarily on:

   - Matters required to be included in the Director's Responsibility for inclusion of the same in the Board Report in terms of clause I of sub-section 3 of Section 134 of the Act;
   - 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;
   - Disclosure of any related party transactions

5) Evaluation of internal financial controls and risk management system.

6) 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.

7) Reviewing with the management the quarterly and half-yearly financial results before submission to the Board for approval including financial statements, in particular, the investments made by unlisted subsidiary(ies).

8) Reviewing the adequacy of internal audit functions, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

9) Scrutiny of the inter-corporate loans & investments.

10) Discussion with Internal Auditors and the Statutory Auditors on any significant findings and follow up thereon.

11) 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.

12) Approval or any subsequent modification of transactions of the Company with related parties.

13) 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.

14) Review and monitor the auditor's independence and performance, and effectiveness of audit processes.

15) To review the functioning of the Whistle Blower Policy and Vigil mechanism.

16) Valuation of undertaking or assets of the Company, wherever it is necessary.

17) 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.

18) 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.

19) All such other functions as may be specified from time to time.

20) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as April 01, 2019.

21) To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders

22) To review management discussion and analysis of financial condition and results of operations;

23) To review management letters / letters of internal control weaknesses issued by the statutory auditors;

24) To review internal audit reports relating to internal control weaknesses;

25) To review the appointment, removal and terms of remuneration of the chief internal auditor;

26) To review statement of deviations:

    (i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI Listing Regulations.

    (ii) annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7) of SEBI Listing Regulations.

27) To review compliance with the provisions of Regulation 9 of SEBI (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and verify that the systems for internal control are adequate and are operating effectively.

B. Nomination and Remuneration Committee:

Composition, meetings and the attendance during the year:

During the year under review, six (6) meetings of the Nomination and Remuneration Committee were held on May 19, 2021, August 05, 2021, September 28, 2021, November 01, 2021, February 02, 2022 and March 15, 2022.

The details of the composition of the Committee and attendance of the members at the meetings are given below:

Name	Designation	Category	No. of meetings held during FY 2022 (6)	
			Entitled to attend	Attended
Mr. Kapil Kapoor	Chairman	Non-Executive Independent Director	6	6
Ms. Sutapa Banerjee*	Member	Non-Executive Independent Director	4	4
Mr. Gaurav Patankar	Member	Non-Executive Non-Independent Director	6	6
Mrs. Subhasri Shriram#	Member	Non-Executive Independent Director	2	2

*Ms. Sutapa Banerjee – ceased to be the member of the Committee w.e.f. December 04, 2021 on account of completion of her tenure of five years.

#Ms. Subhasri Sriram – Appointed as the member of the Committee w.e.f. December 05, 2021.

The Company Secretary acts as Secretary to the Committee. During FY 2022, the Board had accepted all the recommendations of the Committee.

Terms of reference:

The role of the Nomination and Remuneration Committee inter alia includes:

(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.

SEBI vide notification dated August 03, 2021 amended the SEBI Listing Regulations. Vide the said amendment, it has introduced following additional term of reference of the Nomination and Remuneration Committee with effect from January 01, 2022:

For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

a. *use the services of an external agencies, if required;*
b. *consider candidates from a wide range of backgrounds, having due regard to diversity; and*
c. *consider the time commitments of the candidates*

In view of the above amendment, the terms of reference of the Nomination and Remuneration Committee were suitably amended to incorporate the above.

The Committee acts as a Compensation Committee for administration of the Company's employee stock options schemes.

Nomination & Remuneration Policy

The Nomination and Remuneration Policy provides a framework for appointment of Directors, Key Managerial Personnel and Senior Management, their performance evaluation and fixing their remuneration based on their performance. The link to the Nomination and Remuneration policy of the Company on the Company's website is https://docs.niyogin.com/wp-content/uploads/2022/01/nomination-remuneration-policy.pdf

Policy for selection and Appointment of Directors and their Remuneration

The Nomination & Remuneration Policy of the Company clearly specifies the following:

- Identification of persons qualified to become Directors or occupy senior management positions.
- Fixing Remuneration of the Directors and Key Managerial personnel and Senior management.
- Re-appointment and Evaluation of Directors and Senior Personnel.
- Evaluation of Independent Directors.

Remuneration of Directors

Pecuniary relationship/ transaction with non-executive directors

During FY 2022, there were no pecuniary relationship/ transactions of any non-executive directors with the Company, apart from remuneration as directors and transactions in the ordinary course of business and on arm's length basis at par with any member of general public. During FY2022, the Company did not advance any loans to any of its directors.

Criteria of making payments to non-executive directors

Non-executive directors of the Company play a crucial role in the independent functioning of the Board. They bring in an external perspective to decision- making and provide leadership and strategic guidance while maintaining objective judgment. They also oversee the corporate governance framework of the Company.

The criteria of making payments to the non-executive directors are placed on the Company's website and can be accessed at https://docs.niyogin.com/wp-content/uploads/2022/01/nomination-remuneration-policy.pdf

Details of remuneration of Directors

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 Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and reimbursement of expenses for participation in the meetings.

Remuneration for the Whole Time Director, Chief Executive Officer (CEO) and Chief Financial Officer (CFO)

At the time of appointment or re-appointment, the CEO, CFO and the Whole-Time Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the Committee and the Board of Directors) and the CEO, CFO & and the Whole-Time Director within the overall limits prescribed under the Act.

The Committee shall also take into account the comparative remuneration in the industry, size of the Company and profile of the candidate while deciding the remuneration. The remuneration shall be subject to the approval of the members of the Company in General Meeting, wherever required.

The remuneration of the CEO, CFO and the Whole Time Director comprises of fixed and variable component as per the provisions of Act. The fixed component includes salary, allowances, perquisites, amenities and retiral benefits.

Remuneration Policy for the Senior Management Employees

In determining the remuneration of the Senior Management Employees, the Committee shall ensure that the relationship of remuneration and performance benchmark is clear.

Details of remuneration paid to the executive directors during the year ended March 31, 2022:

Particulars	**Mr. Makarand Patankar***	**Mr. Noorallah Charania****	**Mr. Tashwinder Singh#**
	Amount (in ₹)	**Amount (in ₹)**	**Amount (in ₹)**
Salary	8	55,81,917	99,99,996
Bonus	-	-	
Perquisites	-	-	-
Commission	-	8,21,620	-
Provident Fund	-	2,36,510	7,14,000
Gross remuneration	8	45,23,787	92,85,996
@Number of Stock options granted under the applicable ESOP Schemes	-	2,11,193^	34,39,416
Number of shares held as at March 31, 2022	4,561	15,000	2,49,704
Total	**8**	**55,81,917**	**99,99,996**

*Mr Makarand Patankar ceased to be Director of the Company w.e.f December 04, 2021 on account of completion of his tenure of 5 years.

**Mr. Noorallah Charania resigned w.e.f. February 03, 2022.

Mr. Tashwinder Singh was appointed as the Managing Director designated as Chief Executive Officer w.e.f. February 02, 2022

^Mr. Noorallah Charania was granted 2,11,193 stock options as on March 31, 2022, out of which 15,000 stock options were exercised by him.

@Stock Option details:

Name of Director	Date of grant	No. of stock options granted	Exercise Price per share (Amount in ₹)	Vesting Period	Exercise Period
Mr. Noorallah Charania	05-09-2018	62,162	10.00	Over a period of 3 years in the ratio 30:30:40	5 years from the date of respective vesting of options
	09-08-2019	14,031	10.00		
	23-07-2020	1,10,000	29.40		
	19-05-2021	25,000	73.40		
	Total	**2,11,193**			
Mr. Tashwinder Singh	11-11-2020	34,39,416	64.05	Over a period of 5 years as per the vesting schedule	
	Total	**34,39,416**			

Service Contract, Severance Fees & Notice Period:

The terms of employment stipulate a notice period of 3 (three) months, for termination of appointment of Chairman & Whole-time Director and Executive Directors, on either side. There is no provision for payment of severance fees.

Sitting Fees to Non-Executive Independent Directors

Non-Executive Independent Directors of the Company do not draw any remuneration from the Company other than sitting fees for attending Board and Committee meetings.

The Company pays ₹ 50,000/- for each Board Meeting and ₹ 25,000/- for each Committee Meetings.

Details of sitting fees paid for attending Board and Committee Meetings during the year ended March 31, 2022 are given below:

Name	Sitting Fees			Total
	Board Meetings	Committee Meetings	General Meeting	
Mr. Kapil Kapoor	3,00,000	3,00,000	-	6,00,000
Ms. Sutapa Banerjee	2,00,000	2,25,000	-	4,25,000
Mr. Eric Wetlaufer	2,50,000	2,25,000	-	4,75,000
Ms. Subhasri Sriram	3,00,000	3,00,000	-	6,00,000
Dr. Ashby Monk	50,000	-	-	50,000
Total	**11,00,000**	**10,50,000**	**-**	**21,50,000**

C. Stakeholders' Relationship Committee:

Composition, meetings and the attendance during the year:

During the year under review, two (2) meetings of the Stakeholders' Relationship Committee were held on May 19, 2021 and November 01, 2021.

The details of the composition of the Committee and attendance of the members at the meetings are given below:

Name of the Director	Designation	Category	No. of meetings held during FY 2022 (2)	
			Entitled to attend	Entitled to attend
Mr. Amit Rajpal	Chairman	Non-Executive Non-Independent Director	2	2
Mr. Kapil Kapoor	Member	Non-Executive Independent Director	2	2
Mr. Gaurav Patankar	Member	Non-Executive Non-Independent Director	2	2

The Company Secretary acts as Secretary to the Committee.

Terms of reference:

The role of the committee shall inter-alia include the following:

(1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.

(2) Review of measures taken for effective exercise of voting rights by shareholders.

(3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.

(4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

Details of Investor Complaints:

The Company did not receive any investor complaints during the FY2022.

Name, Designation and Address of Investor Grievance Redressal Officer:

Mr. Tashwinder Singh
MD & CEO
Niyogin Fintech Limited
Corporate Office: Neelkanth Corporate IT Park, 311/312, 3rd Floor, Kirol Road, Vidyavihar (w), Mumbai – 400086

Name, Designation and Address of Compliance Officer:

Ms. Neha Agarwal
Company Secretary & Compliance Officer
Niyogin Fintech Limited
Corporate Office: Neelkanth Corporate IT Park, 311/312, 3rd Floor, Kirol Road, Vidyavihar (w), Mumbai – 400086

D. Risk Management Committee

Composition, meetings and the attendance during the year:

During the year under review, three (3) meetings of the Risk Management Committee were held on May 19, 2021, November 01, 2021 and February 02, 2022.

The details of the composition of the Committee and attendance of the members at the meetings are given below:

Name of the Director	Designation	Category	No. of meetings held during FY 2022 (3)	
			Entitled to attend	Entitled to attend
Mr. Eric Wetlaufer	Chairman	Non-Executive Independent Director	3	3
Mr. Kapil Kapoor	Member	Non-Executive Independent Director	3	3
Mr. Gaurav Patankar	Member	Non-Executive Non-Independent Director	3	3
Ms. Subhasri Sriram	Member	Non-Executive Independent Director	3	3

The Company Secretary acts as Secretary to the Committee.

Purpose of Committee:

The purpose of the Committee of the Board of Directors (the "Board") of the Company shall be to assist the Board in fulfilling its corporate governance oversight responsibilities with regard to the identification, evaluation and mitigation of strategic, operational, financial and external environment risks. The Committee has overall responsibility for monitoring and approving the enterprise risk management framework and associated practices of the Company.

Terms of reference:

The role and responsibility of the Committee is:

1) To formulate a detailed risk management policy which shall include:

    (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

    (b) Measures for risk mitigation including systems and processes for internal control of identified risks.

    (c) Business continuity plan.

    (d) Mechanism for monitoring the risks facing by the subsidiaries, which could culminate into a risk of the Company

2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken; and

6) To coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

The role and responsibilities of the Committee shall include such other items as may be prescribed by any applicable law or the Board or suo motu in compliance with applicable law, from time to time.

E. Corporate Social Responsibility Committee

Composition, meetings and the attendance during the year:

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

The details of the composition of the Committee is given below:

Sr. No.	Name	Designation	Category
1	Mr. Amit Rajpal	Chairman	Non-Executive Non-Independent Director
2	Mr. Eric Wetlaufer	Member	Non-Executive Independent Director
3	Mr. Tashwinder Singh	Member	Managing Director

The Company Secretary acts as Secretary to the Committee.

The role, broad terms and reference of the committee includes the following:

a. Formulate and recommend to the Board, a Corporate Social Responsibility Policy;

b. Recommend the amount of expenditure to be incurred on the CSR activities to the Board;

c. Monitor the Corporate Social Responsibility Policy of the company from time to time.

F. Meeting of the Independent Directors:

The Independent Directors met on May 19, 2021, inter alia, to discuss:

(a) Evaluation of the performance of Non-Independent Directors and Board of Directors as a Whole;

(b) Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.

(c) Evaluation of the quality, quantity, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

4. MANAGEMENT:

This is given in a separate section in the Annual Report.

Disclosure of material transactions

Under regulation 26(5) of the SEBI Listing Regulations, senior management is required to make disclosures to the board of directors relating to all material, financial and commercial transactions, where they had or were deemed to have had personal interest that may have a potential conflict with the interest of the listed entity at large. As per disclosure submitted by senior management, there were no such transactions during FY 2022.

5. SUBSIDIARY COMPANIES:

The Company has three subsidiaries viz. Investdirect Capital Services Private Limited, Moneymap Investment Advisors Private Limited and Iserveu Technology Private Limited. Details of the subsidiaries, including their performance, business, etc. are given in the Directors' Report and the consolidated financial statements.

During the year under review, the Audit Committee reviewed the financial statements of and, in particular, the investments made by each of its unlisted subsidiary companies, to the extent applicable. Minutes of the Board meetings of these subsidiary companies were regularly placed before the Board of the Company along with a statement of significant transactions and arrangements entered into by these subsidiary companies, as applicable. Provisions under regulation 24 and 24A of SEBI Listing Regulations, with reference to the subsidiary companies were duly complied, to the extent applicable.

During FY 2022, no company became or ceased to be our subsidiary or joint venture company. The Company does not have any associate company.

6. RELATED PARTY TRANSACTIONS

All related party transactions (RPTs) entered into by the Company during FY2022, were on arm's length basis and in the ordinary course of business under the Act. Approval of Audit Committee was obtained for all RPTs entered during FY 2022. Details of such transactions were placed before the Audit Committee for noting/review, on a quarterly basis.

A statement containing the disclosure of transactions with related parties as required under Indian Accounting Standard 24 (IND AS 24) including transaction with promoter / promoter group holding 10% or more in the Company is set out separately in this Annual Report and disclosures of RPTs on a consolidated basis are submitted to the stock exchanges on a half-yearly basis.

The Company has also entered into material related party transaction with Iserveu Technology Private Limited pursuant to Regulation 23 of SEBI Listing Regulations. The Company has made suitable disclosures to the financial statements of the list of all related parties as per Section 188 of the Act and Accounting Standards and the transactions entered into pursuant to Regulation 23 of the SEBI Listing Regulations.

The Policy on materiality of RPTs stipulating the threshold limits and also on dealing with RPTs which has been approved by the Board has been placed on the Company's website at www.niyogin.com

7. COMPLIANCES REGARDING INSIDER TRADING:

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015 ("SEBI PIT Regulations"), as amended, the Company has a Board approved the Insider Trading Prohibition Code which contains the Code of Conduct to Regulate, Monitor and Report Trading by insiders ('Code of Conduct'), a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ('Code of Fair Disclosure') and Policy for Procedure of Inquiry in case of leak of unpublished Price Sensitive Information ("UPSI") or suspected leak of UPSI.

Due reporting has been made, wherever required, in case of violation of the SEBI PIT Regulations and appropriate actions have been taken in this regards. The Audit Committee also reviewed the compliance with the SEBI PIT Regulations and confirmed that the systems for internal control are adequate and are operating efficiently.

The Company also, by means of periodic communications, makes the designated employees conversant with the important obligations under the insider trading regulations. The status of compliance with SEBI PIT Regulations are reviewed by Audit Committee and Board on a periodic basis.

8. COMPANY POLICIES:

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

Policy on determination of Materiality of events	https://docs.niyogin.com/wp-content/uploads/2022/01/policy-on-determination-of-materiality-of-events.pdf
Material Subsidiary policy	https://docs.niyogin.com/wp-content/uploads/2022/01/material-subsidiary-policy.pdf
Board Evaluation Policy	https://docs.niyogin.com/wp-content/uploads/2022/01/board-evaluation-policy.pdf
Succession Planning Policy	https://docs.niyogin.com/wp-content/uploads/2022/01/succession-planning-policy.pdf
Policy on preservation of documents	https://docs.niyogin.com/wp-content/uploads/2022/01/policy-on-preservation-of-documents.pdf
Policy on Vigil Mechanism/ Whistle Blower Policy	https://docs.niyogin.com/wp-content/uploads/2022/01/policy-on-vigil-mechanism.pdf
Code of Conduct	https://docs.niyogin.com/wp-content/uploads/2022/01/code-of-conduct-for-management-and-senior-employees.pdf

Related Party Transaction Policy	https://docs.niyogin.com/wp-content/uploads/2022/01/related-party-transaction-policy-1.pdf
Web Archival Policy	https://docs.niyogin.com/wp-content/uploads/2022/01/web-archival-policy.pdf
Nomination and Remuneration Policy	https://docs.niyogin.com/wp-content/uploads/2022/01/nomination-remuneration-policy.pdf
Care & Dignity Policy	https://docs.niyogin.com/wp-content/uploads/2022/01/niyogin-care-and-dignity-policy.pdf
Internal Guidelines on Corporate Governance	https://docs.niyogin.com/wp-content/uploads/2022/01/internal-guidelines-on-corporate-governance-1.pdf
Dividend Distribution Policy	https://docs.niyogin.com/wp-content/uploads/2022/01/dividend-distribution-policy.pdf
Insider Trading Prohibition Code	https://docs.niyogin.com/wp-content/uploads/2022/01/insider-trading-prohibition-code.pdf

9. OTHER INFORMATION:

(a) Corporate Identity Number allotted to the Company by the Ministry of Corporate Affairs: L65910TN1988PLC131102

(b) General Body Meetings:

(i) Location, Date and Time of Annual General Meetings held during the last 3 (three) years:

The Annual General Meetings ("AGM") of the Company in the previous three financial years are enlisted as below:

Financial Year	Date and Time of Meeting	Location
2020-21	Friday, September 17, 2021 at 4:30 p.m. IST onwards	Through video conferencing ("VC")/ Other Audio-Visual Means ("OAVM")
2019-20	Thursday, September 17, 2020 at 4:00 p.m. IST onwards	Through video conferencing ("VC")/ Other Audio-Visual Means ("OAVM")
2018-19	Tuesday, September 17, 2019 at 1:00 p.m. IST onwards	Trident Chennai, 1/24 GST Road, Chennai-600027

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

Financial Year	Subject Matter of Special Resolution
2020-21	(1) Appointment of Mr. Nooralla Charania (DIN: 08812239) as a Whole-Time Director of the Company. (2) Re-appointment of Mr. Kapil Kapoor (DIN: 00178966) as an Independent Director of the Company. (3) Approval of material related party transactions with Iserveu Technology Private Limited.
2019-20	(1) To consider grant of Stock Options to the employees of the Subsidiary Company(ies) (present and/or future) under the Niyogin - Employee Stock Option Plan 2019 (ESOP – 2019)
2018-19	-

(iii) Special resolutions passed through postal ballot

During the year under review, the following special resolutions was passed through postal ballot:

Resolutions	Date of passing the special resolution	Date of scrutinizer's report	% of Votes Polled on outstanding shares	% of Votes in favour on votes polled	% of Votes against on votes polled
Appointment of Dr. Ashby Monk (DIN: 09441825) as an Independent Director of the Company;	March 05, 2022	March 07, 2022	66.0550	99.9988	0.0012
Appointment of Mr. Tashwinder Singh (DIN: 06572282) as a Managing Director on the Board of Directors designated as Chief Executive Officer of the Company;	March 05, 2022	March 07, 2022	65.79	99.9988	0.0012
To consider and approve Additional Investment of INR 100,00,00,000 (Indian Rupees One. Hundred Crores Only) into Iserveu Technology Private Limited ("Iserveu").	March 05, 2022	March 07, 2022	60.6324	99.9985	0.0015

Mr. Mitesh J. Shah proprietor of M/s. Mitesh J. Shah & Associates, Practicing Company Secretary, Mumbai was appointed as the scrutiniser for all the postal ballot processes. The detailed voting procedure mentioned in the postal ballot notice, the scrutiniser's report and the voting results are available on the Company's website.

No further resolution was proposed to be passed through postal ballot under the provisions of the Act.

10. OTHER DISCLOSURES:

(a) A qualified practicing Company Secretary conducts Share Capital Reconciliation Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) along with shares held in physical form and the total issued and listed capital. The Share Capital Reconciliation Audit Report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

(b) The Chief Executive Officer and the Chief Financial Officer have certified to the Board in accordance with the requirements of Regulation 17 of SEBI Listing Regulations pertaining to CEO / CFO Certification for the period ended March 31, 2022.

(c) The Companies risk management framework is being reviewed at regular intervals and revised (if required) to minimize risk and strengthen risk assessment.

(d) During the last three years, there were no strictures or penalties imposed either by Securities and Exchange Board of India or the Stock Exchange or any regulatory authority for non-compliance of any matter related to the capital market.

(e) No personnel have been denied access to the Chairman or members of the Audit Committee. Our Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors has formulated a Vigil Mechanism/ Whistle Blower Policy which is in compliance with the provisions of Section 177 (9) of the Act and Regulation 4 of SEBI Listing Regulations. The policy provides for a framework and process whereby concerns can be raised by its employees against any kind of discrimination, harassment, victimization or any other unfair practice being adopted against them. This Policy can be viewed on the Company's website viz. www.niyogin.com

(f) The Company has complied with all applicable Accounting Standards issued by Institute of Chartered Accountants of India in preparation of its financial statements pursuant to the amended Schedule III of the Act.

(g) The Company approved draft scheme of Amalgamation under Sections 230-232 of Act and the rules and regulations made thereunder, of Information Interface India Private Limited with Niyogin Fintech Limited and their respective shareholders and creditors ("Scheme") at its Board meeting held on December 16, 2019. The Scheme as aforesaid has received approval from the stock exchange and Reserve Bank of India on July 09, 2020 and July 23, 2020 respectively. Approval of the Equity shareholders and Unsecured creditors pursuant to the Order of Hon'ble National Company Law Tribunal, Chennai Bench ("NCLT") dated December 01, 2021 has been received vide Special Resolution dated February 15, 2022. Further, NCLT vide its order dated July 20, 2022, had sanctioned the Scheme. The order was received by the Company on July 21, 2022. However, the Company is seeking certain clarifications in the clauses and have separately approached NCLT for the same. Accordingly, the Company is awaiting further instructions from the NCLT before proceeding with any filings.

(h) Auditor's certificate on Corporate Governance: The Company has obtained a certificate from its secretarial auditor regarding compliance with the provisions relating to corporate governance laid down in Part E of Schedule V to SEBI Listing Regulations. This forms part of the Annual Report.

(i) Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013: During the year under review, the Company has not received any complaint under this Act.

(j) The Company has not raised funds by issue of equity shares either on preferential basis or through Qualified Intuitional Placement during FY 2022. Therefore, there are no details to be disclosed as per regulation 32(7A) of SEBI Listing Regulations.

(k) During FY 2022, the Company and its subsidiaries has not given any 'Loans and advances' in the nature of loans to firms/companies in which directors are interested.

(l) Further details about fees for all services paid by the Company and its subsidiaries on a consolidated basis, to the statutory auditor are available in the financial statements which forms part of this Annual Report.

11. MEANS OF COMMUNICATION:

(a) **Financial Results:** As required under the SEBI Listing Regulations, quarterly and half-yearly results of the Company are published within forty-five days from the end of the respective quarter and the annual audited results are announced within sixty days from the end of the year. The financial results are published usually in at least one English language national daily newspaper circulating in the whole or substantially the whole of India and in one daily newspaper published in the language of the region, where the registered office of the Company is situated and also posted on the Company's website viz.www.niyogin.com

(b) **News Releases, Presentations etc.:** Official news releases, detailed presentations made to media, analysts, institutional investors etc. if any, are uploaded on the Company's website viz. www.niyogin.com in the Investor Relations section. Official announcements are sent to the stock exchanges.

(c) **Website:** The Company's corporate website www.niyogin.com provides information about the Company's business. It also contains a separate dedicated Section 'Investor Relations' where shareholder's information is available which can be accessed at https://www.niyogin.com/investors. 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.

(e) **AGM through video conferencing ("VC")/ Other Audio-Visual Means ("OAVM"):** Pursuant to MCA circulars, the Company will also provide two-way video conferencing to members for participating in the 34th AGM. For more details, please refer to Notice of AGM, as placed on the Company's website www.niyogin.com and on the website of stock exchanges.

(f) **Green initiatives by MCA:** Sections 20 and 136 of the Act, read with relevant rules, permit companies to service delivery of documents electronically to the registered email addresses of the members.

In compliance with the said provision and as continuing endeavor towards the 'Go Green' initiative, the Company proposes to send all correspondences/ communications through email to those members who have registered their email addresses with their depository participant's / Company's share transfer agent.

During FY 2022, the Company sent documents, such as notice calling the annual general meeting, postal ballot notice, audited financial statements, Director's Report, Auditor's Report, half yearly communications, etc. in electronic form to the email addresses provided by the members and made available by them to the Company through the depositories.

All financial and other vital official news releases and documents under the SEBI Listing Regulations are also communicated to the concerned stock exchanges, besides being placed on the Company's website.

12. MANDATORY REQUIREMENT:

To the extent possible, the Company has complied with the mandatory requirements of Regulation 34 of SEBI Listing Regulations relating to Corporate Governance.

13. GENERAL SHAREHOLDER INFORMATION:

a. As indicated in the Notice to our Shareholders, the 34th Annual General Meeting of the members of Niyogin Fintech Limited, will be held on Wednesday, September 14, 2022 at 4.00 p.m. IST through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM").

Annual General Meeting	34th Annual General Meeting
Financial Year	2021 – 2022
Time & Venue	4.00 p.m. (IST) on Wednesday, September 14, 2022 through video conferencing ("VC")/ Other Audio-Visual Means ("OAVM")
Date of Book Closure	Book closure start date: September 08, 2022 Book closure end date: September 14, 2022
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, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400001, Maharashtra, India
Annual Listing fees	The company confirms payment of the Annual listing fees to BSE Limited
Stock Code	538772
Registered Office	MIG 944, Ground Floor, TNHB Colony, 1st Main Road, Velachery, Chennai, Tamil Nadu-600042
Corporate Address	Neelkanth Corporate IT Park, 311/312, 3rd Floor, Kirol Road, Vidyavihar (w), Mumbai – 400086

b. Financial Calendar for FY 2021-22 (tentative and subject to change)

Particulars	Actual/ Tentative Dates
Unaudited Financial Results for Quarter ended June 30, 2022	August 02, 2022
Unaudited Financial Results for Quarter ended September 30, 2022	November, 2022
Unaudited Financial Results for Quarter ended December 31, 2022	February, 2023
Audited Financial Results for the financial year ended March 31, 2023	May, 2023

c. Financial Year

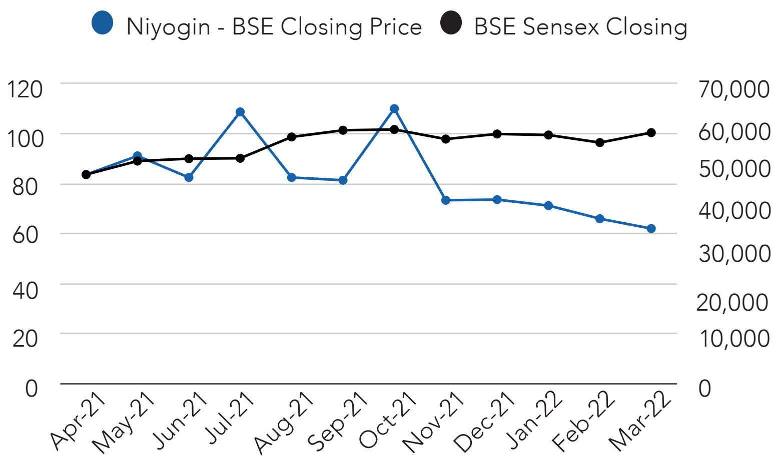
The Company follows the financial year starting from April 01 to March 31 each year.

d. Market Price Data - BSE:

Monthly highs and lows of equity shares of Niyogin Fintech Limited during 2021-22

Month	High (In ₹)	Low (In ₹)	Niyogin - BSE Closing Price (In ₹)	BSE Sensex Closing
Apr-21	88.35	58.50	83.60	48,782.36
May-21	91.10	66.20	91.10	51,937.44
Jun-21	95.65	70.55	82.45	52,482.71
Jul-21	111.80	75.15	108.70	52,586.84
Aug-21	112.90	75.05	82.45	57,552.39
Sep-21	95.50	75.00	81.35	59,126.36
Oct-21	117.80	81.00	110.00	59,306.93
Nov-21	110.10	69.10	73.35	57,064.87
Dec-21	81.60	64.05	73.60	58,253.82
Jan-22	77.00	61.65	71.20	58,014.87
Feb-22	74.00	55.00	65.95	56,247.28
Mar-22	69.00	57.30	62.00	58,568.51

e. Stock performance in comparison to BSE SENSEX:



f. Registrars and Share Transfer Agents for Shares:

Registrar & Share Transfer Agent	Link Intime India Private Limited
Address, Contact details and Email id	C 101, 247 Park, L. B .S. Marg, Vikhroli (West), Mumbai – 400083. Toll free number: 1800 2208 78 Email id: rnt.helpdesk@linkintime.co.in
Share Transfer System	Presently, the Share Transfers which are received in physical form are processed by the Registrars and Share Transfer Agent and the share certificates are returned within a period of 20 to 25 days from the date of lodgment, subject to the transfer instrument being valid and complete in all respects.

g. The Distribution of Shareholding as on March 31, 2022

SERIAL #	SHARES RANGE			NUMBER OF SHAREHOLDERS	% OF TOTAL SHAREHOLDERS	TOTAL SHARES FOR THE RANGE	% OF ISSUED CAPITAL
1	1	to	500	3231	75.4026	370470	0.3932
2	501	to	1000	365	8.5181	298661	0.317
3	1001	to	2000	230	5.3676	342252	0.3633
4	2001	to	3000	107	2.4971	278878	0.296
5	3001	to	4000	39	0.9102	136769	0.1452
6	4001	to	5000	58	1.3536	276259	0.2932
7	5001	to	10000	121	2.8238	911231	0.9672
8	10001	to	**********	134	3.1272	91596950	97.2248
Total				**4285**	**100.00**	**94211470**	**100.00**

h. Category of Shareholders as on March 31, 2022:

Category	Total Securities	Total Holders	% Issued Capital
Corporate Bodies (Promoter Co)	34435567	1	36.5514
Promoter (Individual)	4561	1	0.0048
Clearing Members	38188	24	0.0405
Other Bodies Corporate	3571537	30	3.791
Foreign Company	21738625	2	23.0743
Foreign Promoters	1875242	1	1.9905
Hindu Undivided Family	232496	97	0.2468
Non-Resident Indians	117398	32	0.1246
Non-Resident (Non Repatriable)	2879940	27	3.0569
Public	15204415	4056	16.1386
Foreign Portfolio Investors (Corporate)	14082860	5	14.9481
Body Corporate - Ltd Liability Partnership	30641	9	0.0325
TOTAL:	**94211470**	**4285**	**100.00**

i. Dematerialization of shares

As on March 31, 2022, 99.94% of the total equity capital is held in dematerialized form with NSDL and CDSL. As per SEBI guidelines, the trading in equity shares of the Company is permitted only in dematerialized form.

Particulars	No. of Shares	As % of total shares
NSDL	5,25,36,832	55.76
CDSL	4,16,19,438	44.18
Physical	55,200	0.06
Total	**9,42,11,470**	**100.00**

j. Disclosure in relation to demat suspense account or unclaimed suspense account, as applicable:

i. aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year; Nil

ii. number of shareholders who approached listed entity for transfer of shares from suspense account during the year; N.A.

iii. number of shareholders to whom shares were transferred from suspense account during the year; N.A.

iv. aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year; N.A.

v. that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares. Nil

k. Address for correspondence:

Registered Office	MIG 944, Ground Floor, TNHB Colony, 1st Main Road Velachery, Chennai, Tamil Nadu- 600042
Corporate Office	311/312, 3rd Floor, Neelkanth Corporate IT Park, Kirol Road, Vidyavihar (West), Mumbai- 400086
Tel No.	022- 62514646
E-mail	niyogin.compliance@niyogin.in

I. Secretarial Department:

The Company's Secretarial Department, headed by the Company Secretary, is situated at the Corporate Office mentioned above. Shareholders/Investors may contact the Company Secretary for any assistance they may need.

14. NON-MANDATORY REQUIREMENTS AS MENTIONED IN PART E OF SCHEDULE II:

Non-Executive Chairman's Office:

The Chairman of the Company is a Non-Executive Chairman.

Shareholders rights:

The Quarterly, Half Yearly and Annual Financial Results of the Company are published in the newspaper and also posted on the Company's website. The complete Annual Report is sent to each and every shareholder of the Company.

Audit Qualifications:

There are no Audit qualifications in the Company's financial statement for the year under reference.

Separate post for Chairman & CEO:

The Company has appointed separate persons to the post of Chairman and Chief Executive Officer.

Reporting of internal auditor:

The internal auditor reports directly to the Audit Committee.

Weblinks of few important circulars referred in this report are given below:

Sr. No.	Date of circular	Particulars
1	October 18, 2021	SEBI | Transmission of Securities to Joint Holder(s)
2	November 03, 2021	SEBI | Common and Simplified Norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and Nomination
3	November 26, 2021	SEBI | Publishing Investor Charter and Disclosure of Complaints by Registrar and Share Transfer Agents (RTAs) on their Websites
4	December 14, 2021	SEBI | Clarifications with respect to Circular dated November 03, 2021, on 'Common and simplified norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and Nomination'
5	January 25, 2022	SEBI | Issuance of Securities in dematerialized form in case of Investor Service Requests

DECLARATION 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

I, Tashwinder Singh, MD & CEO of Niyogin Fintech Limited hereby declare that all the members of the Board of Directors and the Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the year ended March 31, 2022.

Sd/-
Tashwinder Singh
MD & CEO
PAN: AGPPS8049C

Date: May 05, 2022
Place: Mumbai

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

To,
Board of Directors
Niyogin Fintech Limited

Dear Members of the Board,

We the undersigned, certify the following information –

A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2022 and that to the best of our knowledge and belief:

   1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit committee -

   1) that there are no significant changes in internal control over financial reporting during the year;

   2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   3) that there are no instances of significant fraud of which we have become aware.

Sd/-
Tashwinder Singh
MD & CEO
PAN: AGPPS8049C

Sd/-
Raghvendra Somani
Interim Chief Financial Officer
PAN: BBWPS1692A

Date: May 14, 2022
Place: Mumbai

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

We have examined the compliance of conditions of Corporate Governance by **Niyogin Fintech Limited** ('the Company'), CIN: L65910TN1988PLC131102 having registered office at MIG 944, Ground Floor, TNHB Colony, 1st Main Road Velachery Chennai, Tamil Nadu -600042 and Corporate office at Neelkanth Corporate IT Park, 311/312 3rd Floor, Kirol Road, Vidyavihar (w) Mumbai 400086 for the year ended on **March 31, 2022**, as stipulated in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the company for ensuring compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we hereby certify that the Company has complied with the conditions of Corporate Governance to the extent applicable, as stipulated in the provisions specified in chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Listing Agreement of the said Company with stock exchange.

We further state that such compliance is neither any assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

This certificate is issued solely for the purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose.

For Mitesh J. Shah & Associates
Company Secretaries

Date: May 14, 2022
Place: Mumbai

Mitesh Shah
Proprietor
FCS No.: 10070
C. P. No.: 12891
Peer Review Certificate No. 1730/2022
UDIN: F010070D000321634

Certificate of Non-Disqualification of Directors

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

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

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **NIYOGIN FINTECH LIMITED** having CIN L65910TN1988PLC131102 and having registered office at MIG 944, Ground Floor, TNHB Colony, 1st Main Road, Velachery Chennai, Tamil Nadu -600042 and its corporate office at Neelkanth Corporate IT Park, 311/312 3rd Floor, Kirol Road, Vidyavihar (w) Mumbai 400086 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the following Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

DETAILS OF DIRECTORS:

Sr. No.	Name of the Directors	DIN	Date of appointment in Company
1.	Mr. Kapil Kapoor	00178966	05/12/2016
2.	Mrs. Subhasri Sriram	01998599	23/01/2020
3.	Mr. Gaurav Makarand Patankar	02640421	10/11/2020
4.	Mr. Amit Vijay Rajpal	07557866	05/12/2016
5.	Mr. Eric Wetlaufer	08347413	12/02/2019
6.	Mr. Tashwinder Harjap Singh	06572282	02/02/2022
7.	Mr. Ashby Henry Benning Monk	09441825	02/02/2022

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on this based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Mitesh J. Shah & Associates
Company Secretaries

Date: May 14, 2022
Place: Mumbai

Mitesh Shah
Proprietor
FCS No.: 10070
C. P. No.: 12891
Peer Review Certificate No. 1730/2022
UDIN: F010070D000321623

Compliance Certificate

[Pursuant to Regulation 13 of the Securities Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021]

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

I Mitesh J. Shah, Company Secretary in Practice, have been appointed as the Secretarial Auditor vide a resolution passed at its meeting held on February 02, 2022 by the Board of Directors of Niyogin Fintech Limited (hereinafter referred to as **'the Company'**), having CIN L65910TN1988PLC131102 and having its registered office at MIG 944, Ground Floor, TNHB Colony, 1st Main Road Velachery Chennai 600042 and having its corporate office at Neelkanth Corporate IT Park, 311/312 3rd Floor, Kirol Road, Vidyavihar (West), Mumbai 400086.

This certificate is issued under Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (hereinafter referred to as **"the Regulations'**), for the year ended 2021-22.

MANAGEMENT RESPONSIBILITY:

It is the responsibility of the Management of the Company to implement the Scheme(s) including designing, maintaining records and devising proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

VERIFICATION:

The Company has implemented **NFL - Employee Stock Option Plan 2018; Niyogin Employees Stock Option Scheme 2019 and Niyogin Employees Stock Option Plan 2020** in accordance with the Regulations and the Special Resolution(s) passed by the members at the General Meeting (s) of the Company held on **July 08, 2018, December 24, 2019 and October 16, 2020** respectively.

For the purpose of verifying the compliance of the Regulations, I have examined the following:

1. Scheme(s) furnished by the Company;
2. Articles of Association of the Company;
3. Resolutions passed at the meeting of the Board of Directors;
4. Shareholders resolutions passed at the General Meeting;
5. Minutes of the meetings of the Nomination and Remuneration Committee;
6. Relevant Accounting Standards as prescribed by the Central Government;
7. Detailed terms and conditions of the scheme as approved by Nomination and Remuneration Committee;
8. Bank Statements towards Application money received under the scheme(s);
9. Valuation Report;
10. Exercise Price / Pricing formula;
11. Statement filed with recognised Stock Exchange(s) in accordance with Regulation 10 of these Regulations;
12. Disclosure by the Board of Directors;
13. Relevant provisions of the Regulations, Companies Act, 2013 and Rules made thereunder.

CERTIFICATION:

In my opinion and to the best of my knowledge and according to the verifications as considered necessary and explanations furnished to me by the Company and its Officers, I certify that the Company has implemented the **NFL - Employee Stock Option Plan 2018; Niyogin Employees Stock Option Scheme 2019 and Niyogin Employees Stock Option Plan 2020** in accordance with the applicable provisions of the Regulations and Resolution(s) of the Company in the General Meeting(s).

ASSUMPTION & LIMITATION OF SCOPE AND REVIEW:

1. Ensuring the authenticity of documents and information furnished is the responsibility of the Board of Directors of the Company.

2. Our responsibility is to give certificate based upon our examination of relevant documents and information. It is neither an audit nor an investigation.

3. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

4. This certificate is solely for your information and it is not to be used, circulated, quoted, or otherwise referred to for any purpose other than for the Regulations.

For Mitesh J. Shah & Associates
(Company Secretaries)

Date: May 14, 2022
Place: Mumbai

Mitesh J. Shah
Proprietor
FCS No. 10070
C. P. No. 12891
Peer Review Certificate No. 1730/2022
UDIN: F010070D000321656

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

Annexure A

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

MANAGEMENT'S RESPONSIBILITY STATEMENT

i. Maintenance of scheme is the responsibility of the management of the Company. My responsibility is to express only an opinion on them.

AUDITOR'S RESPONSIBILITY STATEMENT

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

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

DISCLAIMER

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

For Mitesh J. Shah & Associates
(Company Secretaries)

Date: May 14, 2022
Place: Mumbai

Mitesh J. Shah
Proprietor
FCS No. 10070
C. P. No. 12891
Peer Review Certificate No. 1730/2022

Independent Auditor's Report

To the Members of Niyogin Fintech Limited

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying standalone financial statements of Niyogin Fintech Limited ("the Company"), which comprise the standalone Balance Sheet as at 31 March 2022, and the standalone Statement of Profit and Loss (including Other Comprehensive Income), the standalone Statement of Changes in Equity and the standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information ("the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, of its loss and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone Financial Statements.

EMPHASIS OF MATTER

We draw attention to Note 46 to the standalone financial statements, which describes that the extent to which the COVID 19 Pandemic will continue to impact the Company's Standalone financial statements will depend on ongoing and future developments.

Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

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

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Standalone Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Standalone Financial statements.

Classification and measurement of loans and Provision for expected Credit loss (ECL) on Financial Assets – Loans

Charge to the Statement of Profit and Loss for the year ended 31 March 2022 – ₹ 74.45 Lacs

Total ECL Provision as at 31 March 2022 - ₹ 714.30 Lacs (including management overlay of ₹ 176.06 Lacs)

Refer accounting policies in Note 3.6 to the standalone financial statements

Key Audit Matter

Under Ind AS 109 "Financial Instruments", impairment loss allowance of loans is determined using Expected Credit Loss (ECL) estimation model. The estimation of ECL on financial instruments involves significant judgement and estimates. The Company's model to calculate expected credit loss ("ECL") is inherently complex and judgment is applied in determining the correct construction of the three-stage impairment model ("ECL Model") including the selection and input of forward-looking information. Inherently, judgemental models are used to estimate ECL which involves determining Probabilities of Default ("PD"), Loss Given Default ("LGD"), and Exposures at Default ("EAD"). The PD and LGD are the key drivers of estimation complexity in ECL and as a result are considered the most significant judgemental aspect of the company's modelling approach. Further, ECL provision calculation require the use of large volumes of data. The completeness and reliability of data can significantly impact accuracy of the modelled impairment provisions. The accuracy of data flows and the implementation of related controls are critical for the integrity of the estimated impairment provisions.

The disclosures (including disclosures prescribed by RBI) regarding the company's application of Ind AS 109 are the key to explaining the key judgements and material inputs to the Ind AS 109 ECL results. We have identified the measurement of ECL as a key audit matter in view of the significant judgement and assumptions involved.

How the Key Audit Matter was addressed in our audit

We performed end to end process walkthroughs to identify the key systems, applications and controls used in the ECL process. We tested the relevant Manual Controls, general IT and application controls over key systems used in ECL process.

The Board approved policy on ECL for impairment of financial instruments was examined and its compliance with Ind AS 109 was assessed.

Understood the process of ECL computation and tested design and operating effectiveness of key controls around data extraction and validation.

Evaluated management's controls over collation of relevant information used for determining estimates for management overlays on account of COVID-19.

We have verified the methodology of the computation of staging of loans, estimation of probability of default, its calibration, and estimation of loss given default.

To ensure the completeness of the data used, we reconciled the total financial assets considered for ECL estimation with the books of accounts.

We have evaluated the appropriateness of the Company's Ind AS 109 Impairment methodologies and reasonableness of assumptions used.

We have broadly reviewed the underlying assumptions and estimates used by the management with respect to additional provision made by the company on account of the impact of COVID -19 pandemic but as the extent of impact is dependent on future developments which are highly uncertain, we have primarily relied on those assumptions and estimates. These assumptions and estimates are a subject matter of periodic review by the company.

Performed Substantive Procedures for testing the ECL Model and computation of ECL amount included and not limited to the following:

- Reviewed the assumptions used for and computation of probability of default and loss given default for different stage of financial assets as per their nature and risk assessment, reviewed the assessment performed for forward looking macro-economic factor.
- Tested the appropriate staging of assets basis their days past due and other loss indicators on sample basis, along with the ECL computation, and ensured application of correct underlying factor like PD, LGD and weights on the financial assets.
- Mathematical accuracy of the computation of ECL was examined by reperforming the formulas.

Assessing Disclosures

We assessed whether the disclosures on key judgements, assumptions, and quantitative data with respect to impairment of loans (including restructuring and NPA related disclosures) in the Standalone Financial Statements are appropriate and sufficient.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

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

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

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

When we read the Board's report, including Annexures to Board's Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's responsibilities Relating to Other Information'.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities;

selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

  We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

  We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

  From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTER

The standalone financial statements of the Company for the year ended 31 March 2021, were audited by another auditor whose report dated 19 May 2021 expressed an unmodified opinion on those statements.

Our opinion is not modified in respect of this matters.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss, the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015.

   (e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

3. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

   In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act.

4. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us we report as under:

   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

   (a) The Management has represented to us that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

   (b) The Management has also represented to us, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

   (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.

   v. No dividend was declared or paid by the company during the year.

For **Pijush Gupta & Co**
Chartered Accountants
ICAI Firm Registration Number: 309015E

Gurugram
14 May, 2022

Sangeeta Gupta
Partner
Membership Number: 064225
UDIN: 22064225AIYURX6895

Annexure A to Independent Auditors' Report of even date on the Standalone Financial Statements of Niyogin Fintech Limited

for the year ended 31 March 2022

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

(a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment ("PPE") and relevant details of right-of-use assets. The Company is maintaining proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its PPE by which all PPE are verified in a phased manner. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) The Company does not have any immovable Property disclosed under Property Plant and Equipment and hence reporting under clause 3(i)(c) of the Order is not applicable.

(d) In our opinion and according to the information and explanations given to us, the Company has not revalued its PPE (including Right of Use assets) and intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated during the year or are pending against the Company as at 31 March 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988 as amended in 2016) and rules made thereunder. Refer note 47 to the Standalone Financial Statements.

ii.

(a) The Company is in the business of providing loans and does not have any physical inventories. Accordingly, the provision of clause 3(ii)(a) of the Order is not applicable to it.

(b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

iii.

(a) Since the Company's principal business is to give loans. Accordingly, the provision of clause 3(iii)(a) of the Order is not applicable to it.

(b) The Company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934. In our opinion and according to the information and explanations given to us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees, provided during the year are, prima facie, not prejudicial to the Company's interest.

(c) The Company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors repayments of principal and payment of interest by its customers as stipulated. In our opinion and according to the information and explanations given to us, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and in cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. Refer notes 7 and 39 to the Standalone Financial Statements for summarised details of such loans/advances which are not repaid by borrowers as per stipulations. According to the information and explanation made available to us, reasonable steps are taken by the Company for recovery thereof.

(d) The Company, being a NBFC, registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors and report total amount overdue including principal and/or payment of interest by its customers for more than 90 days. In cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. Refer notes 7 and 39 to the Standalone Financial Statements for summarised details of such loans/

advances which are not repaid by borrowers as per stipulations. According to the information and explanation made available to us, reasonable steps are taken by the Company for recovery thereof.

(e) Since the Company's principal business is to give loans. Accordingly, the provision of clause 3(iii)(e) of the Order is not applicable to it.

(f) Based on our audit procedures, according to the information and explanation made available to us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year.

iv. In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186(1) of the Act. The other sub-sections of Section 186 of the Act are not applicable to the Company

v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the RBI or any Court or any other Tribunal against the Company in this regard.

vi. The Central Government has not prescribed the maintenance of cost records under sub-section (1) section 148 of the Act for the business activities carried out by the Company. Accordingly, the provision of clause 3(vi) of the Order is not applicable to the Company.

vii.

(a) In our opinion and according to the information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues relating to amounts deducted/accrued in the books of account including Goods and Services Tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues applicable to it with the appropriate authorities during the year.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, Goods and Services Tax, duty of customs, cess and any other material statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) There are no statutory dues referred to in sub-clause (a) above which have not been deposited as on 31 March 2022 on account of disputes.

viii. In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, we confirm that we have not come across any transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.

ix.

(a) In our opinion and according to the information and explanations given to us, the Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations provided to us, and based on the audit procedures performed by us, the Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(d) In our opinion and according to the information and explanations provided to us, and based on the audit procedures performed by us, the Company has not raised any funds on short- term basis and hence, reporting under clause 3(ix)(d) is not applicable.

(e) In our opinion and according to the information and explanations provided to us, and based on the audit procedures performed by us, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) In our opinion and according to the information and explanations provided to us, and based on the audit procedures performed by us, we report that the Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.

x.

(a) In our opinion, according to the information and explanations given to us, and based on the audit procedures performed by us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) In our opinion, according to the information and explanations given to us, and based on the audit procedures performed by us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) during the year and hence reporting under clause 3(x)(b) of the Order is not applicable.

xi.

(a) 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 information and explanations given to us, no material fraud by the Company or on the Company has been noticed or reported during the course of our audit.

(b) In our opinion and according to the information and explanations given to us, no report under sub-section (12) of section 143 of the Act has been filed by the auditors in Form ADT -4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) According to the information and explanations given to us, there were no whistle blower complaints received during the year by the Company.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the Note No. 35 to the standalone financial statements as required by the applicable accounting standards.

xiv.

(a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered, during the course of our audit, the reports of the Internal Auditor(s) for the period under audit, issued to the Company during the year till date, in determining the nature, timing and extent of our audit procedures in accordance with the guidance provided in SA 610 "Using the work of Internal Auditors".

xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of section 192 of the Act are not applicable to Company. Accordingly, the provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.

xvi.

(a) The Company is required to and has been registered under Section 45-IA of the Reserve Bank of India Act, 1934 as Non-Banking Financial Company as a Non- Systemically Important Non-Deposit taking (NBFC-ND-SI) Company.

(b) In our opinion, and according to the information and explanations given to us, the Company has obtained Certificate of Registration from RBI for conducting activities relating to Non-banking financing activities and hence the Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid CoR from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) According to the information and explanations given to us, the Company is not a Core Investment Company ('CIC ') as defined under the Regulations by the Reserve Bank of India. Accordingly, the provisions stated in paragraph 3(xvi)(c) of the Order are not applicable to the Company.

(d) As per information provided in course of our audit, the Group to which the Company belongs does not have a CIC.

xvii. According to the information explanation provided to us, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.

xviii. During the year, MSKA & Associates, Chartered Accountants the Statutory auditors of the Company have resigned with effect from 05 August 2021 consequent to amended rules/regulations applicable to the Company. (i.e. vide RBI circular o.DoS. CO.ARG/SEC.01/08.91.001/2021-22 dated 27 April 2021). According to the information and explanations given to us, there have been no issues, objections or concerns raised by the said outgoing statutory auditors of the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, along with details provided in Note 43B to the Standalone Financial statements which describe the maturity analysis of assets & liabilities other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us, the Company does not attract the requirement of Corporate Social Responsibility (CSR) under Section 135 of the Company's Act 2013 and hence reporting under clause xx (a) and (b) of the Order is not applicable.

xxi. The reporting under paragraph 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of paragraph 3(xxi) has been included in the report.

For **Pijush Gupta & Co**
Chartered Accountants
ICAI Firm Registration Number: 309015E

Gurugram
14 May, 2022

Sangeeta Gupta
Partner
Membership Number: 064225
UDIN: 22064225AIYURX6895

Annexure B to the Independent Auditor's Report of even date on the Standalone Financial Statements of Niyogin Fintech Limited

for the year ended 31 March 2022

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

OPINION

We have audited the internal financial controls with reference to standalone financial statements of Niyogin Fintech Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone 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 standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31 March 2022, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (" the Guidance Note").

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITORS' RESPONSIBILITY

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

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **Pijush Gupta & Co**
Chartered Accountants
ICAI Firm Registration Number: 309015E

Gurugram
14 May, 2022

Sangeeta Gupta
Partner
Membership Number: 064225
UDIN: 22064225AIYURX6895

Standalone Balance Sheet
as at 31 March 2022

(Amounts in ₹ lakhs)

Particulars		Note	As at 31 March 2022	As at 31 March 2021
ASSETS				
1	**Financial assets**			
(a)	Cash and cash equivalents	4	2,442.07	4,614.49
(b)	Bank balance other than cash and cash equivalents above	5	20.20	3,048.54
(c)	Receivables	6		
	(i) Trade receivables		21.21	21.33
	(ii) Other receivables		82.19	6.23
(d)	Loans	7	5,776.98	4,558.46
(e)	Investments	8	20,547.86	19,328.10
(f)	Other financial assets	9	59.27	61.58
	Total financial assets		**28,949.78**	**31,638.73**
2	**Non-financial Assets**			
(a)	Current tax assets	29	238.15	160.79
(b)	Deferred tax assets (Net)		-	-
(c)	Right of use asset		50.23	134.78
(d)	Property, plant and equipment	10(a)	22.37	11.46
(e)	Intangible assets under development		-	-
(h)	Intangible assets	10(b)	2.61	17.91
(g)	Other non-financial assets	11	372.36	307.55
	Total non-financial assets		**685.72**	**632.49**
	TOTAL ASSETS		**29,635.50**	**32,271.22**
	LIABILITIES AND EQUITY			
	LIABILITIES			
1	**Financial liabilities**			
(a)	Payables			
	(I)Trade payables	12		
	i) total outstanding dues of micro enterprises and small enterprises		74.37	13.50
	ii) total outstanding dues of creditors other than micro enterprises and small enterprises		86.73	67.99
(b)	Other financial liabilities	13	100.19	3,242.21
	Total financial liabilities		**261.29**	**3,323.71**
2	**Non-financial liabilities**			
(a)	Provisions	14	476.95	264.31
(b)	Other non-financial liabilities	15	25.40	29.00
	Total non-financial liabilities		**502.35**	**293.31**
3	**EQUITY**			
(a)	Equity share capital	16	9,421.15	9,350.15
(b)	Other equity	17	19,450.71	19,304.06
	Total equity		**28,871.86**	**28,654.21**
	TOTAL LIABILITIES AND EQUITY		**29,635.50**	**32,271.22**
Summary of significant accounting policies		3		
See accompanying notes forming part of the standalone financial statements				

As per our report of even date.

For **Pijush Gupta & Co**
Chartered Accountants
Firm's Registration No: 309015E

Sangeeta Gupta
Partner
Membership No: 064225

Gurugram
14 May, 2022

For and on behalf of the Board of Directors of
Niyogin Fintech Limited
CIN No: L65910TN1988PLC131102

Amit Rajpal
Chairman & Non-Executive Director
DIN : 07557866
Hong Kong

Tashwinder Singh
Managing Director & Chief Executive Officer
DIN: 06572282

Raghvendra Somani
Chief Financial Officer (Interim)

Neha Agarwal
Company Secretary & Compliance Officer
Membership No: 41425

Mumbai
14 May, 2022

Standalone Statement of Profit and Loss

for the year ended 31 March 2022

(Amounts in ₹ lakhs)

	Particulars	Note	Year ended 31 March 2022	Year ended 31 March 2021
	Revenue from operations			
(i)	Interest income	18	2,116.23	2,469.76
(ii)	Fees and commission income	19	48.90	1.49
(iii)	Net gain on fair value changes	20	-	66.93
(iv)	Others	21	23.14	9.59
(I)	**Total revenue from operations**		**2,188.27**	**2,547.77**
(II)	Other income	22	250.91	52.06
(III)	**Total income**		**2,439.18**	**2,599.83**
	Expenses			
(i)	Finance costs	23	13.98	21.06
(ii)	Fees and commission expenses	24	225.85	72.81
(iii)	Impairment on financial instruments	25	74.45	651.18
(iv)	Employee benefits expenses	26	1,778.59	1,512.10
(v)	Depreciation and amortization	27	70.98	283.27
(vi)	Others expenses	28	695.51	703.26
(IV)	**Total expenses**		**2,859.36**	**3,243.68**
(V)	**Profit/(Loss) before tax (IV-III)**		**(420.18)**	**(643.85)**
(VI)	Tax expense:			
	(1) Current tax	29	-	-
	(2) Deferred tax	29	-	-
	Total tax expense			
	Loss for the year (V-VI)		**(420.18)**	**(643.85)**
(VII)	**Other comprehensive income**			
	(i) Items that will not be reclassified to profit or loss			
	a) Re-measurement of defined benefit plan		6.21	12.48
	b) Income tax relating to items that will not be reclassified to profit or loss		-	-
	Other comprehensive income		**6.21**	**12.48**
(VIII)	**Total comprehensive loss for the year**		**(413.97)**	**(631.37)**
(IX)	**Earnings per equity share**			
	Basic (₹)		(0.44)	(0.73)
	Diluted (₹)		(0.44)	(0.73)

Notes: See accompanying notes to the financial statements 3

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

For **Pijush Gupta & Co**
Chartered Accountants
Firm's Registration No: 309015E

For and on behalf of the Board of Directors of
Niyogin Fintech Limited
CIN No: L65910TN1988PLC131102

Sangeeta Gupta
Partner
Membership No: 064225

Amit Rajpal
Chairman & Non-Executive Director
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Hong Kong

Tashwinder Singh
Managing Director & Chief Executive Officer
DIN: 06572282

Raghvendra Somani
Chief Financial Officer (Interim)

Neha Agarwal
Company Secretary & Compliance Officer
Membership No: 41425

Gurugram
14 May, 2022

Mumbai
14 May, 2022

Standalone Statement of Cash Flows

for year ended 31 March 2022

(Amounts in ₹ lakhs)

Particulars	Year ended	
	31 March 2022	31 March 2021
CASH FLOW FROM OPERATING ACTIVITIES :		
Loss before tax:	**(420.18)**	**(643.85)**
Adjustments :		
Interest Income on Loans	(822.24)	(1,747.23)
Interest on Investments	(1,060.77)	(280.67)
Interest on deposits with banks	(231.01)	(439.84)
Depreciation, amortisation and impairment	70.98	283.27
Net unrealised gain on fair value changes	-	(66.93)
Impairment on financial instruments	74.45	651.18
Employee share based payments	526.90	333.70
Interest expense on lease liability	13.98	21.06
Interest income on security deposit	(2.22)	(2.02)
Re-measurement of defined benefit plan	6.21	12.48
Operating profit/(loss) before working capital changes	**(1,843.89)**	**(1,878.84)**
Adjustments for (increase) / decrease in operating assets:		
Other receivables	(75.84)	(16.03)
Loans	(1,094.00)	8,061.04
Other financial assets	2.31	(12.14)
Other non-financial assets	(142.17)	(37.65)
Adjustments for increase / (decrease) in operating liabilities		
Trade payables	79.60	(13.10)
Other financial liabilities	(3,030.77)	2,976.84
Provisions	212.65	2.63
Other non-financial liabilities	(3.60)	(27.55)
Net cash generated/(used) in operating activities	**(5,895.71)**	**9,055.19**
Cash inflow from interest income on loans	623.48	1,275.33
Net cash used in operating activities	**(5,272.23)**	**10,330.52**
CASH FLOW FROM INVESTING ACTIVITIES :		
Proceeds from sale of investment	19,820.00	3,641.56
Proceeds (net) from Maturity of Fixed Deposits	3,028.34	723.19
Proceeds from sale of intangible assets	-	(0.26)
Purchase of property, plant and equipments	(20.93)	(1.25)
Purchase of investments	(20,705.29)	(18,575.33)
Redemption/(Purchase) of mutual fund	-	2,421.49
Income from Investment / fixed deposits	959.32	605.51
Net cash generated from investing activities	**3,081.44**	**(11,185.09)**
CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from issue of shares	71.00	751.60
Proceeds from securities premium	33.71	3,999.51
Payment of lease liability	(86.34)	(62.25)
Net cash used in financing activities	**18.37**	**4,688.86**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**(2,172.42)**	**3,834.30**
Add : Cash and cash equivalents at the beginning of the year	4,614.49	780.19
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**2,442.07**	**4,614.49**

(Amounts in ₹ lakhs)

Particulars	Year ended	
	31 March 2022	31 March 2021
Components of Cash and Cash Equivalents		
- Cash on hand	-	-
- Balance with bank in current account	2,442.07	4,614.49
Total	**2,442.07**	**4,614.49**

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

As per our report of even date.

For **Pijush Gupta & Co**
Chartered Accountants
Firm's Registration No: 309015E

For and on behalf of the Board of Directors of
Niyogin Fintech Limited
CIN No: L65910TN1988PLC131102

Sangeeta Gupta
Partner
Membership No: 064225

Amit Rajpal
Chairman & Non-Executive Director
DIN : 07557866
Hong Kong

Tashwinder Singh
Managing Director & Chief Executive Officer
DIN: 06572282

Raghvendra Somani
Chief Financial Officer (Interim)

Neha Agarwal
Company Secretary & Compliance Officer
Membership No: 41425

Gurugram
14 May, 2022

Mumbai
14 May, 2022

Standalone Statement of changes in equity

for the year ended 31 March 2022

A. EQUITY SHARE CAPITAL

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number	₹ in lakhs	Number	₹ in lakhs
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year	**9,35,01,466**	**9,350.15**	**8,59,85,475**	**8,598.55**
Changes in Equity Share Capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-
Changes in equity share capital during the current year	-	-	-	-
- against employee stock option	7,10,004	71.00	1,84,159	18.42
- against acquisition of subsidiary	-	-	73,31,832	733.18
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	**9,42,11,470**	**9,421.15**	**9,35,01,466**	**9,350.15**

B.OTHER EQUITY

(Amounts in ₹ lakhs)

	Reserves and Surplus				Total
	Securities Premium	Retained Earnings	Special reserve	Share based options outstanding account	
Balance as at 31 March 2021	**22,993.53**	**(4,513.45)**	**1.89**	**822.09**	**19,304.06**
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance as at 31 March 2021	**22,993.53**	**(4,513.45)**	**1.89**	**822.09**	**19,304.06**
Profit/Loss for the year	-	(420.18)	-	-	(420.18)
Total Comprehensive Income for the current year	-	6.21	-	-	6.21
Securities premium proceeds received on issue of equity shares	258.38	-	-	-	258.38
Share issue expenses	-	-	-	-	-
Employee stock option	-	-	-	302.24	302.24
Balance as at 31 March 2022	**23,251.91**	**(4,927.42)**	**1.89**	**1,124.33**	**19,450.71**

(Amounts in ₹ lakhs)

	Reserves and Surplus				Total
	Securities Premium	Retained Earnings	Special reserve	Share based options outstanding account	
Balance as at 31 March 2020	**18,812.38**	**(3,882.09)**	**1.89**	**670.03**	**15,602.21**
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance as at 31 March 2020	**18,812.38**	**(3,882.09)**	**1.89**	**670.03**	**15,602.21**
Profit/Loss for the year	-	(643.85)	-	-	(643.85)
Total Comprehensive Income for the current year	-	12.48	-	-	12.48
Securities premium proceeds received on issue of equity shares	4,181.15	-	-	-	4,181.15
Share issue expenses	-	-	-	-	-
Employee stock option	-	-	-	152.06	152.06
Balance as at 31 March 2021	**22,993.53**	**(4,513.45)**	**1.89**	**822.09**	**19,304.06**

See accompanying notes to the financial statements

As per our report of even date.

For **Pijush Gupta & Co**
Chartered Accountants
Firm's Registration No: 309015E

For and on behalf of the Board of Directors of
Niyogin Fintech Limited
CIN No: L65910TN1988PLC131102

Sangeeta Gupta
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Chief Financial Officer (Interim)

Neha Agarwal
Company Secretary & Compliance Officer
Membership No: 41425

Gurugram
14 May, 2022

Mumbai
14 May, 2022

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

1. CORPORATE INFORMATION

Niyogin Fintech Limited ('the Company') is a non-deposit taking non-systemically important Non-Banking Financial Company and pursuant to change of Reserve Bank of India ("RBI") jurisdiction has been issued a new certificate of registration dated 16th April 2021 bearing registration number B-07.00874.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The standalone financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (the 'Ind AS') prescribed under section 133 of the Companies Act, 2013 (the 'Act').

2.2 Basis of measurement

The standalone financial statements have been prepared on historical cost basis except for following assets and liabilities which have been measured at fair value amount:

i) Investment in scheme of Mutual funds at fair value through profit and loss ('FVTPL')

2.3 Functional and presentation currency

The standalone financial statements are presented in Indian Rupees (₹) which is the currency of the primary economic environment in which the Company operates (the 'functional currency'). The values are rounded to the nearest lakhs, except when otherwise indicated.

2.4 Use of estimates, judgements and assumptions

The preparation of the standalone financial statements in conformity with Ind AS requires management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Actual results may differ from the estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Following are the areas that involved a higher degree of estimates and judgement or complexity in determining the carrying amount of some assets and liabilities.

i) Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. For further details about determination of fair value refer note 3.8 and note 43.

ii) Effective interest rate ('EIR') method

The Company's EIR methodology, as explained in Note 3.1(A), recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behavior and life-cycle of the instruments, as well as expected changes to interest rates and other fee income/ expense that are integral parts of the instrument.

iii) Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's expected credit loss ('ECL') calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

a) The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life time expected credit loss ('LTECL') basis.

b) Development of ECL models, including the various formulas and the choice of inputs.

c) Determination of associations between macroeconomic scenarios and economic inputs as gross domestic products, and the effect on probability of default ('PD'), exposure at default ('EAD') and loss given default ('LGD').

d) Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into ECL models.

iv) Provisions and other contingent liabilities

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations.

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the outflow is considered to be probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

For further details on provisions and other contingencies refer note 3.16.

These estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Management believes that the estimates used in preparation of the standalone financial statements are prudent and reasonable.

2.5 Presentation of the standalone financial statements

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented in Note 44(B).

Financial assets and financial liability are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

i) The normal course of business

ii) The event of default

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Recognition of interest income

A. EIR method

Under Ind AS 109, interest income is recorded using the effective interest rate method for all financial instruments measured at amortised cost and financial instrument measured at Fair Value through other comprehensive income ('FVOCI'). The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the financial instrument.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the statement of profit and loss.

B. Interest income

The Company calculates interest income by applying EIR to the gross carrying amount of financial assets other than credit impaired assets.

When a financial asset becomes credit impaired and is, therefore, regarded as 'stage 3', the Company calculates interest income on the net basis. If the financial asset cures and is no longer credit impaired, the Company reverts to calculating interest income on a gross basis.

3.2 Financial instrument - initial recognition

A. Date of recognition

Debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

B. Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments (Refer note 3.3(A)). Financial instruments are initially measured at their fair value (as defined in Note 3.8). Transaction costs are added to, or subtracted from this amount at initial recognition except in the case of financial assets and financial liabilities recorded at FVTPL Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in Statement of profit and loss.

C. Measurement categories of financial assets and liabilities

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

i) Amortised cost

ii) FVOCI

iii) FVTPL

3.3 Financial assets and liabilities

A. Financial assets

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

a) How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel.

b) The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.

c) The expected frequency, value and timing of sales are also important aspects of the Company's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Solely payments of principal and interest (SPPI) test

As a second step of its classification process, the Company assesses the contractual terms of financial to identify whether they meet SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Accordingly, financial assets are measured as follows:

i) Financial assets carried at amortised cost ('AC')

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii) Financial assets measured at FVOCI

A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii) Financial assets measured at FVTPL

A financial asset which is not classified in any of the above categories are measured at FVTPL.

iv) Investment in subsidiaries

The Company has accounted for its investments in subsidiaries at cost less impairment, if any.

B. Financial liabilities

i) Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method.

3.4 Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in the year ended 31 March, 2022 and 31 March, 2021.

3.5 Derecognition of financial assets and liabilities

i) Financial assets

A. Derecognition of financial assets due to substantial modification of terms and conditions

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes.

B. Derecognition of financial assets other than due to substantial modification

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit and loss.

ii) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in the statement of profit and loss.

3.6 Impairment of financial assets

A. Overview of ECL principles

In accordance with Ind AS 109, the Company uses ECL model, for evaluating impairment of financial assets other than those measured at FVTPL.

Expected credit losses are measured through a loss allowance at an amount equal to:

i) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

ii) Full lifetime expected credit losses ('LTECL') (expected credit losses that result from all possible default events over the life of the financial instrument)

Both LTECLs and 12 months ECLs are calculated on collective basis.

Based on the above, the Company categorizes its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12 months ECL. Stage 1 loans includes those loans where there is no significant credit risk observed and also includes facilities where the credit risk has been improved and the loan has been reclassified from stage 2 or stage 3.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the life time ECL. Stage 2 loans also includes facilities where the credit risk has improved and the loan has been reclassified from stage 3.

Stage 3: Loans considered credit impaired are the loans which are past due for more than 90 days. The Company records an allowance for life time ECL.

Based on the above, the Company categorizes its investments and balances with banks into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When investments and balances with banks are first recognised, it is categorised as Stage 1.Stage 1 would include all investments and balances with bank, not impaired or, have not experienced a significant increase in credit risk since initial recognition.

Stage 2:

- For facilities with rating grade AAA to B, three notch downgrades (without modifiers) shall be taken as stage 2.
- Any financial instrument with rating grade CCC or below classified as Stage 2 at origination.

Stage 3: All the investments and balances with banks will be considered as credit impaired which are past due for more than 90 days.

B. Calculation of ECLs

The mechanics of ECL calculations are outlined below and the key elements are, as follows:

PD - Probability of Default ('PD') is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. For investments and balances with banks, the Company uses external ratings for determining the PD of respective instruments.

EAD - Exposure at Default ('EAD') is an estimate of the amount outstanding when the borrower defaults.It is the total amount of an asset the entity is exposed to at the time of default. It is defined based on characteristics of the asset.

LGD - Loss Given Default ('LGD') is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The Company has calculated PD, EAD and LGD to determine impairment loss on the portfolio of loans. At every reporting date, the above calculated PDs, EAD and LGDs are reviewed and changes in the forward looking estimates are analysed.

The mechanics of the ECL method are summarised below:

Stage 1: The 12 months ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-months default probabilities are applied to a EAD and multiplied by the expected LGD.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument.

Stage 3: For loans considered credit-impaired, the Company recognises the lifetime expected credit losses for these loans. The method is similar to that for stage 2 assets, with the PD set at 100%.

Simplified approach for trade/other receivables and contract assets

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade/other receivables that do not contain a significant financing component. The application of simplified approach does not require the Company to track changes in credit risk. It recognises impairment loss allowance based on lifetime ECL s at each reporting date, right from its initial recognition. At every reporting date, the historical observed default rates are updated for changes in the forward-looking estimates. For trade receivables that contain a significant financing component a general approach is followed.

C. Forward looking information

In its ECL models, the Company relies on a broad range of forward looking macro parameters and estimated the impact on the default at a given point of time.

i) Gross fixed investment (% of GDP)

D. Restructured loans

The Company is permitted to restructure customer accounts. Restructuring would normally involve modification of terms of the advances / securities, which would generally include, among others, alteration of payment period / payable amount / the amount of instalments / rate of interest, sanction of additional credit facility/ release of additional funds for a customer account. The Company considers the modification of the loan only before the loans gets credit impaired. In case of restructuring, the accounts classified as 'standard' shall be immediately downgraded as non-performing assets / Stage 3 unless and other wise explicitly stated in the Circulars and Directions issued by Reserve Bank of India from time to time. Once an asset has been classified as restructured, it will remain restructured for a period of year from the date on which it has been restructured until the customer account demonstrates satisfactory performance during the specified period.

For upgradation of accounts classified as Non-Performing Assets due to restructuring, the instructions as specified for such cases as per the said RBI guidelines shall continue to be applicable.

One time restructuring (OTR) of loan accounts allowed by RBI vide circular resolution framework for COVID-19 related stress, all borrowers, wherein resolution plan has been invoked and completed within 90 days shall be continued to be classified as Stage 1.

3.7 Write-offs

Financial assets are written off when there are no prospects of recovery which are subject to management decision . If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to other income in the statement of profit and loss.

3.8 Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company has taken into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- **Level 1 financial instruments:** Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date;

- **Level 2 financial instruments:** Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads; and market-corroborated inputs.

- **Level 3 financial instruments:** Those that include one or more unobservable input that is significant to the measurement as whole.

3.9 (I) Recognition of other income

Revenue (other than for those items to which Ind AS 109 - Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 - Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs.

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115 :

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation

A. Other interest income

Interest income on security deposits and FD is recognised on a time proportionate basis.

B. Fees and other income

Processing fees not considered in EIR , service income, bounce charges, penal charges and foreclosure charges etc. are recognised on point in time basis.

3.9 (II) Recognition of other expense

A. Borrowing costs

Borrowing costs are the interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

All other borrowing costs are charged to the statement of profit and loss for the period for which they are incurred.

3.10 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

3.11 Property, plant and equipment

Property, plant and equipment ('PPE') are carried at cost, less accumulated depreciation and impairment losses, if any. The cost of PPE comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses. Subsequent expenditure on PPE after its purchase is capitalized only if it is probable that the future economic benefits will flow to the enterprise and the cost of the item can be measured reliably.

Depreciation is calculated using the straight line method to write down the cost of property and equipment to their residual values over their estimated useful lives as specified under schedule II of the Act. Land is not depreciated.

The estimated useful lives are, as follows:

i) Computer Equipments - 3 years
ii) Office equipment - 5 years
iii) Furniture and fixtures - 10 years

Depreciation is provided on a pro-rata basis from the date on which such asset is ready for its intended use and residual value is considered as Nil

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

PPE is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised.

3.12 Intangible assets

The Company's intangible assets include the value of software. An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values (Nil) over their estimated useful lives (three years) using the straight-line method, and is included in depreciation and amortisation in the statement of profit and loss.

3.13 Impairment of non financial assets - property, plant and equipments and intangible assets

The carrying values of assets / cash generating units at the each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and if the carrying amount of these assets exceeds their recoverable amount, impairment loss is recognised in the statement of profit and loss as an expense, for such excess amount. The recoverable amount is the greater of the net selling price and value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss.

3.14 Leases

Ind AS 116 - Leases sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The company has opted for two recognition exemptions for lessees :

– leases of 'low-value' assets (e.g., personal computers)

- and short-term leases (i.e., leases with a lease term of 12 months or less).

At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset (cost model).

The Company has Lease agreements for taking office premises along with furniture and fixtures as applicable and premises on rental basis range of 36 months to 60 months wherein the Company is a lessee.

3.15 Retirement and other employee benefits

Defined contribution plans

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation / retirement. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

As per Ind AS 19, the service cost and the net interest cost are charged to the statement of profit and loss. Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI.

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.16 Provisions, contingent liabilities and contingent assets

A. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

B. Contingent liability

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or; present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for.

C. Contingent asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are neither recognised not disclosed in the financial statements.

3.17 Taxes

A. Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. Current tax is the amount of tax payable on the taxable income for the period as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or equity.

B. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

A deferred tax asset is recognised for the carryforward of unused tax losses and accumulated depreciation to the extent that it is probable that future taxable profit will be available against which the unused tax losses and accumulated depreciation can be utilised.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or equity.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off.

C. Goods and services tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax paid, except when the tax incurred on a purchase of assets or availing of services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

3.18 Earnings per share

Basic earnings per share ('EPS') is computed by dividing the profit after tax (i.e. profit attributable to ordinary equity holders) by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the profit after tax (i.e. profit attributable to ordinary equity holders) as adjusted for after-tax amount of dividends and interest recognised in the period in respect of the dilutive potential ordinary shares and is adjusted for any other changes in income or expense that would result from the conversion of the dilutive potential ordinary shares, by the weighted average number of equity shares considered for deriving basic earnings per share as increased by the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits, right issue and bonus shares, as appropriate.

3.19 Dividends on ordinary shares

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Act, final dividend is authorised when it is approved by the shareholders and interim dividend is authorised when the it is approved by the Board of Directors of the Company. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

3.20 Cash flow statement

Cash flows are reported using the indirect method as prescribed under Ind AS 7, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

4. CASH AND CASH EQUIVALENTS

(Amounts in ₹ lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Cash on hand	-	-
Balance with banks		
- In current accounts	1,450.39	4,614.49
- In fixed deposits (with original maturity of 3 months or less)	991.68	-
Total	**2,442.07**	**4,614.49**

5. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS ABOVE

(Amounts in ₹ lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Fixed deposits (with original maturity of more than 3 months)	20.20	3,129.34
Less: Allowance for impairment loss	-	(80.80)
Total	**20.20**	**3,048.54**

6. RECEIVABLES

(Amounts in ₹ lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Trade receivables	21.42	21.33
Other receivables	82.19	6.23
Total	**103.61**	**27.56**
Secured - Considered good	-	-
Unsecured - Considered good	103.61	27.56
Receivables which have significant increase in Credit Risk	-	-
Receivables - credit impaired	-	-
Total - Gross	**103.61**	**27.56**
(Less): Impairment loss allowance	(0.21)	-
Total - Net	**103.40**	**27.56**

6 a) Trade receivables ageing

As at 31 March 2022

(Amounts in ₹ lakhs)

Particulars	Unbilled	Not Due for payment	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	-	21.42	-	-	-	-	21.42
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables – credit impaired	-	-	(0.21)	-	-	-	-	(0.21)
(iv) Disputed Trade receivables– considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-	-
Total	**-**	**-**	**21.21**	**-**	**-**	**-**	**-**	**21.21**

As at 31 March, 2021

(Amounts in ₹ lakhs)

Particulars	Unbilled	Not Due for payment	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	-	21.33	-	-	-	-	21.33
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade receivables– considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-	-
Total	**-**	**-**	**21.33**	**-**	**-**	**-**	**-**	**21.33**

7. LOANS

(Amounts in ₹ lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Loans at amortised cost		
Term Loans	6,491.07	5,596.18
Others	-	-
Total (A) - Gross	**6,491.07**	**5,596.18**
(Less): Impairment loss allowance	(714.09)	(1,037.72)
Total (A) - Net	**5,776.98**	**4,558.46**
Secured by tangible assets	243.08	1,034.92
Secured by intangible assets	-	-
Covered by bank/government guarantees	-	-
Unsecured	6,247.99	4,561.26
Total (B) - Gross	**6,491.07**	**5,596.18**
(Less): Impairment loss allowance	(714.09)	(1,037.72)
Total (B) - Net	**5,776.98**	**4,558.46**
Loans in India		
- Public sector	-	-
- Others	6,491.07	5,596.18
Loans within India - Gross	**6,491.07**	**5,596.18**
(Less): Impairment loss allowance	(714.09)	(1,037.72)
Loans within India -Net - (C)(i)	**5,776.98**	**4,558.46**
Loans Outside India (C) (ii)	-	-
Total (C) - Gross	**6,491.07**	**5,596.18**
(Less): Impairment loss allowance	(714.09)	(1,037.72)
Total (C) - Net	**5,776.98**	**4,558.46**
Loans at fair value through profit and loss		
Loans	-	-
Total (D)	**-**	**-**
Grand total - Gross [(A) + (D)]	**6,491.07**	**5,596.18**
Grand total - Net [(C) + (D)]	**5,776.98**	**4,558.46**

7.1 An analysis of changes in the gross carrying amount and the corresponding ECL allowances

(Amounts in ₹ lakhs)

Particulars	As at 31 March 2022				As at 31 March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**4,727.12**	**407.01**	**462.05**	**5,596.18**	**13,293.90**	**250.69**	**691.87**	**14,236.46**
Assets derecognised or repaid (excluding write offs)	(3,766.79)	(116.23)	(91.24)	(3,974.26)	(7,599.67)	(78.81)	(33.48)	(7,711.96)
Transfers from Stage 1	(524.36)	56.73	467.63	-	(1,255.38)	379.27	876.11	-
Transfers from Stage 2	14.49	(246.42)	231.93	-	-	(153.29)	153.29	-
Transfers from Stage 3	-	-	-	-	-	-	-	-
Amounts written off	-	-	(373.84)	(373.84)	-	-	(1,225.74)	(1,225.74)
New assets originated*	5,164.12	23.12	55.76	5,243.00	288.27	9.15	-	297.42
Gross carrying amount closing balance	**5,614.58**	**124.19**	**752.29**	**6,491.07**	**4,727.12**	**407.01**	**462.05**	**5,596.18**

* New assets originated are those assets which have either remained in stage 1 or have become stage 2 or 3 at the year end.

7.2 Reconciliation of ECL balance is given below:

(Amounts in ₹ lakhs)

Particulars	As at 31 March 2022				As at 31 March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**398.12**	**266.14**	**373.46**	**1,037.72**	**825.64**	**175.79**	**615.53**	**1,616.96**
Addition during the year	13.07	-	499.61	512.68	165.76	229.76	614.66	1,010.18
Reversal during the year	(163.19)	(245.89)	(427.24)	(836.32)	(593.28)	(139.41)	(856.73)	(1,589.42)
ECL allowance - closing balance	**248.01**	**20.25**	**445.83**	**714.09**	**398.12**	**266.14**	**373.46**	**1,037.72**

8. INVESTMENTS

(Amounts in ₹ lakhs)

Particulars	At cost	At amortised cost	At fair value through profit and loss	Total
As at 31 March 2022				
Investment in Non Convertible Debentures (NCDs)	-	5,310.05	-	5,310.05
Investment in pass through certificates (PTC)	-	926.98	-	926.98
Investment in Mutual funds	-	-	-	-
Investment in Subsidiary **	14,468.26	-	-	14,468.26
Total (A) - Gross	**14,468.26**	**6,237.03**	**-**	**20,705.29**
Investments outside India	-	-	-	-
Investments in India	14,468.26	6,237.03	-	20,705.29
Total (B) - Gross	**14,468.26**	**6,237.03**	**-**	**20,705.29**
Less: Allowance for impairment loss	-	(157.43)	-	(157.43)
Total (B) - Net	**14,468.26**	**6,079.60**	**-**	**20,547.86**
As at 31 March 2021				
Investment in Non Convertible Debentures (NCDs)	-	4,047.11	-	4,047.11
Investment in pass through certificates (PTC)	-	3,958.57	-	3,958.57
Investment in Mutual funds	-	-	-	-
Investment in Subsidiary **	11,399.07	-	-	11,399.07
Total (A) - Gross	**11,399.07**	**8,005.68**	**-**	**19,404.75**
Investments outside India	-	-	-	-
Investments in India	11,399.07	8,005.68	-	19,404.75
Total (B) - Gross	**11,399.07**	**8,005.68**	**-**	**19,404.75**
Less: Allowance for impairment loss	-	(76.65)	-	(76.65)
Total (B) - Net	**11,399.07**	**7,929.03**	**-**	**19,328.10**

** As per para 10 of Ind AS 27, the Company has opted to value the investments in subsidiary entity at cost.

9. OTHER FINANCIAL ASSETS

(Amounts in ₹ lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Security deposits	37.38	37.99
Advances to Employees	-	1.70
Other Assets	21.89	21.89
Total	**59.27**	**61.58**

29. CURRENT TAX ASSETS

(Amounts in ₹ lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Tax deducted at source	238.15	160.79
Less: Provision for tax	-	-
Total	**238.15**	**160.79**

10. PROPERTY, PLANT AND EQUIPMENT & INTANGIBLE ASSETS

(Amounts in ₹ lakhs)

Particulars	Property, Plant and Equipment					Intangible assets		Intangible assets underdevelopment
	Leasehold improvements	Furniture and fixtures	Office equipments	Computer equipments	Total	Computer software	Total	
Gross Block								
As at 31 March 2020	**0.30**	**3.04**	**10.30**	**51.81**	**65.45**	**720.03**	**720.03**	**2.88**
Additions	-	-	-	1.26	1.26	3.14	3.14	1.57
Deletions/ Adjustments	-	-	-	-	-	-	-	4.45
As at 31 March 2021	**0.30**	**3.04**	**10.30**	**53.06**	**66.71**	**723.17**	**723.17**	**-**
Additions	-	-	-	20.92	20.92	-	-	-
Deletions/ Adjustments	-	-	-	-	-	-	-	-
As at 31 March 2022	**0.30**	**3.04**	**10.30**	**73.98**	**87.63**	**723.17**	**723.17**	**-**
Accumulated depreciation and impairment losses								
As at 31 March 2020	**0.30**	**0.63**	**4.78**	**34.28**	**39.99**	**495.76**	**495.76**	**-**
Charge for the year	-	0.31	2.09	12.86	15.26	209.50	209.50	-
Deletions/ Adjustments	-	-	-	-	-	-	-	-
As at 31 March 2021	**0.30**	**0.94**	**6.87**	**47.14**	**55.25**	**705.26**	**705.26**	**-**
Charge for the year	-	0.31	2.14	7.56	10.01	15.30	15.30	-
Deletions/ Adjustments	-	-	-	-	-	-	-	-
As at 31 March 2022	**0.30**	**1.25**	**9.01**	**54.70**	**65.27**	**720.56**	**720.56**	**-**
Net carrying amount as at 31 March, 2021	**-**	**2.10**	**3.43**	**5.92**	**11.45**	**17.91**	**17.91**	**-**
Net carrying amount as at 31 March, 2022	**-**	**1.79**	**1.29**	**19.28**	**22.37**	**2.61**	**2.61**	**-**

11. OTHER NON FINANCIAL ASSETS

(Amounts in ₹ lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Prepaid expenses	24.60	17.30
Advance to Vendors	-	-
Duties and taxes	332.20	290.25
Other Assets	15.56	-
Total	**372.36**	**307.55**

12. TRADE PAYABLES

(Amounts in ₹ lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
a) total outstanding dues of micro enterprises and small enterprises	74.37	13.50
b) total outstanding dues of creditors other than micro enterprises and small enterprises	86.73	67.99
Total (B)	**161.10**	**81.49**

12 a) Trade Payables ageing

As at 31 March, 2022

(Amounts in ₹ lakhs)

Particulars	Unbilled	Not Due for payment	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 year	2-3 years	More than 3 years	
MSME	-	-	74.24	0.13	-	-	74.37
Others	-	-	46.57	13.13	20.77	6.26	86.73
Disputed dues – MSME	-	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-	-
Total	**-**	**-**	**120.81**	**13.26**	**20.77**	**6.26**	**161.10**

As at 31 March, 2021

(Amounts in ₹ lakhs)

Particulars	Unbilled	Not Due for payment	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 year	2-3 years	More than 3 years	
MSME	-	-	13.50	-	-	-	13.50
Others	-	-	28.98	32.16	6.85	-	67.99
Disputed dues – MSME	-	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-	-
Total	**-**	**-**	**42.48**	**32.16**	**6.85**	**-**	**81.49**

13. OTHER FINANCIAL LIABILITIES

(Amounts in ₹ lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Lease liability	94.46	180.81
Payable to borrowers	5.73	5.73
Contingent consideration	-	3,055.67
Total	**100.19**	**3,242.21**

14. PROVISIONS

(Amounts in ₹ lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Provisions for employee benefits		
Gratuity	45.04	32.78
Bonus	126.00	45.00
Provision for expenses	305.91	186.53
Total	**476.95**	**264.31**

15. OTHER NON FINANCIAL LIABILITIES

(Amounts in ₹ lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Statutory dues payable	25.40	29.00
Total	**25.40**	**29.00**

16. EQUITY

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number	₹ in lakhs	Number	₹ in lakhs
Authorised shares				
104,000,000 Equity Shares of ₹ 10 each (As at 31 March 2021:10,40,00,000 Equity Shares of ₹ 10 each)	10,40,00,000	10,400.00	10,40,00,000	10,400.00
9,000,000 Preference Shares of ₹ 10 each (As at 31 March 2021: 9,000,000 Preference Shares of ₹ 10 each)	90,00,000	900.00	90,00,000	900.00
Issued, subscribed & fully paid-up shares				
9,42,11,470 Equity Shares of ₹ 10 each (As at 31 March 2021: 93,501,466 Equity Shares of ₹ 10 each)	9,42,11,470	9,421.15	9,35,01,466	9,350.15
Total	**9,42,11,470**	**9,421.15**	**9,35,01,466**	**9,350.15**

a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year.

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number	₹ in lakhs	Number	₹ in lakhs
Outstanding at the beginning of the year	9,35,01,466	9,350.15	8,59,85,475	8,598.55
Issued during the year	7,10,004	71.00	75,15,991	751.60
Outstanding at the end of the year	**9,42,11,470**	**9,421.15**	**9,35,01,466**	**9,350.15**

b) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend, if any in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting.

During the Year ended 31 March 2022, the amount of per share dividend recognised as distributions to Equity Shareholders was Nil (31 March 21 Nil).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exists currently. The distribution will be in proportion to the number of equity shares held by the shareholder.

c) Details of Equity shares held by each shareholder holding more than 5% Equity shares:

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number	%	Number	%
Equity shares				
Information Interface India Private Limited	3,44,35,567	36.6%	3,44,35,567	36.8%
WF Asian Reconnaissance Fund Limited	1,21,69,500	12.9%	1,21,69,500	13.0%
Strategic India Equity Fund	95,69,125	10.2%	1,01,01,125	10.8%
Vikasa India EIF I Fund	56,60,715	6.0%	70,20,067	7.5%
Carmignac Portfolio	56,50,000	6.0%	64,05,000	6.9%
	6,74,84,907	**71.6%**	**7,01,31,259**	**75.0%**

Year ended	Shares held by promoters at the end of the year			% Change during the year
	Promotor Name	No. of shares	% of Total shares	
Shares as at 31 March 2022	Makarand Ram Patankar	4,561	0.005	-
	Amit Rajpal	18,75,242	1.99	0.28
	Information Interface India Private Limited	3,44,35,567	36.55	-
Shares as at 31 March 2021	Makarand Ram Patankar	4,561	0.005	-
	Amit Rajpal	15,98,004	1.71	1.16
	Information Interface India Private Limited	3,44,35,567	36.83	-

d) No Bonus shares have been issued during the year and in immediately preceding 5 years.
e) There has been no buy back of shares during the year and in immediately preceding 5 years.

17. OTHER EQUITY

(Amounts in ₹ lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Securities premium account	23,251.91	22,993.53
Retained earnings	(4,927.42)	(4,513.45)
Employee stock option reserve	1,124.33	822.09
Special Reserve under section 45 IC of RBI Act, 1934	1.89	1.89
TOTAL	**19,450.71**	**19,304.06**

(Amounts in ₹ lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Securities premium account		
Opening balance	22,993.53	18,812.38
Add: Changes during the year	258.38	4,181.15
Closing balance	23,251.91	22,993.53
Retained earnings		
Opening balance	(4,513.45)	(3,882.09)
Add: Profit/(Loss) for the year	(420.18)	(643.84)
Add: Other comprehensive income for the year	6.21	12.48
Less: Transfer to Special Reserve under section 45 IC of RBI Act, 1934	-	-
Add: Transfer from share based payment reserve	-	-
Closing balance	(4,927.42)	(4,513.45)
Employee stock option reserve		
Opening balance	822.09	670.03
Add: Charge during the year	302.24	152.06
Closing balance	1,124.33	822.09
Special Reserve under section 45 IC of RBI Act, 1934		
Opening balance	1.89	1.89
Add/(Less) : Transfer to special reserve	-	-
Closing balance	1.89	1.89
Total	**19,450.71**	**19,304.06**

18. INTEREST INCOME

(Amounts in ₹ lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
On financial assets measured at amortised costs:		
Interest on loans	822.24	1,747.23
Interest on Investments	1,060.77	280.67
Interest on deposits with banks	231.01	439.84
Interest income on security deposit	2.22	2.02
Total	**2,116.23**	**2,469.76**

19. FEES AND COMMISSION INCOME

(Amounts in ₹ lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Processing fees on loan	-	1.49
Commission Income	48.90	-
Total	**48.90**	**1.49**

20. NET GAIN / (LOSS) ON FAIR VALUE CHANGES

(Amounts in ₹ lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Net gain /(loss) on financial instruments at FVTPL		
Gain on mutual fund investments	-	66.93
Total (A)	**-**	**66.93**

21. OTHERS

(Amounts in ₹ lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Bounce charges	1.93	0.79
Penal charges	3.42	3.49
Foreclosure charges	4.21	5.10
Documentation Charges	13.58	0.21
Total	**23.14**	**9.59**

22. OTHER INCOME

(Amounts in ₹ lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Sale of service	25.33	42.94
Bad debt recovery	204.01	-
Interest on Income Tax refund	8.94	4.12
Other Income	12.64	5.00
Total	**250.91**	**52.06**

23. FINANCE COST

(Amounts in ₹ lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest expenses on lease liability	13.98	21.06
Total	**13.98**	**21.06**

24. FEES AND COMMISSION EXPENSES

(Amounts in ₹ lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Fees and commission expenses	225.84	72.81
Total	**225.84**	**72.81**

25. IMPAIRMENT ON FINANCIAL INSTRUMENTS

(Amounts in ₹ lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
On financial instruments measured at amortised cost:		
Loans	74.45	575.22
Investments	-	75.96
Total	**74.45**	**651.18**

26. EMPLOYEE BENEFIT EXPENSES

(Amounts in ₹ lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Salaries	1,177.09	1,107.35
Contribution to provident fund	55.22	52.70
Employee stock option expense (Refer Note No.31 on ESOP)	526.90	333.70
Staff welfare expenses	0.90	0.21
Gratuity Expense	18.48	18.14
Total	**1,778.59**	**1,512.10**

27. DEPRECIATION AND AMORTIZATION

(Amounts in ₹ lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation on Property, plant and equipment	10.01	15.25
Amortisation of Intangible assets	15.30	209.51
Amortisation of Right of use asset	45.67	58.51
Total	**70.98**	**283.27**

28. OTHER EXPENSES

(Amounts in ₹ lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Legal and professional fees	159.39	190.78
Technology and software expenses	193.75	290.15
Business development expenses	23.49	12.44
Training and recruitment	16.27	6.80
Lease rent	8.80	7.84
Loan origination cost	32.07	7.05
Office and administrative expenses	20.40	17.55
Travelling and conveyance	46.61	9.95
Director sitting fees	21.50	19.75
Payments to auditors	16.90	19.78
Communication expenses	8.24	7.45

Printing and stationery expenses	1.09	1.31
Annual listing fees	4.91	4.91
Repairs and maintenance	0.32	1.38
Advertisement and publicity	2.28	0.43
Miscellaneous expenses	0.93	0.58
Collection expenses	122.94	73.49
Insurance expenses	15.63	31.63
Total	**695.51**	**703.25**

Breakup of Auditors' remuneration

(Amounts in ₹ lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Statutory Audit	10.00	10.00
Limited review	3.00	3.00
Tax audit	2.00	1.50
Other Services	0.50	3.75
Out of pocket expenses (including taxes)	1.40	1.53
Total	**16.90**	**19.78**

30. EARNINGS PER SHARE (EPS)

(Amounts in ₹ lakhs)

	Particulars	Year ended 31 March 2022	Year ended 31 March 2021
a)	**The basic earnings per share has been calculated based on the following:**		
	Net profit after tax available for equity shareholders	(420.18)	(643.85)
	Weighted average number of equity shares	9,44,71,267	8,81,62,406
b)	**The reconciliation between the basic and the diluted earnings per share is as follows:**		
	Basic earnings per share (₹)	(0.44)	(0.73)
	Effect of dilution		
	Diluted earnings per share (₹)	(0.44)	(0.73)
c)	**Weighted average number of equity shares is computed for the purpose of calculating diluted earning per share, after giving the dilutive impact of the outstanding stock options for the respective years.**		
	Weighted average number of shares for computation of Basic EPS	9,44,71,267	8,81,62,406
	Dilution (no. of shares)	12,11,062	8,09,810
	On shares exercised during the period	2,59,797	94,713
	Contingent consideration	-	16,26,713
	Weighted average number of shares for computation of Diluted EPS	9,59,42,125	9,06,93,642

31. EMPLOYEE SHARE BASED PAYMENTS

a) Employee stock option scheme (equity settled)

The Company approved the grant of equity share options under NFL-Employee Stock Option Plan 2018 in July 2018 ('Plan 2018'), Niyogin Employee Stock Option Plan 2019 in December 2019 ('Plan 2019'), Niyogin Employees Stock Option Plan 2020 in October 2020 ('Plan 2020').

Under the terms of each of these Plans, the Company may issue to its employees and Directors, Equity Stock Options ('ESOPs') each of which is convertible into one equity share. Under Plan 2019, the Company may issue to the employees and Directors of the subsidiaries, Equity Stock Options ('ESOPs') each of which is convertible into one equity share. All the plans were framed in accordance with the SEBI (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999 as amended from time to time and as applicable at the time of the grant. The accounting for the stock options has been in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014 to the extent applicable.

The vesting conditions applicable to the options are at the discretion of the Nomination and Remuneration Committee ('NRC').These options are exercisable on vesting, for a period as set forth by the NRC at the time of the grant. The period in which the options may be exercised cannot exceed five years from the date of vesting period. During the years ended 31 March, 2022 and 31 March, 2021, no modifications were made to the terms and conditions of ESOPs.

The Company uses a fair value method to account for the compensation cost of stock options to employees of the Company.

b) The Company introduced ESOP scheme which covers eligible employees of the Company. The vesting of the options is from expiry of one year till five years as per Plan. Each Option entitles the holder thereof to apply for and be allotted/ transferred one equity Share of the Company upon payment of the exercise price during the exercise period.

Details of scheme of Employee Stock Option Plans are as under :

Tranch details		No. of options	Date of Grant	Price of Underlying Stock (₹)	Exercise Price (₹)
I	Plan 2018	2,37,110	13-Aug-2018	89.44	10.00
II	Plan 2018	6,74,296	5-Sep-2018	134.13	10.00
III	Plan 2018	7,153	11-Feb-2019	60.96	10.00
IV	Plan 2018	5,37,473	9-Aug-2019	43.67	10.00
V	Plan 2018	8,884	23-Jan-2020	34.65	10.00
VI	Plan 2018	7,69,000	23-Jul-2020	14.28	29.40
VII	Plan 2018	4,45,000	19-May-2021	29.76	73.40
VIII	Plan 2018	1,30,000	19-May-2021	64.5	10.00
IX	Plan 2018	1,95,000	19-May-2021	30.89	70.00
X	Plan 2018	4,50,000	15-Mar-2022	24.76	61.70
XI	Plan 2018	1,00,000	15-Mar-2022	51.7	10.00
I	Plan 2019	31,225	10-Nov-2020	27.68	51.24
I	Plan 2020	34,39,416	10-Nov-2020	31.72	64.05

Set out below is a summary of options granted under the plan:

Particulars	Year ended 31 March 2022		Year ended 31 March 2021	
	Average exercise price	Number of options	Average exercise price	Number of options
Outstanding at the beginning of the year	50.93	49,24,686	10.00	11,51,723
Granted during the year	57.86	13,20,000	57.67	42,39,641
Exercised during the year	14.75	(7,10,004)	10.00	(1,84,159)
Forfeited during the year	-	-	-	-
Lapsed during the year	36.82	(4,51,502)	11.85	(2,82,519)
Outstanding at the end of the year	**59.04**	**50,83,180**	**50.93**	**49,24,686**
Exercisable at the end of the year	55.75	6,29,456	10.00	3,39,715

c) Fair value of options granted

The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The options are granted for no consideration and will vest upon the completion of service condition as specified in scheme in graded manner. Vested options are exercisable for the period of five years after the vesting.

The model inputs for options granted included:

Assumptions / Tranches	Expected - Weighted average volatility (%)	Expected term (In years)	Risk free rate	Fair value (in ₹)	Grant date
I - 2018	62.23%	3.50	7.80%	89.44	13-Aug-2018
II - 2018	66.55%	3.50	8.07%	134.13	5-Sep-2018
III - 2018	66.38%	1.50	7.20%	60.96	11-Feb-2019
IV - 2018	70.67%	4.00	6.36%	43.67	09-Aug-2019
V - 2018	62.75%	1.50	6.63%	34.65	23-Jan-2020
VI - 2018	67.86%	4.00	4.93%	14.28	23-Jul-2020
VII - 2018	61.13%	3.50	4.70%	29.76	19-May-2021
VIII - 2018	61.13%	3.50	4.70%	64.5	19-May-2021
IX -2018	61.13%	3.50	4.70%	30.89	19-May-2021
X - 2018	59.27%	3.50	5.33%	24.76	15-Mar-2022
XI - 2018	53.40%	1.50	4.90%	51.7	15-Mar-2022
I-2019	57.73%	2.00	5.17%	27.68	10-Nov-2020
I-2020	65.19%	5.50	5.17%	31.72	10-Nov-2020

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

The yield of Government of India Bond as on the date of Grant has been taken as the risk-free interest rate.

d) Expense arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised in profit or loss as part of employee benefit expense were as follows:

(Amounts in ₹ lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Employee stock option scheme (equity settled)	526.90	333.70
Total	**526.90**	**333.70**

32. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(A) Contingent liabilities

There are no contingent liabilities as at 31 March 2022:Nil (As at 31 March 2021: Nil).

(B) Commitments

I) Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31 March 2022:Nil (As at 31 March 2021: Nil).

33. LEASES :

Disclosures as required under IND AS 116 - Leases

a) On adoption of Ind AS 116, the Company has recognized lease liabilities for all leases which were previously classified as operating leases under earlier GAAP. Ind AS 116 does not provide classification of leases into operating and finance lease for the lessee accounting. The lease liability is measured at present value of the lease payments. Lease liabilities is disclosed under the "Other financial liabilities"

(Amounts in ₹ lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest expense on lease liability	13.98	21.06
Total	**13.98**	**21.06**

b) The Company has recognised Right of use (ROU) assets corresponding to the lease liabilities as per the requirements of Ind AS 116. The ROU assets are amortized at SLM basis over the lease term.Reconciliation of Carrying amount of Right of use asset for a lessee as per IND AS 116 :

(Amounts in ₹ lakhs)

Particulars	Amount in ₹ lakhs
As at 31 March 2019	**274.63**
(+) Recognition of Right of use asset during the year	7.85
(-) Derecognition of Right of use asset during the year	23.79
(-) Amortisation of Right of use asset	69.36
As at 31 March 2020	**189.33**
(+) Recognition of Right of use asset during the year	-
(+) Modification Gain/Loss during the year	3.97
(-) Derecognition of Right of use asset during the year	-
(-) Amortisation of Right of use asset	58.51
As at 31 March 2021	**134.78**
(+) Recognition of Right of use asset during the year	-
(+) Modification (Gain)/Loss during the year	(38.88)
(-) Derecognition of Right of use asset during the year	-
(-) Amortisation of Right of use asset	45.67
As at 31 March 2022	**50.23**

c) Short term lease : A lease that at the commencement date, has a lease term of 12 months or less.

(Amounts in ₹ lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Short term lease expense reognised in Profit and Loss	8.80	7.84
Total	**8.80**	**7.84**

d) Short term lease commitment

(Amounts in ₹ lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
For a period of one year from Balance sheet date	-	10.90
Total	**-**	**10.90**

34. CORPORATE SOCIAL RESPONSIBILITY ('CSR') EXPENSES:

Provisions of Section 135 of the Act are not applicable to the Company.

35. SEGMENT REPORTING:

Operating segment are components of the Company whose operating results are regularly reviewed by the Chief Operating Decision Maker ('CODM') to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Company is engaged primarily on the business of "Financing" only, taking into account the risks and returns, the organization structure and the internal reporting systems. All the operations of the Company are in India. All non-current assets of the Company are located in India. Accordingly, there are no separate reportable segments as per Ind AS 108 – "Operating segments".

36. RELATED PARTY DISCLOSURES:

(a) Related party disclosures as required by Ind AS 24 - Related Party Disclosures.

List of related parties and relationships:

Sr. No.	Nature of relationship	
1	**Subsidiaries**	
	Iserveu Technology Private Limited	
	Investdirect Capital Services Private Limited	
	MoneyMap Investment Advisors Private Limited	
2	**Entity having Significant Influence**	
	Information Interface India Private Limited	
3	**Key management personnel**	
	Amit Rajpal (Non Executive Chairman)	
	Makarand Patankar (Whole time Director)	till 04 December 2021
	Noorallah Charania (Whole time Director)	till 03 February 2022
	Tashwinder Singh (CEO & Managing Director)	
	Gaurav Patankar (Director)	
	Kapil Kapoor (Director)	
	Sutapa Banerjee (Director)	till 04 December 2021
	Eric Wetlaufer (Director)	
	Subhasri Sriram (Director)	
	Ashby Monk (Director)	w.e.f - 02 February 2022
	Mohit Gang (CEO - Investdirect Capital Services Private Limited)	
	Rumit Dugar (Chief Financial Officer)	till 15 March 2022
	Raghvendra Somani (Intrim - Chief Financial Officer)	w.e.f - 15 March 2022
	Neha Agarwal (Company Secretary)	

(Amounts in ₹ lakhs)

Transaction with KMP	Year ended 31 March 2022			Year ended 31 March 2021		
	Compensation	ESOP	Total	Compensation	ESOP	Total
Salary/Bonus						
Makarand Patankar	-	-	-	2.50	-	2.50
Noorallah Charania	47.39	18.35	65.74	43.44	15.71	59.15
Tashwinder Singh	100.00	-	100.00	46.51	1,090.91	1,137.42
Rumit Dugar	91.37	73.40	164.77	74.20	22.14	96.34
Raghvendra Somani	2.00	-	2.00	-	-	-
Neha Agarwal	13.94	7.34	21.28	10.18	2.86	13.04
Mohit Gang	-	-	-	-	8.64	8.64
Sitting fees						
Kapil Kapoor	6.00	-	6.00	5.25	-	5.25
Sutapa Banerjee	4.25	-	4.25	5.75	-	5.75
Eric Wetlaufer	4.75	-	4.75	4.50	-	4.50
Subhasri Sriram	6.00	-	6.00	4.25	-	4.25
Ashby Monk	0.50	-	0.50	-	-	-

(Amounts in ₹ lakhs)

Transaction other than those with KMP	Year ended 31 March 2022		
	Subsidiary	Entity having Significant Influence	Total
Sourcing commission received	0.20	-	0.20
Sourcing commission paid	37.24	-	37.24
Interest on loan received	41.36	-	41.36
Loan given	900.00	-	900.00
Repayment of loan	(213.52)	-	(213.52)
First loss default guarantee	15.57	-	15.57
Investment in equity shares	975.00	-	975.00
Investment in redeemable preference shares	4,999.88	-	4,999.88
Conversion of compulsory convertible preference shares into equity shares	399.99	-	399.99
Investment in compulsory convertible preference shares	200.00	-	200.00

(Amounts in ₹ lakhs)

Transaction other than those with KMP	Year ended 31 March 2021		
	Subsidiary	Entity having Significant Influence	Total
Sourcing commission received	0.21	-	0.21
Sourcing commission paid	1.04	-	1.04
Other payments	-	7.10	7.10
Investment	10,569.65	-	10,569.65

Balances outstanding from related parties are as follows:

(Amounts in ₹ lakhs)

Particulars	Year ended 31 March 2022		
	Subsidiary	Entity having Significant Influence	Total
Sourcing commission received	-	-	
Sourcing commission payable	37.24	-	37.24
Other payments	-	21.89	21.89
Loans & advances receivable	686.48	-	686.48
First loss default guarantee receivable	15.57	-	15.57
Investment in equity shares	9,268.38	-	9,268.38
Investment in redeemable preference shares	4,999.88	-	4,999.88
Investment in compulsory convertible preference shares	200.00	-	200.00

(Amounts in ₹ lakhs)

Particulars	Year ended 31 March 2021		
	Subsidiary	Entity having Significant Influence	Total
Sourcing commission paid	(1.04)	-	(1.04)
Other payments	-	21.89	21.89
Investment	11,399.07	-	11,399.07

Loans and advances in the nature of loans to companies in which directors are interested as under:

(Amounts in ₹ lakhs)

Sr. No.	Name	As at 31 March 2022	Maximum balance out-standing during the year ended 31 March 2022	As at 31 March 2021	Maximum balance out-standing during the year ended 31 March 2021
1		N.A	N.A	N.A	N.A

37. Based on and to the extent of the information received by the Company from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'), the total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 are given below:

(Amounts in ₹ lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Principal amount payable to suppliers as at year-end	74.37	13.50
Interest due thereon as at year end	-	-
Interest amount for delayed payments to suppliers pursuant to provisions of MSMED Act actually paid during the year, irrespective of the year to which the interest relates	-	-
Amount of delayed payment actually made to suppliers during the year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
Interest accrued and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006.	-	-

38. Disclosures as required by Annex III of the Master Direction - Non-Banking Financial Company - Non Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 issued by the Reserve Bank of India ("RBI") vide their Notification No. RBI/DNBR/2016-17/44 Master Direction DNBR. PD. 007/03.10.119/2016-17 dated September 1, 2016 (the "Notification")

(Amounts in ₹ lakhs)

	Particulars	As at 31 March 2022		As at 31 March 2021	
		Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
	Liabilities side :				
38.1	**Loans and advances availed by the NBFCs Inclusive of interest accrued thereon but not paid**				
	(a) Debentures : Secured	-	-	-	-
	: Unsecured	-	-	-	-
	(other than falling within the meaning of Public deposits*)				
	(b) Deferred credits	-	-	-	-
	(c) Term loans	-	-	-	-
	(d) Inter-corporate loans and borrowing	-	-	-	-
	(e) Commercial paper	-	-	-	-
	(f) Public deposits*	-	-	-	-
	(g) Other loans:	-	-	-	-
	From banks	-	-	-	-
	From a company	-	-	-	-
	Security deposits	-	-	-	-
	Advances received against loan agreements	-	-	-	-
	*Please see note 1 below	-	-	-	-

38.2 Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :				
(a) In the form of Unsecured debentures	-	-	-	-
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
(c) Other public deposits	-	-	-	-
*Please see note 1 below	-	-	-	-

(Amounts in ₹ lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
	Amount outstanding	Amount outstanding
Assets side:		
38.3 Break-up of loans and advances including bills receivables [other than those included in (4) below]		
(a) Secured	232.14	988.34
(b) Unsecured	5,544.84	3,570.12
38.4 Break up of leased assets and stock on hire and other assets counting towards asset financing activities		
(i) Lease assets including lease rentals under sundry debtors:	-	-
(a) Financial lease	-	-
(b) Operating lease	-	-
(ii) Stock on hire including hire charges under sundry debtors :	-	-
(a) Assets on hire	-	-
(b) Repossessed assets	-	-
(iii) Other loans counting towards AFC activities	-	-
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-
38.5 Break-up of investments :		
Current investments :		
1. Quoted :		
(i) Shares : (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government securities	-	-
(v) Others	-	-
2. Unquoted :		
(i) Shares : (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and bonds	6,079.60	8,005.68
(iii) Units of mutual funds	-	-

(iv) Government securities	-	-
(v) Others	-	-
Long term investments :		
1 Quoted :		
(i) Shares : (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government securities	-	-
(v) Others	-	-
2. Unquoted :		
(i) Shares : (a) Equity	9,268.38	10,949.06
(b) Preference	5,199.88	450.00
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government securities	-	-
(v) Others	-	-

38.6

(Amounts in ₹ lakhs)

Category	Amount net of provision					
	As at 31 March 2022			As at 31 March 2021		
	Secured	Unsecured	Total	Secured	Unsecured	Total
Borrower group-wise classification of assets financed as in (2) above:						
Please see Note 2 below	-	-	-	-	-	-
1. Related parties **						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	-	-	-	-	-
(c) Other related parties	-	-	-	-	-	-
2. Other than related parties	**232.14**	**5,544.84**	**5,776.98**	**988.34**	**3,570.12**	**4,558.46**

38.7

Category	As at 31 March 2022		As at 31 March 2021	
	Market value / break up or fair value or NAV	Book value (net of provisions)	Market value / break up or fair value or NAV	Book value (net of provisions)
Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :				
1. Related parties **				
(a) Subsidiaries (refer note below)	14,468.26	14,468.26	11,399.07	11,399.07
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties	**6,079.60**	**6,079.60**	**7,929.03**	**7,929.03**
Total	**20,547.86**	**20,547.86**	**19,328.10**	**19,328.10**

** As per Ind AS issued by MCA (refer note 3 below)

Note: Subsidiary company has been carried at cost.

38.8 Other Information

(Amounts in ₹ lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
	Amount outstanding	Amount outstanding
(i) Gross non-performing assets		
(a) Related parties	-	-
(b) Other than related parties *	752.29	462.05
(ii) Net non-performing assets		
(a) Related parties	-	-
(b) Other than related parties *	306.46	88.60
(iii) Assets acquired in satisfaction of debt	-	-

* Based on Stage 3 Assets as per IND AS

Notes:

1. As defined in Paragraph 3 (xiii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016.

2. Provisioning norms are as per IND AS issued by MCA.

3. All Ind AS issued by MCA are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in (5) above.

39. 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 31 March 2022.

40. DISCLOSURE AS REQUIRED BY RBI CIRCULAR DOR (NBFC).CC.PD.NO.109/22.10.106/2019-20 DATED MARCH 13,2020

(Amounts in ₹ lakhs)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	5,614.58	248.01	5,366.58	14.04	233.97
	Stage 2	124.19	20.25	103.94	0.31	19.94
Subtotal		**5,738.77**	**268.26**	**5,470.52**	**14.35**	**253.91**
Non-Performing Assets (NPA)						
Substandard	Stage 3	752.29	445.83	306.46	240.22	205.61
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		752.29	445.83	306.46	240.22	205.61
Other items such as guarantees,loan,commitments, etc. which are in the scope of Ind as 109 but not covered under current income recognition, asset classification and provisioning (Iracp) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	**Stage 1**	**5,614.58**	**248.01**	**5,366.58**	**14.04**	**233.97**
	Stage 2	**124.19**	**20.25**	**103.94**	**0.31**	**19.94**
	Stage 3	**752.29**	**445.83**	**306.46**	**240.22**	**205.61**
	Total	**6,491.07**	**714.09**	**5,776.98**	**254.57**	**459.52**

*Above disclosure is related to loans and advances.

41. EMPLOYEE BENEFIT PLAN

Disclosure in respect of employee benefits under Ind AS 19 - Employee Benefit are as under:

(a) Defined contribution plan

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans. The Company's contribution to provident fund aggregating ₹ 55.22 lakhs (31 March 2021: ₹ 52.70 lakhs) has been recognised in the statement of profit and loss under the head employee benefits expense.

(b) Defined benefit plan

Gratuity

Financial assets not measured at fair value

The Company operates a defined benefit plan (the 'gratuity plan') covering eligible employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age/ resignation date.

The defined benefit plans expose the Company to risks such as actuarial risk, liquidity risk, market risk, legislative risk. These are discussed as follows:

Actuarial risk: It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse salary growth experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption then the gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

Liquidity risk: Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the Company, there can be strain on the cash flows.

Market risk: Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in defined benefit obligation of the plan benefits and vice versa. This assumption depends on the yields on the government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

Legislative risk: Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act, 1972, thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the defined benefit obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

The status of gratuity plan as required under Ind AS-19 is as under:

(Amounts in ₹ lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
i. Reconciliation of opening and closing balances of defined benefit obligation		
Present value of defined benefit obligations at the beginning of the year	32.78	27.12
Current service cost	16.25	16.24
Past service cost	-	-
Interest cost	2.23	1.90
Acquisition adjustment	-	-
Benefit paid	-	-
Change in demographic assumptions	-	-
Change in financial assumptions	(0.79)	0.52
Experience variance (i.e. Actual experience vs assumptions)	(5.43)	(13.00)
Present value of defined benefit obligations at the end of the year	45.04	32.78
ii. Reconciliation of opening and closing balances of the fair value of plan assets		
Fair value of plan assets at the end of the year	-	-
iii. Reconciliation of the present value of defined benefit obligation and fair value of plan assets		
Present value of defined benefit obligations at the end of the year	45.04	32.78
Fair value of plan assets at the end of the year	-	-
Unrecognised past service cost	-	-
hoh5	-	-
Net asset / (liability) recognized in the balance sheet as at the end of the year	**(45.04)**	**(32.78)**

iv. Expense recognised during the Year		
Current service cost	16.25	16.24
Interest cost	2.23	1.90
Past service cost	-	-
Expenses recognised in the statement of profit and loss	**18.48**	**18.14**
v. Other comprehensive income		
Components of actuarial gain/losses on obligations:	(25.12)	(12.64)
Due to change in financial assumptions	(0.79)	0.52
Due to change in demographic assumption	-	-
Due to experience adjustments	(5.43)	(13.00)
Return on plan assets excluding amounts included in interest income	-	-
Components of defined benefit costs recognised in other comprehensive income	**(31.34)**	**(25.12)**
vi. Amount recognized in balance sheet		
Present value of unfunded defined benefit obligation	45.04	32.78
Net defined benefit liability recognised in Balance Sheet	45.04	32.78

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
vii. Principal actuarial assumptions		
Discount rate (per annum)	7.10%	6.85%
Annual increase in salary cost	7.00%	7.00%
Withdrawal rates per annum		
21 to 30	15.00%	15.00%
31 to 34	10.00%	10.00%
35 to 44	5.00%	5.00%
45 to 50	3.00%	3.00%
51 to 54	2.00%	2.00%
55 to 57	1.00%	1.00%

The discount rate is based on the prevailing market yields of Government of India's bond as at the balance sheet date for the estimated term of the obligations.

viii. Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase . The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Particulars	**For the year ended 31 March 2022**		**For the year ended 31 March 2021**	
	Increase	**Decrease**	**Increase**	**Decrease**
Discount rate (- / + 0.5%)	7.60%	6.60%	7.35%	6.35%
(% change compared to base due to sensitivity	-5.54%	6.01%	-5.12%	5.52%
Salary growth rate (- / + 0.5%)	7.50%	6.50%	7.50%	6.50%
(% change compared to base due to sensitivity)	5.99%	-5.57%	5.48%	-5.14%

ix. Effect of plan on the Company's future cash flows

a) Maturity profile of defined benefit obligation

The average outstanding term of the obligations (years) as at valuation date is 10.63 years.

Particulars	Cash flows (₹)	Distribution (%)
Expected cash flows over the next (valued on undiscounted basis):		
1st Following Year	18.78	21.09%
2nd Following year	0.87	0.97%
3rd Following Year	1.49	1.67%
4th Following Year	1.35	1.52%
5th Following Year	1.50	1.68%
6th Following Year	5.16	5.79%
7th Following Year	1.33	1.49%
8th Following Year	1.27	1.42%
9th Following Year	1.19	1.33%
Sum of years 10 and above	56.14	63.03%

The Code on Social Security, 2020 (the Code) has been enacted, which would impact contribution by the Company towards Provident Fund and Gratuity. The effective date from which changes are applicable is yet to be notified and the rules thereunder are yet to be announced. The actual impact on account of this change will be evaluated and accounted for when notification becomes effective.

42. CLASSIFICATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(Amounts in ₹ lakhs)

As at 31 March 2022	Mandatorily at FVTPL	At cost	Amortised cost	Total carrying amount
ASSETS				
Cash and cash equivalents	-	-	2,442.07	2,442.07
Bank balance other than cash and cash equivalents	-	-	20.20	20.20
Loans and advances to customers	-	-	5,776.98	5,776.98
Investment securities	-	-	-	-
Measured at fair value	-	-	-	-
Measured at cost	-	14,468.26	-	14,468.26
Measured at amortised cost	-	-	6,079.60	6,079.60
Receivables	-	-	103.40	103.40
Other financial assets	-	-	59.27	59.27
Total Financial assets	**-**	**14,468.26**	**14,481.51**	**28,949.77**
Trade Payables	-	-	161.10	161.10
Other financial liabilities	-	-	100.19	100.19
Total Financial liabilities	**-**	**-**	**261.29**	**261.29**

(Amounts in ₹ lakhs)

As at 31 March 2021	Mandatorily at FVTPL	At cost	Amortised cost	Total carrying amount
ASSETS				
Cash and cash equivalents	-	-	4,614.49	4,614.49
Bank balance other than cash and cash equivalents	-	-	3,048.54	3,048.54
Loans and advances to customers	-	-	4,558.46	4,558.46
Investment securities	-	-	-	-
Measured at fair value	-	-	-	-
Measured at cost	-	11,399.07	-	11,399.07
Measured at amortised cost	-	-	7,929.03	7,929.03
Receivables	-	-	27.56	27.56
Other financial assets	-	-	61.58	61.58
Total Financial assets	**-**	**11,399.07**	**20,239.66**	**31,638.73**
Trade Payables	-	-	81.49	81.49
Other financial liabilities	-	-	3,242.21	3,242.21
Total Financial liabilities	**-**	**-**	**3,323.70**	**3,323.70**

43. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation tehniques.

Financial Instrument by Category

(Amounts in ₹ lakhs)

Particulars	As at 31 March 2022		As at 31 March 2021	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Asset				
Investments				
- Bonds and Debentures	-	6,079.60	-	7,929.03
- Mutual Funds	-	-	-	-
Receivables	-	103.40	-	27.56
Loans	-	5,776.98	-	4,558.46
Cash And Cash Equivalents	-	2,442.07	-	4,614.49
Bank balance other than cash and cash equivalents	-	20.20	-	3,048.54
Other Financial Assets	-	59.27	-	61.58
Total Financial Assets	**-**	**14,481.52**	**-**	**20,239.66**
Financial Liability				
Trade Payables	-	161.10	-	81.49
Other Financial Liabilities	-	100.19	-	3,242.21
Total Financial Liabilities	**-**	**261.29**	**-**	**3,323.70**

Fair value Hierarchy

This section explains the judgments and estimates made in determining the fair value of the financial instrument that are (a) recognized and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath table.

As at 31 March 2022

(Amounts in ₹ lakhs)

Particulars	Carrying amount	Fair value measurements using			
		Level 1	Level 2	Level 3	Total
Financial assets*					
Investments					
- Bonds and Debentures	6,079.60	-	6,079.60	-	6,079.60
- Mutual Funds	-	-	-	-	-
Loans and advances	5,776.98	-	6,337.66	-	6,337.66
Receivables	103.40	-	-	-	-
Cash And Cash Equivalents	2,442.07	-	-	-	-
Bank balance other than cash and cash equivalents	20.20	-	-	-	-
Security Deposits	37.38	-	37.38	-	37.38
Other Financial assets	21.89	-	-	-	-
Total Financial Asset	**14,481.52**	**-**	**12,454.64**	**-**	**12,454.64**
Financial Liabilities*					
Trade Payables	161.10	-	-	-	-
Lease Liability	94.46	-	94.46	-	94.46
Contingent Consideration	-	-	-	-	-
Total Financial Liabilities	**255.56**	**-**	**94.46**	**-**	**94.46**

As at 31 March 2021

(Amounts in ₹ lakhs)

Particulars	Carrying amount	Fair value measurements using			
		Level 1	Level 2	Level 3	Total
Financial assets*					
Investments					
- Bonds and Debentures	7,929.03	-	7,929.03	-	7,929.03
- Mutual Funds	-	-	-	-	-
Loans and advances	4,558.46	-	4,511.61	-	4,511.61
Receivables	27.56	-	-	-	-
Cash And Cash Equivalents	4,614.49	-	-	-	-
Bank balance other than cash and cash equivalents	3,048.54	-	-	-	-
Security Deposits	37.99	-	37.99	-	37.99
Other Financial assets	23.59	-	-	-	-
Total Financial Asset	**20,239.66**	**-**	**12,478.63**	**-**	**12,478.63**

Financial Liabilities*					
Trade Payables	81.49	-	-	-	-
Lease Liability	180.81	-	180.81	-	180.81
Contingent Consideration	3,055.67	-	-	3,055.67	3,055.67
Total Financial Liabilities	**3,317.97**	**-**	**180.81**	**3,055.67**	**3,236.48**

Level 1 : Level 1 hierarchy includes financial instruments measured using unadjusted quoted prices in active markets that the Company has the ability to access for the identical assets or liabilities. A financial instrument is classified as a Level 1 measurement if it is listed on an exchange. This includes mutual funds that have quoted price. The mutual funds are valued at the closing NAV.

Level 2 : The fair value of financial instruments that are not traded in active markets is determined using valuation techniques which maximize the use of observable market data either directly or indirectly, such as quoted prices for similar assets and liabilities in active markets, for substantially the full term of the financial instrument but do not qualify as Level 1 inputs. Fair value of loans and advances of the Company is measured using the last month's lending rate. If all significant inputs required to fair value an instrument are observable the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based in observable market data, the instruments is included in level 3. The company has measured contingent consideration based on Level 3.

Financial instruments valued at carrying value

The respective carrying values of certain on-balance sheet financial instruments approximated their fair value. These financial instruments include cash in hand, balances with Banks, financial institutions and money at call and short notice, accrued interest receivable, acceptances, deposits payable on demand, accrued interest payable, and certain other assets and liabilities that are considered financial instruments. Carrying values were assumed to be approximate fair values for these financial instruments as they are short-term in nature and their recorded amounts approximate fair values or are receivable or payable on demand.

Financial instruments recorded at fair value

Investment in debt securities

Securities classified as fair value through profit or loss, are carried at fair value based on quoted market prices. The Company records mutual funds at closing NAV.

Fair value of financial instruments carried at amortised cost

Loans and advances

The fair values of loans that do not reprice or mature frequently are estimated using discounted cash flow models. Loans and advances are fair valued basis the future expected cash flows discounted at the lending rate.

Security deposits

Security deposits have been accounted at amortised cost using SBI MCLR rates.

Bonds and debentures

The fair value of bonds and debentures are discounted using cash flow models. Bonds and debentures are fair valued basis the future expected cash flows discounted at the interest rate.

Fair value of contingent consideration

a) **Investdirect Capital Services Private Ltd. -** The value of contingent consideration is calculated using Binomial Option Pricing Model. The binomial tree is arrived by using profitability scenarios specified in the agreement entered between the acquirer and the acquiree and the value of contingent liability is arrived by assigning probability weights to each profitability scenario considered.

b) **Iserveu Technology Private Ltd. -** The value of contingent consideration is calculated using fair value measurement.

c) The table below shows the movement in the valuation of contingent consideration :

(Amounts in ₹ lakhs)

Particulars	Amount
As at 31 March 2019	**-**
(+) Initial recognition	43.37
Change during the year	-
As at 31 March 2020	**43.37**
Change during the year	3,012.30
As at 31 March 2021	**3,055.67**
Less : Crystalised during the year	(975.00)
Less : Reversed during the year*	(2,080.67)
As at 31 March 2022	**-**

* The carring value of investment in subsidiary has been adjusted due to non achievement of earn out clause as per share holders agreement.

44. FINANCIAL RISK MANAGEMENT

The Company has operations in India which expose it to liquidity risk and credit risk. The risks are managed through a management established framework of identification and measurement of risk.

This note explains the sources of risk which the Company is exposed to and how the Company manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Loans and advances, cash and cash equivalents, trade receivables, financial assets measured at amortized cost.	Aging analysis of loans and advances held at amortized cost Credit ratings in case of investments held at amortized cost	Diversification of Company's investments into NCDs and FDs Monitoring of credit risk on loans and advances basis the days past dues.
Liquidity risk	Trade liabilities	Maturity analysis	Maintaining sufficient cash and cash equivalents and marketable investments

The Company's board of directors is the highest decision- making body within the organisation. The Board of directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management committee is established to

- Recommend changes to the risk Policy for approval by the Audit Committee.
- Monitors and supervises the ECL process, identifies and analyses the risks faced by the Company
- Authorize any overrides on the provisioning model of assets to achieve provisioning objectives in line with the approval policy
- Reviewing the adequacy of ECL training across the key departments
- Establishing that the businesses comply with the risk Policy
- Review and address concerns raised by the internal Credit Committee, Statutory Auditors or the Internal Auditors in any ECL exceptions
- Delegate such roles and responsibilities to the Company's internal Credit Committee to ensure that this policy is in line with the board approved policy and the applicable accounting standards.

The audit committee oversees the recommmendations of the risk management committe and how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee ensures adequate provisioning for the financial statements in line with the approved policies and ensures that the scope of the External Auditor covers adequate assurance in complying with the Company's approved provisioning and risk policy.

A. Credit risk

Credit risk arises from loans and advances, cash and cash equivalents, investments carried at amortized cost and deposits held by the Company.

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

i) Credit risk management

The primary organizational groups forming part of the Company risk governance are Board of Directors, Audit Committee, Risk committee and Credit committee. In regards to loans and advances of the Company, the credit risk is managed in accordance with the ECL policy by monitoring of credit risk basis the days past dues. For the investments, the ECL policy provides that the Company uses the external ratings for estimation of forward looking PDs to estimate ECL.The Company reviews the creditworthiness of these counterparties on an on-going basis.

The Company classifies its financial assets in following category:

Stage 1

As soon as a financial instrument originates or is purchased, it is categorized as Stage 1. This is applicable across all the loan facilities, investments and bank balances. Stage 1 would include all residual facilities, not impaired or, have not experienced a significant increase in credit risk since initial recognition.

Stage 2 and stage 3

Loans

The following staging criteria based on Days Past Dues (DPDs) fixed for Loan portfolio as per the Ind AS 109:

Stage 1 to Stage 2: More than 30 Days Past Due as criteria for Stage 2 classification.

Stage 2 to Stage 3: More than 90 Days Past Due as criteria for Stage 3 classification.

Investments and Balances with Bank

Following is the staging criteria for investments:

- For facilities with rating grade AAA to B, three notch downgrades (without modifiers) shall be taken as stage 2.
- Any financial instrument with rating grade CCC or below classified as Stage 2 at origination.

ii) Provision for expected credit losses

The Company provides for expected credit loss based on following:

Category	Description for category	Probability of default (PD)	Exposure at default (EAD)	Loss given default (LGD)
Loans	The Company is engaged in the business of providing unsecured loans to SMEs and individuals with proprietary businesses, the borrower profiles are having similar risk characteristics across the loan book.	The PD estimation is based on transition matrix approach, gross flow analysis and net flow analysis with application of single factor Vasicek model for incorporation of macro- economic factor (GDP). The Company has used cohort framework for computation of PDs on loans. As the default definition for loan portfolio is 90 days past due, the Company taken quarterly transition matrix for estimation of PDs across following behavioral buckets: Ranking 1: Current (DPD up to 0) Ranking 2: Up to 30 Days past due Ranking 3: Up to 60 days past due Ranking 4: Up to 90 days past due Ranking 5: Default PD estimates grouped as per the above ranking grades. For Stage 3 assets PD is taken to be 100%.	Exposure at Default gives an estimate of the amount outstanding when the borrower defaults. It is the total amount of an asset the entity is exposed to at the time of default. The exposure at default for the loans is: Principle outstanding + accrued interest	LGD for loan portfolio will be calculated at a portfolio level based upon the actual recovery data. In case of insufficient recovery information due to low/no defaults, a proxy LGD based on industry practice would be used.

Investments and bank balances	The Company holds investments in non-convertible debentures as a part of its investment portfolio. Additionally, the Company also holds balances with Banks in fixed deposits and current account	As the default data set is low or near to zero for the investment portfolio, the Company uses external ratings for assessment of forward looking PDs to estimate ECL. Vasichek model is used for incorporation of economic factor (i.e. GDP in case of the Company) For Stage 3 assets PD is taken to be 100%.	Exposure at Default is the total amount of an asset the Company is exposed to at the time of default. The exposure at default for the investments and bank balances is: Principle outstanding + accrued interest	For India Sovereign exposures, the LGD value remains at 0%. Going forward, subject to availability of adequate default data, the LGD will be calculated at instrument level (Corporate bonds, Sovereign bonds) based the above workout procedure in the Company's ECL policy.

Year ended 31 March 2022

(Amounts in ₹ lakhs)

Particulars	Asset group	Estimated gross carrying amount at default	Expected credit loss (%)	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Investments at amortised cost				
	- NCD/PTC	6,237.03	2.52%	157.43	6,079.60
	- FD	20.20	-	-	20.20
	Loans at amortised cost	5,614.58	4.42%	248.01	5,366.58
Loss allowance measured at life-time expected credit losses, not credit impaired	Investments at amortised cost				
	- NCD/PTC	-	-	-	-
	- FD	-	-	-	-
	Loans at amortised cost	124.19	16.31%	20.25	103.94
Loss allowance measured at life-time expected credit losses, credit impaired	Investments at amortised cost				
	- NCD/PTC	-	-	-	-
	- FD	-	-	-	-
	Loans at amortised cost	752.29	59.26%	445.83	306.46

Year ended 31 March 2021

(Amounts in ₹ lakhs)

Particulars	Asset group	Estimated gross carrying amount at default	Expected credit loss (%)	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Investments at amortised cost				
	- NCD/PTC	8,005.67	0.96%	76.65	7,929.02
	- FD	3,129.34	2.58%	80.80	3,048.54
	Loans at amortised cost	4,727.12	8.42%	398.12	4,328.99
Loss allowance measured at life-time expected credit losses, not credit impaired	Investments at amortised cost				
	- NCD/PTC	-	-	-	-
	- FD	-	-	-	-
	Loans at amortised cost	407.01	65.39%	266.14	140.87
Loss allowance measured at life-time expected credit losses, credit impaired	Investments at amortised cost				
	- NCD/PTC	-	-	-	-
	- FD	-	-	-	-
	Loans at amortised cost	462.05	80.83%	373.46	88.60

Investments in NCD, PTC and FD and FD

The company has invested in NCDs, PTCs and FDs having Credit rating ranging from AAA to BBB-.

Measurement of Expected Credit Losses

The Company has applied a three-stage approach to measure expected credit losses (ECL) on debt instruments accounted for at amortised cost. Assets migrate through following three stages based on the changes in credit quality since initial recognition:

(a) Stage 1: 12- months ECL: For exposures where there is no significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12- months is recognized.

(b) Stage 2: Lifetime ECL, not credit-impaired: For credit exposures where there has been a significant increase in credit risk since initial recognition but are not credit-impaired, a lifetime ECL is recognized. Marginal PDs are used to compute lifetime ECL.

(c) Stage 3: Lifetime ECL, credit-impaired: Financial assets are assessed as credit impaired upon occurrence of one or more events that have a detrimental impact on the estimated future cash flows of that asset. For financial assets that have become credit-impaired, a lifetime ECL is recognized and interest revenue is calculated by applying the effective interest rate to the amortised cost

At each reporting date, the Company assesses whether there has been a significant increase in credit risk of its financial assets since initial recognition by comparing the risk of default occurring over the expected life of the asset. In determining whether credit risk has increased significantly since initial recognition, the Company uses information that is relevant and available without undue cost or effort. This is based on the historical default rates or delinquency status of account across various internal rating grades, products or sectors.

The portfolios for which external benchmark information represents a significant input into measurement of ECL are as follows.

	Exposure	External benchmarks used
		LGD
Loans at amortised cost	5,941.05	65%

The Company assesses whether the credit risk on a financial asset has increased significantly on an individual and collective basis. In determining whether the credit risk on a financial asset has increased significantly, the Company considers the change in the risk of a default occurring since initial recognition. The default definition used for such assessment is consistent with that used for internal credit risk management purposes.

The Company considers defaulted assets as those which are contractually past due 90 days, other than those assets where there is empirical evidence to the contrary. Financial assets which are contractually past due 30 days are classified under Stage 2 - life time ECL, not credit impaired, barring those where there is empirical evidence to the contrary. An asset can move into and out of the lifetime expected credit losses category (Stage 2 and 3) based on a predefined pattern obtained from the historical default rates or delinquency status of account across various internal rating grades, products or sectors. Credit exposures transition back from stage 2 to stage 1 when the credit quality of the credit facility shows significant improvement. Primarily, when factors that previously triggered an exposure moving to Stage 2 no longer meet, such exposures move back to Stage 1 and a 12-month ECL measured instead of Lifetime ECL. Credit exposures may transition from stage 3 to stage 2 /stage 1, if the exposures are current, no longer meet the definition of default / credit impaired and if the factors that previously triggered an exposure to move to stage 3 are no longer met.

The Company measures the amount of ECL on a financial instrument in a way that reflects an unbiased and probability-weighted amount. The Company considers its historical loss experience and adjusts the same for current observable data. The key inputs into the measurement of ECL are the probability of default, loss given default and exposure at default. These parameters are derived from the Company's internally developed statistical models and other historical data. In addition, the Company has used reasonable and supportable information on future economic conditions by using GDP as suitable macroeconomic factors . Since incorporating these forward looking information increases the judgment as to how the changes in these macroeconomic factor will affect ECL, the methodology and assumptions are reviewed regularly. The following table presents the key macroeconomic indicators used for the purposes of measurement of ECL in the periods presented.

(Amounts in ₹ lakhs)

Macro economic indicator	As at 31 March 2022
GDP	8.20%

iii) Reconciliation of loss allowance provision

For loans

(Amounts in ₹ lakhs)

Reconciliation of loss allowance	Loss allowance measured at 12 month expected losses	Loss allowance measured at life-time expected losses	
		Financial assets for which credit risk has increased significantly and not credit-impaired	Financial assets for which credit risk has increased significantly and credit-impaired
Loss allowance on 31 March 2019	**47.60**	**124.74**	**73.50**
Changes in loss allowances due to :			
Assets originated or purchased	639.90	68.78	132.80
Write – offs	(9.53)	(81.26)	(73.50)
Addition/ (Recoveries) for assets originated in Previous years	147.67	63.53	482.73
Loss allowance on 31 March 2020	**825.64**	**175.79**	**615.53**
Changes in loss allowances due to :			
Assets originated or purchased	102.42	9.15	-

Write – offs	(403.47)	(117.35)	(610.32)
Addition/ (Recoveries) for assets originated in Previous years	(126.47)	198.55	368.24
Loss allowance on 31 March 2021	**398.12**	**266.14**	**373.46**
Changes in loss allowances due to			
Assets originated or purchased	13.07	-	-
Write – offs	-	-	(427.24)
Addition/ (Recoveries) for assets originated in Previous years	(163.19)	(245.89)	499.61
Loss allowance on 31 March 2022	**248.01**	**20.25**	**445.83**

For investments and Bank balance other than Cash and Cash Equivalents

(Amounts in ₹ lakhs)

Reconciliation of loss allowance	**Loss allowance measured at 12 month expected losses**	**Loss allowance measured at life-time expected losses**	
		Financial assets for which credit risk has increased significantly and not credit-impaired	**Financial assets for which credit risk has increased significantly and credit-impaired**
Loss allowance on 31 March 2019	**4.41**	**-**	**-**
Changes in loss allowances due to :	-	-	-
Assets originated or purchased	81.37	-	-
Addition/ (Recoveries) for assets originated in Previous years	(4.30)	-	-
Loss allowance on 31 March 2020	**81.48**	**-**	**-**
Changes in loss allowances due to :		-	-
Assets originated or purchased	157.43	-	-
Addition/ (Recoveries) for assets originated in Previous years	(81.48)	-	-
Loss allowance on 31 March 2021	**157.43**	**-**	**-**
Changes in loss allowances due to :	-	-	-
Assets originated or purchased	-	-	-
Addition/ (Recoveries) for assets originated in Previous years	-	-	-
Loss allowance on 31 March 2022	**157.43**	**-**	**-**

B. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Due to the dynamic nature of the underlying businesses, Company's treasury maintains flexibility in funding by maintaining availability under committed credit lines.

a) The table below shows an analysis of assets and liabilities analysed (maturity analysis) according to when they are to be recovered or settled.

(Amounts in ₹ lakhs)

Particulars	As at 31 March 2022			As at 31 March 2021		
	Carrying amount	Within 12 months	After 12 months	Carrying amount	Within 12 months	After 12 months
Financial liabilities						
Trade payables	161.10	161.10	-	81.49	81.49	-
Other financial liabilities	100.19	75.89	24.30	3,242.21	3,123.02	119.19
Non Financial liabilities						
Provisions	476.95	431.91	45.04	264.31	231.53	32.78
Other non-financial liabilities	25.40	25.40	-	29.00	29.00	-
Financial assets						
Cash and cash equivalents	2,442.07	2,442.07	-	4,614.49	4,614.49	-
Bank balance other than cash and cash equivalents above	20.20	20.20	-	3,048.54	3,048.54	-
Receivables	103.40	103.40	-	27.56	27.56	-
Loans and advances to customers	5,776.98	3,670.23	2,106.75	4,558.46	3,728.92	829.54
Investment securities	20,547.86	20,547.86	-	19,328.10	19,328.10	-
Other financial assets	59.27	-	59.27	61.58	1.70	59.88
Non-financial Assets						
Income tax assets	238.15	238.15	-	160.79	160.79	-
Right of use asset	50.23	34.95	15.28	134.78	54.34	80.44
Property, plant and equipment	22.37	8.84	13.53	11.46	6.13	5.33
Intangible assets under development	-	-	-	-	-	-
Intangible assets	2.61	2.09	0.52	17.91	15.30	2.61
Other non-financial assets	372.36	372.36	-	307.55	307.55	-

b) Maturity Pattern

The table below summarises the maturity profile of the undiscounted cashflow of the Company's financial liabilities :

As at 31 March 2022

(Amounts in ₹ lakhs)

Particulars	Within 12 months	1-2 years	2-5 years	Total
Trade payables	161.10	-	-	161.10
Other financial liabilities				
- Lease liability	76.39	24.57	-	100.96
- Contingent consideration	-	-	-	-

As at 31 March 2021

(Amounts in ₹ lakhs)

Particulars	Within 12 months	1-2 years	2-5 years	Total
Trade payables	81.49	-	-	81.49
Other financial liabilities				
- Lease liability	77.45	92.98	34.43	204.85
- Contingent consideration	3,055.67	-	-	3,055.67

c) The following table sets out the carrying amounts of non-derivative financial assets and financial liabilities expected to be recovered or settled more than 12 months after the reporting date.

(Amounts in ₹ lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Financial assets		
Bank balance other than cash and cash equivalents above	-	-
Loans and advances to customers	2,106.75	829.54
Investment securities	-	-
Other financial assets	59.27	59.88
Financial liabilities		
Lease Liability	24.30	119.19

d) The following table sets out the components of the Company's liquidity reserves.

(Amounts in ₹ lakhs)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Cash And Cash Equivalents	2,442.07	2,442.07	4,614.49	4,614.49
Bank balance other than cash and cash equivalents	20.20	20.20	3,048.54	3,048.54
Total liquidity reserves	**2,462.27**	**2,462.27**	**7,663.03**	**7,663.03**

e) All the financial assets of the Company as at 31 March 2022 and as at 31 March 2021 are unencumbered.

f) Disclosures in terms of RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019 have been given under Annexure-II to these financial statements:

Annexure-II - Disclosure on Liquidity Risk

(i) **Funding Concentration based on significant counterparty (both deposits and borrowings) -** Not Applicable

(ii) **Top 20 large deposits (amount in ₹ lacs and % of total deposits) –** Not Applicable

(iii) **Top 10 borrowings (amount in ₹ lacs and % of total borrowings) –** Not Applicable

(iv) **Funding Concentration based on significant instrument/product -** Not Applicable

(v) **Stock Ratios:**

Particulars	**Ratios**
Commercial papers as a % of total public funds	Nil
Commercial papers as a % of total liabilities	Nil
Commercial papers as a % of total assets	Nil
Non-convertible debentures (original maturity of less than one year) as a % of total public funds	Nil
Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	Nil
Non-convertible debentures (original maturity of less than one year) as a % of total assets	Nil
Other short-term liabilities, if any as a % of total public funds	Nil
Other short-term liabilities, if any as a % of total liabilities	93.40%
Other short-term liabilities, if any as a % of total assets	2.40%

(vi) **Institutional set-up for liquidity risk management :**

The Company's Board of Directors has the overall responsibility of management of liquidity risk. The Board decides the strategic policies and procedures of the Company to manage liquidity risk in accordance with the risk tolerance/ limits decided by it.The Company also has a Risk Management Committee, which reports to the Board and is responsible for evaluating the overall risks faced by the Company including liquidity risk.Asset Liability Management Committee of the Company consisting of the Company's senior management is responsible for ensuring adherence to the risk tolerance/ limits as well as implementing the liquidity risk management strategy of the Company.

45. REVENUE FROM CONTRACTS WITH CUSTOMERS

Set out below is the disaggregation of the Company's revenue from contracts with customers and reconciliation to profit and loss account:

(Amounts in ₹ lakhs)

Particulars	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
Type of income		
Services charges	25.33	42.94
Bounce charges	1.93	0.79
Penal charges	3.42	3.49
Foreclosure charges	4.21	5.10
Documentation Charges	13.58	0.21
Commission Income	48.90	-
Processing fees	-	1.49
Total revenue from contracts with customers	**97.37**	**54.02**

Geographical markets		
India	97.37	54.02
Outside India	-	-
Total revenue from contracts with customers	**97.37**	**54.02**
Timing of revenue recognition		
Services transferred at a point in time	72.04	11.08
Services transferred over time	25.33	42.94
Total revenue from contracts with customers	**97.37**	**54.02**

46. There have been no events after the reporting date that require disclosure in these financial statements except for impact of COVID-19 as disclosed in Note no. 47.

47. IMPACT OF COVID -19 PANDEMIC

The significant increase in economic activities post easing of lockdown by the state governments due to COVID-19 had resulted in improvement in business operations of the Company. As a matter of prudence, during the financial year ended 31 March 2022, the Company has written off ₹ 323.64 lakhs by utilising the ECL provision created as management overlay on account of COVID-19. The ECL provision of ₹ 176.06 lakhs is retained by the company as at 31 March 2022 towards management overlay on account of COVID-19.

The additional ECL provision retained on account of COVID-19 is based on the Company's historical experience, collection efficiencies post lockdown, internal assessment and other emerging forward looking factors on account of the pandemic. However, the actual impact may vary due to prevailing uncertainty caused by the pandemic. The Company's management is continuously monitoring the situation and the economic factors affecting the operations of the Company.

48. The following additional information (other than what is already disclosed elsewhere) is disclosed in terms of amendments dated 24 March 2021 in Schedule III to the Companies Act 2013 with effect from 1st day of April, 2021:-

1. There are no charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period as applicable.
2. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year 2021-2022.
3. There is no proceeding has been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
4. The details is not applicable to the Company, related to transactions not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961), unless there is immunity for disclosure under any scheme and shall also state whether the previously unrecorded income and related assets have been properly recorded in the books of account during the year.
5. The Company is not declared wilful defaulter by any bank or financial Institution or other lender.
6. The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall :
   (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
   (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;
7. The Company has not received any funds from any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Company shall:
   (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
   (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;
8. The Compliance with number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of layers) Rule, 2017 is not applicable as the Company is registered as non banking financial company with Reserve Bank India.

9. Ratios Analysis as requried by Schedule III of the Companies Act, 2013

(Amounts in ₹ lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021	% Variance
Capital Ratio*	115.63%	129.89%	-11%
Tier I CRAR**	Not Applicable	Not Applicable	Not Applicable
Tier I CRAR**	Not Applicable	Not Applicable	Not Applicable
Liquidity coverage ratio**	Not Applicable	Not Applicable	Not Applicable

* Capital ratio = Adjusted net worth/ Risk weighted assets, calculated as per applicable RBI guidelines.

** The Company is registered under the Reserve Bank of India Act, 1934 as non-systematically important non-deposit accepting company, hence these ratios are generally not applicable

49. The Board of the Directors of your Company (the 'Board') at their meeting held on 16 December 2019, approved Scheme of amalgamation under Sections 230-232 of the Companies Act, 2013 (the 'Act') and the rules and regulations made thereunder, of Information Interface India Private Limited ("IIIPL") with Niyogin Fintech Limited ("NFL") and their respective shareholders and creditors ("Scheme"). The Scheme as aforesaid has received approval from the stock exchange and Reserve Bank of India on 9 July 2020 and 23 July 2020 respectively. Approval of the Equity shareholders and Unsecured creditors pursuant to the Order of Chennai Bench of National Company Law Tribunal, dated 01 December 2021 has been received vide Special Resolution dated 15 February 2022. Subsequently, the Company filed the Petition on 25 February 2022 vide Petition Number CP(CAA)/46&47(CHE)/2022 with the National Company Law Tribunal, Chennai Bench. The National Company Law Tribunal, Chennai Bench vide its order dated 10 April 2022 has given the next date of hearing of the Petition shall be on 22 June 2022 for consideration of the approval of the Scheme.

During the year ended 31 March 2022, the Company has increased its stake in its subsidiary company - Investdirect Capital Services Private Limited by conversion of Compulsorily Convertible Preference Shares thereby subsequently increasing the total shareholding in Investdirect from 50.01% to 60.76%.

50. During the year under purview, the Company had subscribed to 33,444 - 0.1% redeemable non-cumulative preference shares ("RPS") of ₹ 10 each of Iserveu Technology Private Limited on a premium of ₹ 14,940 per redeemable non-cumulative preference share for a term of 15 years aggregating to total consideration of ₹ 4,999.87 lakhs on a preferential basis pursuant to the Redeemable Preference Shares Subscription Agreement dated 17 March 2022 ("Agreement"). The RPS were allotted to the Company on 28 March 2022. The RPS shall not carry any voting rights, except as provided under Applicable Law. Redemption shall be at such value as may be agreed between the Parties which shall not be less than the cost of acquisition of Preference Shares, subject to Applicable Law. In the event of liquidation, the amount available for distribution shall be applied in priority to all Equity Shares and all other securities in the capital of the Company as per the terms mentioned in the Agreement.

51. SUPREME COURT ORDER ON REFUND OF INTEREST ON INTEREST AND PENAL INTEREST

Pursunat to the order passed by the honourable Supreme Court read along with the RBI Circular No. RBI/2021-22/17 DOR.STR.REC.4/21.04.048/2021-22 dated 7 April 2021 and the methodology for calculation of interest on interest based on guidance issued by Indian Banks' Association, the Company has put in place a Board approved policy to refund / adjust interest on interest charged to borrowers during the moratorium period, i.e. 1 March 2020 to 31 August 2020. The Company has estimated the said amount and made a provision in the financial statements for the year ended 31 March 2021. The Company had estimated the benefit to be extended to the eligible borrowers at ₹ 5.73 lakhs and created a liability / credited the Borrower's account towards the estimated interest relief and reduced the same from the interest income of the financial year 31 March 2021.

52. Previous year figures have been regrouped / reclassified to make them comparable with those of current year.

As per our report of even date.

For **Pijush Gupta & Co**
Chartered Accountants
Firm's Registration No: 309015E

Sangeeta Gupta
Partner
Membership No: 064225

Gurugram
14 May, 2022

For and on behalf of the Board of Directors of
Niyogin Fintech Limited
CIN No: L65910TN1988PLC131102

Amit Rajpal
Chairman & Non-Executive Director
DIN : 07557866
Hong Kong

Tashwinder Singh
Managing Director & Chief Executive Officer
DIN: 06572282

Raghvendra Somani
Chief Financial Officer (Interim)

Neha Agarwal
Company Secretary & Compliance Officer
Membership No: 41425

Mumbai
14 May, 2022

Independent Auditor's Report

To the Members of Niyogin Fintech Limited

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying consolidated financial statements of Niyogin Fintech Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2022, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements and on the other financial information of subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at 31 March 2022, of its consolidated loss and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by Institute of Chartered Accountant of India ("ICAI"), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

EMPHASIS OF MATTER

We draw attention to Note 51 to the consolidated financial statements, which describes that the extent to which the COVID 19 Pandemic will impact the Group's financial statements will depend on ongoing and future developments.

Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

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

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Consolidated Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Financial statements.

Classification and measurement of loans and Provision for expected Credit loss (ECL) on Financial Assets.

Charge to the Statement of Profit and Loss for the year ended 31 March 2022 – ₹ 74.45 Lacs

Total ECL Provision as at 31 March 2022 - ₹ 714.30 Lacs (including management overlay of ₹ 176.06 Lacs)

Refer accounting policies in Note 3.6 to the Consolidated financial statements

Key Audit Matter

Under Ind AS 109 "Financial Instruments", impairment loss allowance of loans is determined using Expected Credit Loss (ECL) estimation model. The estimation of ECL on financial instruments involves significant judgement and estimates. The Company's model to calculate expected credit loss ("ECL") is inherently complex and judgment is applied in determining the correct construction of the three-stage impairment model ("ECL Model") including the selection and input of forward-looking information. Inherently, judgemental models are used to estimate ECL which involves determining Probabilities of Default ("PD"), Loss Given Default ("LGD"), and Exposures at Default ("EAD"). The PD and LGD are the key drivers of estimation complexity in ECL and as a result are considered the most significant judgemental aspect of the company's modelling approach. Further, ECL provision calculation require the use of large volumes of data. The completeness and reliability of data can significantly impact accuracy of the modelled impairment provisions. The accuracy of data flows and the implementation of related controls are critical for the integrity of the estimated impairment provisions.

The disclosures (including disclosures prescribed by RBI) regarding the company's application of Ind AS 109 are the key to explaining the key judgements and material inputs to the Ind AS 109 ECL results. We have identified the measurement of ECL as a key audit matter in view of the significant judgement and assumptions involved.

How the Key Audit Matter was addressed in our audit

We performed end to end process walkthroughs to identify the key systems, applications and controls used in the ECL process. We tested the relevant Manual Controls, general IT and application controls over key systems used in ECL process.

The Board approved policy on ECL for impairment of financial instruments was examined and its compliance with Ind AS 109 was assessed.

Understood the process of ECL computation and tested design and operating effectiveness of key controls around data extraction and validation.

Evaluated management's controls over collation of relevant information used for determining estimates for management overlays on account of COVID-19.

We have verified the methodology of the computation of staging of loans, estimation of probability of default, its calibration, and estimation of loss given default.

To ensure the completeness of the data used, we reconciled the total financial assets considered for ECL estimation with the books of accounts.

We have evaluated the appropriateness of the Company's Ind AS 109 Impairment methodologies and reasonableness of assumptions used.

We have broadly reviewed the underlying assumptions and estimates used by the management with respect to additional provision made by the company on account of the impact of COVID -19 pandemic but as the extent of impact is dependent on future developments which are highly uncertain, we have primarily relied on those assumptions and estimates. These assumptions and estimates are a subject matter of periodic review by the company.

Performed Substantive Procedures for testing the ECL Model and computation of ECL amount included and not limited to the following:

- Reviewed the assumptions used for and computation of probability of default and loss given default for different stage of financial assets as per their nature and risk assessment, reviewed the assessment performed for forward looking macro-economic factor.
- Tested the appropriate staging of assets basis their days past due and other loss indicators on sample basis, along with the ECL computation, and ensured application of correct underlying factor like PD, LGD and weights on the financial assets.
- Mathematical accuracy of the computation of ECL was examined by reperforming the formulas.

Assessing Disclosures

We assessed whether the disclosures on key judgements, assumptions, and quantitative data with respect to impairment of loans (including restructuring and NPA related disclosures) in the Consolidated Financial Statements are appropriate and sufficient.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

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

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

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

When we read the Board's report, including Annexures to Board's Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's responsibilities Relating to Other Information'.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended issued thereunder. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

a. We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of ₹ 11,427.80 lakhs as at 31 March 2022, total revenues of ₹ 8,344.44 lakhs and net out flows amounting to ₹ 902.09 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

b. The comparative consolidated Ind AS financial statements of the Company for the year ended 31 March 2021, were audited by another auditor whose report dated 19th May, 2021 expressed an unmodified opinion on those statements. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, based on our audit and consideration of the report of the other auditors on separate financial statements as noted in the 'Other Matter' paragraph, we report, to the extent applicable, that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended.

   e. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India are disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

   f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**".

3. With respect to the matter to be included in the Auditor's report under section 197 (16):

   In our opinion and according to the information and explanation given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 193 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

4. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. There were no pending litigations which would impact the consolidated financial position of the Group.

   ii. The Group, its associates and jointly controlled entities did not have any material foreseeable losses on long term contracts including derivative contracts.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies incorporated in India.

   iv

   (a) The Management has represented to us that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has also represented to us that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.

v. No dividend was declared or paid by the company during the year.

For **Pijush Gupta & Co**
Chartered Accountants
ICAI Firm Registration Number: 309015E

Sangeeta Gupta
Partner
Membership Number: 064225
UDIN: 22064225AIYUSF4795

Gurugram
14 May, 2022

Annexure A to Independent Auditors' Report of even date on the Consolidated Financial Statements of Niyogin Fintech Limited

for the year ended 31 March 2022

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

(xxi) According to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have certain remarks included in their reports under Companies (Auditor's Report) Order, 2020 ("CARO"), which have been reproduced as per the requirements of the Guidance Note on CARO

For **Pijush Gupta & Co**
Chartered Accountants
ICAI Firm Registration Number: 309015E

Sangeeta Gupta
Partner
Membership Number: 064225
UDIN: 22064225AIYUSF4795

Gurugram
14 May, 2022

Annexure B to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Niyogin Fintech Limited

[Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Niyogin Fintech Limited on the consolidated Financial Statements for the year ended 31 March, 2022.]

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

OPINION

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to consolidated financial statements of Niyogin Fintech Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary companies which are companies incorporated in India, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31 March 2022, based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding company, its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding company, its subsidiary companies which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding company, its subsidiary companies which are companies incorporated in India.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OTHER MATTERS

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to two subsidiary companies which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **Pijush Gupta & Co**
Chartered Accountants
ICAI Firm Registration Number: 309015E

Gurugram
14 May, 2022

Sangeeta Gupta
Partner
Membership Number: 064225
UDIN: 22064225AIYUSF4795

Consolidated Balance Sheet

As at 31 March 2022

(Amounts in ₹ lakhs)

Particulars	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Financial assets			
Cash and cash equivalents	4	3,737.81	6,812.33
Bank balance other than cash and cash equivalents above	5	5,063.32	3,048.54
Receivables			
(i) Trade receivables	6(a)	2,761.71	798.11
(ii) Other receivables	6(b)	82.19	6.23
Loans	7	5,834.63	4,583.86
Investments	8	6,288.89	8,026.14
Other financial assets	9	1,453.15	305.69
Total financial assets		**25,221.70**	**23,580.90**
Non-financial Assets			
Inventories	10	191.81	91.82
Income tax assets	36	420.57	324.55
Deferred tax assets (Net)		-	-
Right of use asset		104.81	192.74
Property, plant and equipment	11	194.05	63.50
Intangible assets under development		-	7.90
Intangible assets	11	3,824.19	4,200.50
Goodwill		5,952.85	8,033.52
Other non-financial assets	12	389.13	315.45
Total non-financial assets		**11,077.41**	**13,229.98**
TOTAL ASSETS		**36,299.11**	**36,810.88**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables	13		
(I)Trade payables		-	-
a) total outstanding dues of micro enterprises and small enterprises		74.37	13.50
b) total outstanding dues of creditors other than micro enterprises and small enterprises		391.67	212.73
Borrowings (other than debt securities)	14	29.10	29.10
Contract liabilities	15	-	-
Other financial liabilities	16	3,500.04	4,425.90
Total financial liabilites		**3,995.18**	**4,681.24**
Non-financial liabilities			
Provisions	17	948.49	614.39
Deferred tax liabilities	18	55.58	76.98
Other non-financial liabilities	19	183.08	198.35
Total non-financial liabilites		**1,187.15**	**889.72**
EQUITY			
Equity share capital	20	9,421.15	9,350.15
Other equity	21	19,167.55	19,194.54
Equity attributable to owners of Niyogin Fintech Limited		**28,588.70**	**28,544.69**
Non-controlling interests		**2,528.08**	**2,695.23**
Total Equity		**31,116.78**	**31,239.92**
TOTAL LIABILITIES AND EQUITY		**36,299.11**	**36,810.88**
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

For **Pijush Gupta & Co**
Chartered Accountants
Firm's Registration No: 309015E

For and on behalf of the Board of Directors of
Niyogin Fintech Limited
CIN No: L65910TN1988PLC131102

Sangeeta Gupta
Partner
Membership No: 064225

Amit Rajpal
Chairman & Non-Executive Director
DIN : 07557866
Hong Kong

Tashwinder Singh
Managing Director & Chief Executive Officer
DIN: 06572282

Raghvendra Somani
Chief Financial Officer (Interim)

Neha Agarwal
Company Secretary & Compliance Officer
Membership No: 41425

Gurugram
14 May, 2022

Mumbai
14 May, 2022

Consolidated Statement of Profit and Loss

for the quarter ended 31 March 2022

(Amounts in ₹ lakhs)

	Particulars	Note	Year ended 31 March 2022	Year ended 31 March 2021
	Revenue from operations			
(i)	Interest income	22	2,087.92	2,467.12
(ii)	Fees and commission Income	23	4,219.82	1,933.12
(iii)	Sales of Products	24	3,196.66	209.25
(iv)	Net gain on fair value changes	25	8.71	69.62
(v)	Other income (Revenue from operations)	26	769.19	331.35
(I)	**Total revenue from operations**		**10,282.30**	**5,010.46**
(II)	Other income	27	425.61	52.59
(III)	**Total income**		**10,707.91**	**5,063.05**
	Expenses			
(i)	Finance costs	28	20.30	23.93
(ii)	Fees and commission Expenses	29	3,823.02	770.30
(iii)	Impairment on financial instruments	30	74.45	651.18
(iv)	Purchases of Stock in trade	31	3,034.53	932.04
(v)	Changes in Inventories	32	(99.99)	2.55
(vi)	Employee benefits expenses	33	2,900.71	1,873.15
(vii)	Depreciation and amortization	34	538.92	501.48
(viii)	Others expenses	35	1,188.69	1,033.60
(IV)	**Total expenses**		**11,480.63**	**5,788.23**
(V)	**Loss before tax**		**(772.72)**	**(725.18)**
(VI)	Tax expense:	36		
	(1) Current tax		46.67	56.50
	(2) Deferred tax		(59.34)	(39.60)
	Total tax expense		**(12.67)**	**16.90**
	Loss for the year		**(760.05)**	**(742.08)**
(VII)	**Other comprehensive income**			
	(i) Items that will not be reclassified to profit or loss			
	a) Re-measurement of defined benefit plan		8.04	12.48
	b) Income tax relating to items that will not be reclassified to profit or loss		0.48	-
	Other comprehensive income		**8.52**	**12.48**
(VIII)	**Total comprehensive loss for the year**		**(751.53)**	**(729.59)**
	Profit is attributable to:			
	Owners of Niyogin Fintech Limited		(592.89)	(692.11)
	Non-controlling interests		(167.15)	(49.97)
	Other comprehensive income is attributable to:			
	Owners of Niyogin Fintech Limited		8.52	12.48
	Non-controlling interests		-	-
	Total comprehensive loss is attributable to:			
	Owners of Niyogin Fintech Limited		**(584.37)**	**(679.63)**
	Non-controlling interests		**(167.15)**	**(49.97)**
(IX)	**Earnings per equity share**			
	Basic (₹)		(0.63)	(0.79)
	Diluted (₹)		(0.63)	(0.79)

Notes: See accompanying notes to the financial statements 3

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

For **Pijush Gupta & Co**
Chartered Accountants
Firm's Registration No: 309015E

Sangeeta Gupta
Partner
Membership No: 064225

Gurugram
14 May, 2022

For and on behalf of the Board of Directors of
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CIN No: L65910TN1988PLC131102

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Chairman & Non-Executive Director
DIN : 07557866
Hong Kong

Tashwinder Singh
Managing Director & Chief Executive Officer
DIN: 06572282

Raghvendra Somani
Chief Financial Officer (Interim)

Neha Agarwal
Company Secretary & Compliance Officer
Membership No: 41425

Mumbai
14 May, 2022

Consolidated Statement of Cash Flows

For year ended 31 March 2022

(Amounts in ₹ lakhs)

Particulars	For Year ended 31 March 2022	For Year ended 31 March 2021
CASH FLOW FROM OPERATING ACTIVITIES :		
Loss before tax:	(772.72)	(725.18)
Adjustments :		
Interest income on loans	(780.88)	(1,744.27)
Interest on investments	(1,060.77)	(280.67)
Interest on deposits with banks	(243.65)	(439.84)
Depreciation and amortisation	538.92	501.48
Net gain on fair value changes	(8.71)	(23.61)
Employee share based payments	530.13	333.70
Impairment on financial instruments	74.45	651.18
Interest expense on lease liability	20.31	23.40
Interest income on security deposit	(2.62)	(2.23)
Re-measurement of defined benefit plan	8.52	-
Operating profit before working capital changes	**(1,697.02)**	**(1,706.04)**
Adjustments for (increase)/ decrease in operating assets:		
Bank balance other than cash and cash equivalents above		
Trade receivables	(2,617.27)	-
Other receivables	(75.75)	(135.32)
Loans	(1,167.61)	8,035.64
Other financial assets	(495.83)	(1,097.81)
Inventories	(99.99)	(91.82)
Other non financial assets	(1,098.03)	9.09
Adjustments for increase/ (decrease) in operating liabilities		
Trade payables	241.63	106.45
Other financial liabilities	(925.86)	4,143.64
Provisions	334.10	352.72
Other non financial liabilities	(15.27)	150.08
Net cash used in operating activities	**(7,616.92)**	**9,766.64**
Cash inflow from interest income on loans	623.48	1,275.33
Net cash used in operating activities	**(6,993.44)**	**11,041.97**
CASH FLOW FROM INVESTING ACTIVITIES :		
Sale of investment	4,793.38	-
Purchase of investments	-	(9,527.50)
Proceeds from maturity of fixed deposits	(1,667.37)	723.19
Purchase of property, plant and equipments	(173.05)	(35.55)
Purchase of intangible assets	(30.10)	(3,537.46)
Purchase of intangible assets under development	-	(1.25)
Income from Investment	959.99	605.51
Net cash generated from investing activities	**3,882.85**	**(11,773.07)**
CASH FLOW FROM FINANCING ACTIVITIES :		
Proceed of issue of shares	71.00	751.60
Increase in securities premium	27.25	3,999.51
Repayment of lease liability	(82.49)	(73.44)
Increase in borrowing during the year (net)	-	7.00
Finance cost classified as financing activity	20.31	-
Net cash generated from financing activities	**36.07**	**4,684.67**
NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES	**(3,074.52)**	**3,953.56**
Add : Cash and cash equivalents at beginning of the year	6,812.33	2,858.77
Cash and cash equivalents at end of the year	**3,737.81**	**6,812.33**

Components of Cash and Cash Equivalents

(Amounts in ₹ lakhs)

Particulars	For Year ended	
	31 March 2022	31 March 2021
Cash and cash equivalents at the end of the period		
- Cash on hand	0.47	0.34
- Balance with bank in current account	3737.34	6,811.99
Total	**3,737.81**	**6,812.33**

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

As per our report of even date.

For **Pijush Gupta & Co**
Chartered Accountants
Firm's Registration No: 309015E

Sangeeta Gupta
Partner
Membership No: 064225

For and on behalf of the Board of Directors of
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Chief Financial Officer (Interim)

Neha Agarwal
Company Secretary & Compliance Officer
Membership No: 41425

Gurugram
14 May, 2022

Mumbai
14 May, 2022

Consolidated Statement of changes in equity

for the year ended 31 March 2022

A. EQUITY SHARE CAPITAL

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number	₹ in lakhs	Number	₹ in lakhs
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year	**9,35,01,466**	**9,350.15**	**8,59,85,475**	**8,598.55**
Changes in Equity Share Capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-
Changes in equity share capital during the current year	-	-	-	-
- against employee staock option	7,10,004	71.00	1,84,159	18.42
- against acquisition of subsidiary	-	-	73,31,832	733.18
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	**9,42,11,470**	**9,421.15**	**9,35,01,466**	**9,350.15**

B. OTHER EQUITY

(Amounts in ₹ lakhs)

	Reserves and Surplus				Total
	Securities Premium	Retained Earnings	Special reserve	Share based options outstanding account	
Balance as at 31 March 2021	**22,993.53**	**(4,622.96)**	**1.89**	**822.08**	**19,194.54**
Changes in accounting policy or prior period errors					
Restated balance as at 31 March 2021	**22,993.53**	**(4,622.96)**	**1.89**	**822.08**	**19,194.54**
Profit/Loss for the year	-	(592.89)	-	-	(592.89)
Total Comprehensive Income for the current year	-	8.52	-	-	8.52
Securities premium proceeds received on issue of equity shares	258.38	-	-	-	258.38
Share issue expenses	-	-	-	-	-
Employee stock option (net)	-	-	-	299.00	299.00
Balance as at 31 March 2022	**23,251.90**	**(5,207.33)**	**1.89**	**1,121.08**	**19,167.55**

(Amounts in ₹ lakhs)

	Reserves and Surplus				Total
	Securities Premium	Retained Earnings	Special reserve	Share based options outstanding account	
Balance as at 31 March 2020	**18,812.38**	**(3,943.33)**	**1.89**	**670.03**	**15,540.97**
Changes in accounting policy or prior period errors	-	-	-	-	
Restated balance as at 31 March 2020	**18,812.38**	**(3,943.33)**	**1.89**	**670.03**	**15,540.97**
Profit/Loss for the year	-	(692.12)	-	-	(692.12)
Total Comprehensive Income for the current year	-	12.49	-	-	12.49
Securities premium proceeds received on issue of equity shares	4,181.15	-	-	-	4,181.15
Share issue expenses	-	-	-	-	-
Employee stock option (net)	-	-	-	152.05	152.05
Balance as at 31 March 2021	**22,993.53**	**(4,622.96)**	**1.89**	**822.08**	**19,194.54**

As per our report of even date.

For **Pijush Gupta & Co**
Chartered Accountants
Firm's Registration No: 309015E

For and on behalf of the Board of Directors of
Niyogin Fintech Limited
CIN No: L65910TN1988PLC131102

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Company Secretary & Compliance Officer
Membership No: 41425

Gurugram
14 May, 2022

Mumbai
14 May, 2022

Notes Forming part of the Consolidated Financial Statements

for the year ended 31 March 2022

1. CORPORATE INFORMATION

Niyogin Fintech Limited ('the Company') is a non-deposit taking non-systemically important Non-Banking Financial Company and pursuant to change of Reserve Bank of India ("RBI") jurisdiction has been issued a new certificate of registration dated 16 April 2021 bearing registration number B-07.00874. It is a non-deposit taking non-systemically important Non-Banking Financial Company ('NBFC-ND-NSI'). The Parent Company together with its subsidiaries hereinafter collectively referred to as the 'Group'.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (the 'Ind AS') prescribed under section 133 of the Companies Act, 2013 (the 'Act').

2.2 Basis of measurement

The consolidated financial statements have been prepared on historical cost basis except for following assets and liabilities which have been measured at fair value amount:

i) Investment in scheme of Mutual funds at fair value through profit and loss ('FVTPL')

2.3 Functional and presentation currency

The consolidated financial statements are presented in Indian Rupees (₹) which is the currency of the primary economic environment in which the Group operates (the 'functional currency'). The values are rounded to the nearest lakhs, except when otherwise indicated.

2.4 Principles of consolidation

(i) The consolidated financial statements incorporate the financial statements of the Parent Company and all its subsidiaries (from the date control is gained), being the entities that it controls. Control is evidenced where the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power is demonstrated through existing rights that give the ability to direct relevant activities, which significantly affect the entity returns. The financial statements of subsidiaries are prepared for the same reporting year as the Parent Company. Where necessary, adjustments are made to the financial statements of subsidiaries to align the accounting policies in line with accounting policies of the Parent Company.

The Parent Company holds more than 50.00% shareholding in its subsidiaries and there are no contractual arrangements which rebut the control of the Parent Company over its subsidiaries.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses from the effective date of acquisition, as appropriate. IntraGroup balances and transactions, and any intraGroup borrowings and loans and other such balances arising from intraGroup transactions, are eliminated in preparing the consolidated financial statements.

(ii) The Consolidated financial statements include results of the subsidiaries of Niyogin Fintech Limited (Parent Company) consolidated in accordance with Ind AS 110 'Consolidated Financial Statements'.

Name of the company	Country of incorporation	Proportion of ownership as at reporting date	Consolidated as
Iserveu Technology Private Limited (ISU)	India	51.00%	Subsidiary
Investdirect Capital Services Private Limited (ICSPL)	India	60.76%	Subsidiary

Figures for preparation of consolidated financial statements have been derived from the audited financial statements of the respective companies in the Group.

(iii) Disclosure in terms of Schedule III of the Companies Act, 2013

Name of entities of the Group	Net assets (i.e. total assets minus total liabilities)		Share in Profit or (Loss)		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount in ₹	As a % of consolidated profit or loss	Amount in ₹	As a % of consolidated other comprehensive income	Amount in ₹	As a % of consolidated total comprehensive income	Amount in ₹
Parent	46.29%	14,403.60	55.28%	(420.18)	100%	8.52	54.78%	(411.66)
Subsidiary	53.71%	16,713.17	44.72%	(339.87)	-	-	45.22%	(339.87)
Total	**100.00%**	**31,116.77**	**100.00%**	**(760.05)**	**100%**	**8.52**	**100.00%**	**(751.53)**

2.5 Use of estimates, judgements and assumptions

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Actual results may differ from the estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Following are the areas that involved a higher degree of estimates and judgement or complexity in determining the carrying amount of some assets and liabilities.

i) Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. For further details about determination of fair value refer note 3.8 and note 47.

ii) Effective interest rate ('EIR') method

The Group's EIR methodology, as explained in Note 3.1(A), recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behavior and life-cycle of the instruments, as well as expected changes to interest rates and other fee income/ expense that are integral parts of the instrument.

iii) Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Group's expected credit loss ('ECL') calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

a) The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life time expected credit loss ('LTECL') basis.

b) Development of ECL models, including the various formulas and the choice of inputs.

c) Determination of associations between macroeconomic scenarios and economic inputs as gross domestic products, and the effect on probability of default ('PD'), exposure at default ('EAD') and loss given default ('LGD').

d) Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into ECL models.

iv) Provisions and other contingent liabilities

The Group operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations.

When the Group can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Group records a provision against the case. Where the outflow is considered to be probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Group takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

For further details on provisions and other contingencies refer note 3.16.

These estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances. Management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable.

2.6 Presentation of the consolidated financial statements

The Group presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented in Note 48.

Financial assets and financial liability are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

i) The normal course of business
ii) The event of default

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Recognition of interest income

A. EIR method

Under Ind AS 109, interest income is recorded using the effective interest rate method for all financial instruments measured at amortised cost and financial instrument measured at Fair Value through other comprehensive income ('FVOCI'). The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Group recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the financial instrument.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the statement of profit and loss.

B. Interest income

The Group calculates interest income by applying EIR to the gross carrying amount of financial assets other than credit impaired assets.

When a financial asset becomes credit impaired and is, therefore, regarded as 'stage 3', the Group calculates interest income on the net basis. If the financial asset cures and is no longer credit impaired, the Group reverts to calculating interest income on a gross basis.

3.2 Financial instrument - initial recognition

A. Date of recognition

Debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

B. Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments (Refer note 3.3(A)). Financial instruments are initially measured at their fair value (as defined in Note 3.8). Transaction costs are added to, or subtracted from this amount at initial recognition except in the case of financial assets and financial liabilities recorded at FVTPL.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in Statement of profit and loss.

C. Measurement categories of financial assets and liabilities

The Group classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

i) Amortised cost
ii) FVOCI
iii) FVTPL

3.3 Financial assets and liabilities

A. Financial assets

Business model assessment

The Group determines its business model at the level that best reflects how it manages Groups of financial assets to achieve its business objective.

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

a) How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Group's key management personnel.

b) The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.

c) The expected frequency, value and timing of sales are also important aspects of the Group's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Solely payments of principal and interest (SPPI) test

As a second step of its classification process, the Group assesses the contractual terms of financial to identify whether they meet SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Accordingly, financial assets are measured as follows:

i) Financial assets carried at amortised cost ('AC')
A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii) Financial assets measured at FVOCI
A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii) Financial assets measured at FVTPL
A financial asset which is not classified in any of the above categories are measured at FVTPL.

B. Financial liability

i) Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method.

3.4 Reclassification of financial assets and liabilities

The Group does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Group did not reclassify any of its financial assets or liabilities in the year ended 31 March 2022.

3.5 Derecognition of financial assets and liabilities

i) Financial assets

A. Derecognition of financial assets due to substantial modification of terms and conditions

The Group derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes.

B. Derecognition of financial assets other than due to substantial modification

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit and loss.

ii) Financial liability

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in the statement of profit and loss.

3.6 Impairment of financial assets

A. Overview of ECL principles

In accordance with Ind AS 109, the Group uses ECL model, for evaluating impairment of financial assets other than those measured at FVTPL.

Expected credit losses are measured through a loss allowance at an amount equal to:

i.) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

ii.) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

Both LTECLs and 12 months ECLs are calculated on collective basis.

Based on the above, the Group categorizes its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When loans are first recognised, the Group recognises an allowance based on 12 months ECL. Stage 1 loans includes those loans where there is no significant credit risk observed and also includes facilities where the credit risk has been improved and the loan has been reclassified from stage 2 or stage 3.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the life time ECL. Stage 2 loans also includes facilities where the credit risk has improved and the loan has been reclassified from stage 3.

Stage 3: Loans considered credit impaired are the loans which are past due for more than 90 days. The Group records an allowance for life time ECL.

Based on the above, the Group categorizes its investments and balances with banks into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When investments and balances with banks are first recognised, it is categorised as Stage 1.Stage 1 would include all investments and balances with bank, not impaired or, have not experienced a significant increase in credit risk since initial recognition.

Stage 2:

- For facilities with rating grade AAA to B, three notch downgrades (without modifiers) shall be taken as stage 2.

- Any financial instrument with rating grade CCC or below classified as Stage 2 at origination.

Stage 3:
All the investments and balances with banks will be considered as credit impaired which are past due for more than 90 days.

B. Calculation of ECLs

The mechanics of ECL calculations are outlined below and the key elements are, as follows:

PD Probability of Default ('PD') is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. For investments and balances with banks, the Group uses external ratings for determining the PD of respective instruments.

EAD Exposure at Default ('EAD') is an estimate of the amount outstanding when the borrower defaults.It is the total amount of an asset the entity is exposed to at the time of default. It is defined based on characteristics of the asset.

LGD Loss Given Default ('LGD') is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The Group has calculated PD, EAD and LGD to determine impairment loss on the portfolio of loans and discounted at an approximation to the EIR. At every reporting date, the above calculated PDs, EAD and LGDs are reviewed and changes in the forward looking estimates are analysed.

The mechanics of the ECL method are summarised below:

Stage 1: The 12 months ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-months default probabilities are applied to a EAD and multiplied by the expected LGD.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument.

Stage 3: For loans considered credit-impaired, the Group recognises the lifetime expected credit losses for these loans. The method is similar to that for stage 2 assets, with the PD set at 100%.

Simplified approach for trade/other receivables and contract assets

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade/other receivables that do not contain a significant financing component. The application of simplified approach does not require the Group to track changes in credit risk. It recognises impairment loss allowance based on lifetime ECL s at each reporting date, right from its initial recognition. At every reporting date, the historical observed default rates are updated for changes in the forward-looking estimates. For trade receivables that contain a significant financing component a general approach is followed.

C. Forward looking information

In its ECL models, the Group relies on a broad range of forward looking macro parameters and estimated the impact on the default at a given point of time.

i) Gross fixed investment (% of GDP)

D. Restructured loans

The Group is permitted to restructure customer accounts. Restructuring would normally involve modification of terms of the advances / securities, which would generally include, among others, alteration of payment period / payable amount / the amount of installments / rate of interest, sanction of additional credit facility/ release of additional funds for a customer account. The Group considers the modification of the loan only before the loans gets credit impaired. In case of restructuring, the accounts classified as 'standard' shall be immediately downgraded as non-performing assets / Stage 3 unless and other wise explicitly stated in the Circulars and Directions issued by Reserve Bank of India from time to time. Once an asset has been classified as restructured, it will remain restructured for a period of year from the date on which it has been restructured until the customer account demonstrates satisfactory performance during the specified period.

For upgradation of accounts classified as Non-Performing Assets due to restructuring, the instructions as specified for such cases as per the said RBI guidelines shall continue to be applicable.

One time restructuring (OTR) of loan accounts allowed by RBI vide circular resolution framework for COVID-19 related stress, all borrowers, wherein resolution plan has been invoked and completed within 90 days shall be continued to be classified as Stage 1.

3.7 Write-offs

Financial assets are written off when there are no prospects of recovery which are subject to management decision . If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to other income in the statement of profit and loss.

3.8 Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group has taken into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- **Level 1** financial instruments: Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date;

- **Level 2** financial instruments: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads; and market-corroborated inputs.

- **Level 3** financial instruments: Those that include one or more unobservable input that is significant to the measurement as whole.

3.9 (I) Recognition of other income

Revenue (other than for those items to which Ind AS 109 - Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 - Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs.

The Group recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115 :

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation.

A. Other interest income

Interest income on security deposits and FD is recognised on a time proportionate basis.

B. Fees and other income

Processing fees not considered in EIR, service income, bounce charges, penal charges and foreclosure charges etc. are recognised on point in time basis.

Provide clear understanding of what is this income against

3.9 (II) Recognition of other expense

A. Borrowing costs

Borrowing costs are the interest and other costs that the Group incurs in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

All other borrowing costs are charged to the statement of profit and loss for the period for which they are incurred.

3.10 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

3.11 Property, plant and equipment

Property, plant and equipment ('PPE') are carried at cost, less accumulated depreciation and impairment losses, if any. The cost of PPE comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses. Subsequent expenditure on PPE after its purchase is capitalized only if it is probable that the future economic benefits will flow to the enterprise and the cost of the item can be measured reliably.

Depreciation is calculated using the straight line method to write down the cost of property and equipment to their residual values over their estimated useful lives as specified under schedule II of the Act. Land is not depreciated.

The estimated useful lives are, as follows:

i) Computer Equipments - 3 years

ii) Office equipment - 5 years

iii) Furniture and fixtures - 10 years

Depreciation is provided on a pro-rata basis from the date on which such asset is ready for its intended use and residual value is considered as Nil.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

PPE is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised.

3.12 Intangible assets

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

The Group's intangible assets include the value of software. An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Group.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values (Nil) over their estimated useful lives (three years) using the straight-line method, and is included in depreciation and amortisation in the statement of profit and loss.

3.13 Impairment of non financial assets - property, plant and equipments and intangible assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

The carrying values of assets / cash generating units at the each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and if the carrying amount of these assets exceeds their recoverable amount, impairment loss is recognised in the statement of profit and loss as an expense, for such excess amount. The recoverable amount is the greater of the net selling price and value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss.

3.14 Leases

Ind AS 116 - Leases sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The Group has opted for two recognition exemptions for lessees :

– leases of 'low-value' assets (e.g., personal computers)

- and short-term leases (i.e., leases with a lease term of 12 months or less).

At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset (cost model).

The Group has Lease agreements for taking office premises along with furniture and fixtures as applicable and premises on rental basis range of 36 months to 60 months wherein the Group is a lessee.

3.15 Retirement and other employee benefits

Defined contribution plans

The Group's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

The Group pays gratuity to the employees whoever has completed five years of service with the Group at the time of resignation / retirement. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employee's services.

As per Ind AS 19, the service cost and the net interest cost are charged to the statement of profit and loss. Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI.

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.16 Provisions, contingent liabilities and contingent assets

A. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Group determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

B. Contingent liability

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or; present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for.

C. Contingent asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are neither recognised not disclosed in the financial statements.

3.17 Taxes

A. Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. Current tax is the amount of tax payable on the taxable income for the period as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or equity.

B. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

A deferred tax asset is recognised for the carryforward of unused tax losses and accumulated depreciation to the extent that it is probable that future taxable profit will be available against which the unused tax losses and accumulated depreciation can be utilised.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or equity.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Group has a legally enforceable right for such set off.

C. Goods and services tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax paid, except when the tax incurred on a purchase of assets or availing of services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

3.18 Earnings per share

Basic earnings per share ('EPS') is computed by dividing the profit after tax (i.e. profit attributable to ordinary equity holders) by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the profit after tax (i.e. profit attributable to ordinary equity holders) as adjusted for after-tax amount of dividends and interest recognised in the period in respect of the dilutive potential ordinary shares and is adjusted for any other changes in income or expense that would result from the conversion of the dilutive potential ordinary shares, by the weighted average number of equity shares considered for deriving basic earnings per share as increased by the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits, right issue and bonus shares, as appropriate.

3.19 Dividends on ordinary shares

The Group recognises a liability to make cash or non-cash distributions to equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the Act, final dividend is authorised when it is approved by the shareholders and interim dividend is authorised when the it is approved by the Board of Directors of the Group. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

3.20 CASH FLOW STATEMENT

Cash flows are reported using the indirect method as prescribed under Ind AS 7, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

4. CASH AND CASH EQUIVALENTS

(Amounts in ₹ lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Cash on hand	0.47	0.34
Balance with banks		
- In current accounts	2,745.66	6,811.99
- In fixed deposits (with original maturity of less than 3 months)	991.68	-
Total	**3,737.81**	**6,812.33**

5. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS ABOVE

(Amounts in ₹ lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Fixed deposits (with original maturity of more than 3 months) #	5,063.32	3,129.34
(Less) Allowance for impairment loss	-	(80.80)
Total	**5,063.32**	**3,048.54**

6. RECEIVABLES

(Amounts in ₹ lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
a)Trade receivables	2,761.92	798.11
b)Other receivables	82.19	6.23
Total	**2,844.11**	**804.34**
Secured - Considered good	-	-
Unsecured - Considered good	2,844.11	804.34
Receivables which have significant increase in Credit Risk	-	-
Receivables - credit impaired	-	-
Total - Gross	**2,844.11**	**804.34**
(Less): Impairment loss allowance	(0.21)	-
Total - Net	**2,843.90**	**804.34**

Trade receivables ageing

(Amounts in ₹ lakhs)

Particulars	Unbilled	Not Due for payment	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2022								
(i) Undisputed Trade receivables – considered good	-	-	1,636.25	1,045.02	72.08	8.57	-	2,761.92
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-

(iii) Undisputed Trade receivables – credit impaired	-	-	(0.21)	-	-	-	-	(0.21)
(iv) Disputed Trade receivables– considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade receivables – credit impaired	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**-**	**-**	**1,636.04**	**1,045.02**	**72.08**	**8.57**	**-**	**2,761.71**

(Amounts in ₹ lakhs)

Particulars	**Unbilled**	**Not Due for payment**	**Outstanding for following periods from due date of payment**					**Total**
			Less than 6 months	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	
As at 31 March 2021								
(i) Undisputed Trade receivables – considered good	-	-	761.25	26.65	10.20	-	-	798.11
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade receivables– considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-	-
Total	**-**	**-**	**761.25**	**26.65**	**10.20**	**-**	**-**	**798.11**

7. LOANS

(Amounts in ₹ lakhs)

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Loans at amortised cost		
Term Loans	6,548.72	5,621.58
Total (A) - Gross	**6,548.72**	**5,621.58**
(Less): Impairment loss allowance	(714.09)	(1,037.72)
Total (A) - Net	**5,834.63**	**4,583.86**
Secured by tangible assets	243.08	1,034.92

Secured by intangible assets	-	-
Covered by bank/government guarantees	-	-
Unsecured	6,305.64	4,586.66
Total (B) - Gross	**6,548.72**	**5,621.58**
(Less): Impairment loss allowance	(714.09)	(1,037.72)
Total (B) - Net	**5,834.63**	**4,583.86**
Loans in India		
- Public sector	-	-
- Others	6,548.72	5,621.58
Loans within India - Gross	**6,548.72**	**5,621.58**
(Less): Impairment loss allowance	(714.09)	(1,037.72)
Loans within India -Net - (C)(i)	**5,834.63**	**4,583.86**
Loans Outside India (C) (ii)	-	-
Total (C) - Gross	**6,548.72**	**5,621.58**
(Less): Impairment loss allowance	(714.09)	(1,037.72)
Total (C) - Net	**5,834.63**	**4,583.86**
Loans at fair value through profit and loss		
Loans	-	-
Total (D)	**-**	**-**
Loans outside India	-	-
Loans in India	-	-
Total (D)	**-**	**-**
Grand total - Gross [(A) + (D)]	**6,548.72**	**5,621.58**
Grand total - Net [(C) + (D)]	**5,834.63**	**4,583.86**

7.1 An analysis of changes in the gross carrying amount and the corresponding ECL allowances

Particulars	As at 31 March 2022			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**4,752.52**	**407.01**	**462.05**	**5,621.58**
Assets derecognised or repaid (excluding write offs)	(3,766.79)	(116.23)	(91.24)	(3,974.26)
Transfers from Stage 1	(524.36)	56.73	467.63	-
Transfers from Stage 2	14.49	(246.42)	231.93	-
Transfers from Stage 3	-	-	-	-
Amounts written off	-	-	(373.84)	(373.84)
New assets originated*	5,196.37	23.12	55.76	5,275.25
Gross carrying amount closing balance	**5,672.24**	**124.19**	**752.29**	**6,548.72**

Particulars	As at 31 March 2021			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**13,293.90**	**250.69**	**691.87**	**14,236.46**
Assets derecognised or repaid (excluding write offs)	(7,599.67)	(78.81)	(33.48)	(7,711.96)
Transfers from Stage 1	(1,255.38)	379.27	876.11	-
Transfers from Stage 2	-	(153.29)	153.29	-
Transfers from Stage 3	-	-	-	-
Amounts written off	-	-	(1,225.74)	(1,225.74)
New assets originated*	313.67	9.15	-	322.82
Gross carrying amount closing balance	**4,752.52**	**407.01**	**462.05**	**5,621.58**

* New assets originated are those assets which have either remained in stage 1 or have become stage 2 or 3 at the year end.

7.2 Reconciliation of ECL balance is given below:

Particulars	As at 31 March 2022			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**398.12**	**266.14**	**373.46**	**1,037.72**
Addition during the year	13.07	-	499.61	512.68
Reversal during the year	(163.19)	(245.89)	(427.24)	(836.32)
ECL allowance - closing balance	**248.01**	**20.25**	**445.83**	**714.09**

Particulars	As at 31 March 2021			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**825.64**	**175.79**	**615.53**	**1,616.96**
Addition during the year	165.76	229.76	614.66	1,010.18
Reversal during the year	(593.28)	(139.41)	(856.73)	(1,589.42)
ECL allowance - closing balance	**398.12**	**266.14**	**373.46**	**1,037.72**

Increase in ECLs of the portfolio was driven by an increase in the gross size of the portfolio and movements between stages as a result of increases in credit risk.

8. INVESTMENTS

(Amounts in ₹ lakhs)

Particulars	At amortised cost	At fair value through profit and loss	Total
As at 31 March 2022			
Investment in NCDs	6,237.03	-	6,237.03
Investment in Commercial papers	-	-	-
Investment in Mutual funds	-	209.29	209.29
Investment in Subsidiary	-	-	-
Total (A) - Gross	**6,237.03**	**209.29**	**6,446.32**
Less: Allowance for impairment loss	(157.43)	-	(157.43)
Total (A) - Net	**6,079.60**	**209.29**	**6,288.89**

Investments outside India	-	-	-
Investments in India	6,237.03	209.29	6,446.32
Total (B) - Gross	**6,237.03**	**209.29**	**6,446.32**
Less: Allowance for impairment loss	(157.43)	-	(157.43)
Total (B) - Net	**6,079.60**	**209.29**	**6,288.89**
As at 31 March 2021			
Investment in NCDs	8,005.67	-	8,005.67
Investment in Commercial papers	-	-	-
Investment in Mutual funds	-	97.10	97.10
Investment in Subsidiary	-	-	-
Total (A) - Gross	**8,005.67**	**97.10**	**8,102.77**
Less: Allowance for impairment loss	(76.63)	-	(76.63)
Total (A) - Net	**7,929.04**	**97.10**	**8,026.14**
Investments outside India	-	-	-
Investments in India	8,005.67	97.10	8,102.77
Total (B) - Gross	**8,005.67**	**97.10**	**8,102.77**
Less: Allowance for impairment loss	(76.63)	-	(76.63)
Total (B) - Net	**7,929.04**	**97.10**	**8,026.14**

9. OTHER FINANCIAL ASSETS

(Amounts in ₹ lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Security deposits	54.71	49.24
Advances to Employees	-	1.70
Other Assets	1,398.44	254.75
Total	**1,453.15**	**305.69**

10. INVENTORIES

(Amounts in ₹ lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Stock In Trade	191.81	91.82
Total	**191.81**	**91.82**

36. CURRENT TAX ASSETS

(Amounts in ₹ lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Tax deducted at source	420.57	324.55
Les: Provision for tax	-	-
Total	**420.57**	**324.55**

11. PROPERTY, PLANT AND EQUIPMENT & INTANGIBLE ASSETS

(Amounts in ₹ lakhs)

Particulars	Property, Plant and Equipment						Intangible assets								Intangible assets underdevelopment
	Leasehold improvements	Furniture and fixtures	Office equipments	Computer equipments	Motor Car	Total	Computer software	Mobile App	Website	Trademark	Technology	Customer Relationship	Brand	Total	
Gross Block															
As at 31 March 2020	**0.30**	**3.21**	**10.61**	**55.12**	**-**	**69.24**	**722.83**	**17.28**	**41.28**	**14.38**	**415.88**	**17.38**	**-**	**1,229.03**	**6.65**
Additions	-	-	-	2.40	-	2.40	4.89	4.24	-	-	-	-	-	9.13	5.70
Additions due to acquisition	-	2.94	18.09	42.70	-	63.73	2.87	-	10.84	-	1,129.50	1,017.20	1,814.30	3,974.71	-
Deletions/ Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4.45
As at 31 March 2021	**0.30**	**6.15**	**28.70**	**100.22**	**-**	**135.37**	**730.59**	**21.52**	**52.12**	**14.38**	**1,545.38**	**1,034.58**	**1,814.30**	**5,212.88**	**7.90**
Additions	-	0.49	2.01	98.74	70.15	101.24	12.37	7.90	12.63	-	-	-	-	32.90	-
Additions due to acquisition															
Deletions/ Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7.90
As at 31 March 2022	**0.30**	**6.64**	**30.71**	**198.96**	**70.15**	**236.61**	**742.96**	**29.42**	**64.75**	**14.38**	**1,545.38**	**1,034.58**	**1,814.30**	**5,245.78**	**-**
Accumulated depreciation and impairment losses															
As at 31 March 2020	**0.30**	**0.71**	**4.99**	**35.29**	**-**	**41.29**	**496.03**	**2.71**	**15.02**	**1.69**	**48.52**	**2.03**	**-**	**566.00**	**-**
Charge for the year	-	0.34	2.13	22.35	-	24.82	205.28	3.54	5.31	2.87	158.48	26.08	-	401.56	-
Additions due to acquisition	-	0.57	2.22	2.97	-	5.76	-	-	-	-	44.81	-	-	44.81	-
Deletions/ Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31 March 2021	**0.30**	**1.62**	**9.34**	**60.61**	**-**	**71.87**	**701.31**	**6.25**	**20.33**	**4.56**	**251.81**	**28.11**	**-**	**1,012.37**	**-**
Charge for the year	-	0.61	3.89	31.24	5.11	40.85	18.95	1.35	5.68	2.87	376.89	3.48	-	409.21	-
Deletions/ Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31 March 2022	**0.30**	**2.23**	**13.22**	**91.85**	**5.11**	**112.72**	**720.26**	**7.59**	**26.01**	**7.43**	**628.70**	**31.58**	**-**	**1,421.58**	**-**
Net carrying amount as at 31 March 2021	**-**	**4.53**	**19.36**	**39.61**	**-**	**63.50**	**29.28**	**15.27**	**31.79**	**9.82**	**1,293.57**	**1,006.47**	**1,814.30**	**4,200.49**	**7.90**
Net carrying amount as at 31 March 2022	**-**	**4.41**	**17.49**	**107.11**	**65.04**	**194.05**	**22.70**	**21.82**	**38.74**	**6.95**	**916.68**	**1,003.00**	**1,814.30**	**3,824.19**	**-**

12. OTHER NON FINANCIAL ASSETS

(Amounts in ₹ lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Prepaid expenses	41.17	23.54
Duties and taxes	332.20	290.25
Advance against salary	0.20	1.65
Other assets	15.56	-
Total	**389.13**	**315.45**

13. TRADE PAYABLES

(Amounts in ₹ lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
a) total outstanding dues of micro enterprises and small enterprises	74.37	13.50
b) total outstanding dues of creditors other than micro enterprises and small enterprises	391.67	212.74
Total	**466.04**	**226.24**

Trade Payables ageing

(Amounts in ₹ lakhs)

Particulars	Unbilled	Not Due for payment	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 year	2-3 years	More than 3 years	
As at 31 March, 2022							
MSME	-	-	74.24	0.13	-	-	74.37
Others	-	-	273.11	84.21	20.77	13.58	391.67
Disputed dues – MSME	-	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-	-
Total	**-**	**-**	**347.35**	**84.34**	**20.77**	**13.58**	**466.04**

(Amounts in ₹ lakhs)

Particulars	Unbilled	Not Due for payment	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 year	2-3 years	More than 3 years	
As at 31 March, 2021							
MSME	-	-	13.50	-	-	-	13.50
Others	-	-	154.05	51.54	6.85	0.30	212.73
Disputed dues – MSME	-	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-	-
Total	**-**	**-**	**167.55**	**51.54**	**6.85**	**0.30**	**226.24**

14. BORROWINGS (OTHER THAN DEBT SECURITIES)

(Amounts in ₹ lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Borrowings (other than debt securities)	29.10	29.10
Total	**29.10**	**29.10**

15. CONTRACT LIABILITIES

(Amounts in ₹ lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Contract liabilities	-	-
Total	**-**	**-**

16. OTHER FINANCIAL LIABILITIES

(Amounts in ₹ lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Payable to borrowers	5.73	5.73
Lease liability	146.77	240.95
Loan from Others	740.61	-
Contingent consideration	-	3,055.67
Other financial liabilities	2,606.93	1,123.55
Total	**3,500.04**	**4,425.90**

17. PROVISIONS

(Amounts in ₹ lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Provisions for employee benefits		
Gratuity	59.02	36.78
Bonus	126.00	145.00
Provision for expenses	763.47	432.61
Provision for capital expenses	-	-
Total	**948.49**	**614.39**

18. DEFERRED TAX LIABILITIES

(Amounts in ₹ lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred tax liabilities	55.58	76.98
Total	**55.58**	**76.98**

19. OTHER NON FINANCIAL LIABILITIES

(Amounts in ₹ lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Statutory dues payable	183.08	198.35
Revenue received in advance	-	-
Total	**183.08**	**198.35**

20. EQUITY

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number	₹ in lakhs	Number	₹ in lakhs
Authorised shares				
104,000,000 Equity Shares of ₹ 10 each (As at 31 March 2020: 89,000,000 Equity Shares of ₹ 10 each)	10,40,00,000	1,04,00,000.00	10,40,00,000	1,04,00,000.00
9,000,000 Preference Shares of ₹ 10 each (As at 31 March 2020: 9,000,000 Preference Shares of ₹ 10 each)	90,00,000	900.00	90,00,000	900.00
Issued, subscribed & fully paid-up shares				
93,501,466 Equity Shares of ₹ 10 each (As at 31 March 2020: 85,985,475 Equity Shares of ₹ 10 each)	9,42,11,470	9,421.15	9,35,01,466	9,350.15
Total	**9,42,11,470**	**9,421.15**	**9,35,01,466**	**9,350.15**

a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year.

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number	₹ in lakhs	Number	₹ in lakhs
Outstanding at the beginning of the year	9,35,01,466	9,350.15	8,59,85,475	8,598.55
Issued during the year	7,10,004	71.00	75,15,991	751.60
Outstanding at the end of the year	**9,42,11,470**	**9,421.15**	**9,35,01,466**	**9,350.15**

b) Terms / rights / restrictions attached to equity shares

The Parent Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend, if any in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting.

During the Year ended 31 March 2021, the amount of per share dividend recognised as distributions to Equity Shareholders was Nil (P.Y Nil).

In the event of liquidation of the Parent Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Parent Company, after distribution of all preferential amounts. However, no such preferential amounts exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of Equity shares held by each shareholder holding more than 5% Equity shares (Face value ₹ 10 per Share):

Class of shares / Name of shareholder	As at 31 March 2022		As at 31 March 2021	
	Number	₹ in lakhs	Number	₹ in lakhs
Equity shares				
Information Interface India Private Limited	3,44,35,567	36.6%	3,44,35,567	36.8%
WF Asian Reconnaissance Fund Limited	1,21,69,500	12.9%	1,21,69,500	13.0%
Strategic India Equity Fund	95,69,125	10.2%	1,01,01,125	10.8%
Vikasa India EIF I Fund	56,60,715	6.0%	70,20,067	7.5%
Carmignac Portfolio	56,50,000	6.0%	64,05,000	6.9%
	6,74,84,907	**71.6%**	**7,01,31,259**	**75.0%**

Year ended	Shares held by promoters at the end of the year			% Change during the year
	Promotor Name	No. of shares	% of Total shares	
Shares as at 31 March 2022	Makarand Ram Patankar	4,561	0.005	-
	Amit Rajpal	18,75,242	1.99	0.28
	Information Interface India Private Limited	3,44,35,567	36.55	-
Shares as at 31 March 2021	Makarand Ram Patankar	4,561	0.005	-
	Amit Rajpal	15,98,004	1.71	1.16
	Information Interface India Private Limited	3,44,35,567	36.83	-

d) No Bonus shares have been issued during the year and in immediately preceding 5 years.

e) There has been no buy back of shares during the year and in immediately preceding 5 years.

21. OTHER EQUITY

(Amounts in ₹ lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Securities premium account	23,251.91	22,993.53
Retained earnings	(5,207.33)	(4,622.96)
Employee stock option reserve	1,121.08	822.08
Special Reserve under section 45 IC of RBI Act, 1934	1.89	1.89
TOTAL	**19,167.55**	**19,194.54**

(Amounts in ₹ lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Securities premium account		
Opening balance	22,993.53	18,812.38
Add/(Less) : Changes during the year	258.38	4,181.15
Closing balance	**23,251.91**	**22,993.53**
Retained earnings		
Opening balance	(4,622.96)	(3,943.33)
Add: Loss for the year	(592.89)	(692.12)
Add: Other comprehensive income for the year	8.52	12.49
Less: Transfer to Special Reserve under section 45 IC of RBI Act, 1934	-	-
Add: Transfer from share based payment reserve	-	-
Closing balance	**(5,207.33)**	**(4,622.96)**
Employee stock option reserve		
Opening balance	822.08	670.03
Add: Charge during the year	299.00	152.05
Closing balance	**1,121.08**	**822.08**
Special Reserve under section 45 IC of RBI Act, 1934		
Opening balance	1.89	1.89
Add/(Less) : Transfer to special reserve	-	-
Closing balance	1.89	1.89
Total	**19,167.55**	**19,194.55**

Nature and purpose of the reserve

a) Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act,2013.

b) Retained earnings

Retained earnings represents the deficit in profit and loss account.

The Group recognises change on account of remeasurement of the net defined benefit liability/(asset) as part of retained earnings with separate disclosure, which comprises of actuarial gains and losses.

c) Employee stock option reserve

The share options outstanding account reserve is created as required by Ind AS 102 "Share based payments" for the Employee Stock Option Scheme operated by the Group for employees of the group.

d) Special Reserve under section 45 IC of RBI Act, 1934

As per section 45-IC of the Reserve Bank Of India Act,1934, the company is required to create a reserve fund at the rate of 20% of the net profit after the tax of the company every year. The Company has not transferred any amount in the current and in previous year to statutory Reserve as the Company has incurred losses. No appropriation of any sum from this reserve fund shall be made by the non- banking financial company expect for the purpose as may be specified by Reserve Bank of India.

22. INTEREST INCOME

(Amounts in ₹ lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
On financial assets measured at amortised costs:		
Interest on loans	780.88	1,744.27
Interest on Investments	1,060.77	280.67
Interest on FD	243.65	439.84
Interst Income on security deposit	2.62	2.34
Total	**2,087.92**	**2,467.12**

23. FEES AND COMMISSION INCOME

(Amounts in ₹ lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Processing fees on loan	**-**	**1.49**
Commission Income	4,219.82	1,931.63
Total	**4,219.82**	**1,933.12**

24. SALES OF PRODUCTS

(Amounts in ₹ lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Device Sales	3,196.66	209.25
Total	**3,196.66**	**209.25**

25. NET GAIN / (LOSS) ON FAIR VALUE CHANGES

(Amounts in ₹ lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Net gain /(loss) on financial instruments at FVTPL	8.71	69.62
Gain on mutual fund investments	-	-
Total (A)	**8.71**	**69.62**

26. OTHER INCOME (REVENUE FROM OPERATIONS)

(Amounts in ₹ lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Bounce charges	1.93	0.79
Penal charges	3.42	3.49
Foreclosure charges	4.21	5.10
Discount Received	1.45	-
Brokerage received	83.54	120.38
Sale of Subscription Services	10.03	9.97
Sale of Value Added Services For Marketing	139.48	2.42
Documentation Charges	13.58	0.21
Sale AMC Services	31.40	-
Licensing Integration fees	480.15	189.20
Total	**769.19**	**331.35**

27. OTHER INCOME

(Amounts in ₹ lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Bad debt recovery	204.01	-
Sales of services	25.33	42.94
Interest on Income Tax Refund	9.04	4.13
Marketing Fees	10.00	0.52
Provision write back	160.66	-
Other Income	16.23	5.00
Sponshorship Services	0.35	-
Total	**425.61**	**52.59**

28. FINANCE COST

(Amounts in ₹ lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest expenses on loan liability	-	-
Interest expenses on lease liability	20.30	23.93
Total	**20.30**	**23.93**

29. FEES AND COMMISSION EXPENSES

(Amounts in ₹ lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Commission expenses	3,823.02	770.30
Total	**3,823.02**	**770.30**

30. IMPAIRMENT ON FINANCIAL INSTRUMENTS

(Amounts in ₹ lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
On financial instruments measured at amortised cost:		
Loans	74.45	575.22
Investment	-	75.96
Total	**74.45**	**651.18**

31. PURCHASES OF STOCK IN TRADE

(Amounts in ₹ lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Purchases for Stock	3,034.53	932.04
Total	**3,034.53**	**932.04**

32. CHANGE IN INVENTORIES

(Amounts in ₹ lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Opening stock	91.82	236.08
Less : Closing Stock	(191.81)	(233.53)
Total	**(99.99)**	**2.55**

33. EMPLOYEE BENEFIT EXPENSES

(Amounts in ₹ lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Salaries	2,261.93	1,457.79
Contribution to provident fund	70.24	55.27
Employee stock option expense (Refer Note No.38 on ESOP)	530.13	333.70
Staff welfare expenses	9.95	1.59
Gratuity Expense	28.46	24.81
Total	**2,900.71**	**1,873.15**

34. DEPRECIATION AND AMORTIZATION

(Amounts in ₹ lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation on Property, plant and equipment	42.50	24.82
Amortisation of Intangible assets	406.40	401.56
Amortisation of Right of use asset	90.02	75.10
Total	**538.92**	**501.48**

35. OTHER EXPENSES

(Amounts in ₹ lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Legal and professional fees	247.29	255.66
Technology and software expenses	255.28	348.67
Commission and brokerage	18.42	96.78
Business development expenses	40.93	20.89
Training and recruitment	16.27	6.80
Lease rent	20.54	12.41
Loan origination cost	32.07	7.05
Office and administrative expenses	20.40	17.88
Travelling and conveyance	61.87	13.10
Director sitting fees	21.50	19.75
Payments to auditors	26.23	27.76
Communication expenses	52.43	15.50
Printing and stationery expenses	1.09	1.38

Annual listing fees	4.91	4.91
Repairs and maintenance	12.50	15.92
Advertisement and publicity	38.38	11.98
Miscellaneous expenses	100.84	14.03
Collection expenses	122.94	73.49
Insurance expenses	15.63	31.63
Bank Charges	79.17	38.01
Total	**1,188.69**	**1033.60**

Breakup of Auditors' remuneration

(Amounts in ₹ lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Statutory Audit	16.39	14.75
Limited review	3.95	3.00
Tax audit	2.00	1.50
Other Services	2.49	6.98
Out of pocket expenses (including taxes)	1.41	1.53
Total	**26.23**	**27.76**

37. EARNINGS PER SHARE (EPS)

Basic EPS is calculated in accordance with Ind AS 33 'Earnings per share' by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares of the Company.

a) The basic earnings per share has been calculated based on the following:

(Amounts in ₹ lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Net profit after tax available for equity shareholders (Amount in Lakhs)	(592.89)	(692.11)
Weighted average number of equity shares	9,44,71,267	8,81,62,406

b) The reconciliation between the basic and the diluted earnings per share is as follows:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Basic earnings per share (₹)	(0.63)	(0.79)
Diluted earnings per share (₹)	(0.63)	(0.79)

c) Weighted average number of equity shares is computed for the purpose of calculating diluted earning per share, after giving the dilutive impact of the outstanding stock options for the respective years.

(Amounts in ₹ lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Weighted average number of shares for computation of Basic EPS	9,44,71,267	8,81,62,406
Dilution (no. of shares)	12,11,062	8,09,810
On shares exercised during the period	2,59,797	94,713
Contingent consideration	-	16,26,713
Weighted average number of shares for computation of Diluted EPS	9,59,42,125	9,06,93,642

38. EMPLOYEE SHARE BASED PAYMENTS

a) Employee stock option scheme (equity settled)

The Group Company approved the grant of equity share options under NFL-Employee Stock Option Plan 2018 in July 2018 ('Plan 2018'), Niyogin Employee Stock Option Plan 2019 in December 2019 ('Plan 2019'), Niyogin Employees Stock Option Plan 2020 in October 2020 ('Plan 2020'), Investdirect Capital Services Private Limited Stock Option Plan 2022 in February 2022 ('Plan 2022').

Under the terms of each of these Plans, the Group Company may issue to its employees and Directors, Equity Stock Options ('ESOPs') each of which is convertible into one equity share. Under Plan 2019, the Company may issue to the employees and Directors of the subsidiaries, Equity Stock Options ('ESOPs') each of which is convertible into one equity share. All the plans were framed in accordance with the SEBI (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999 as amended from time to time and as applicable at the time of the grant. The accounting for the stock options has been in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014 to the extent applicable.

The vesting conditions applicable to the options are at the discretion of the Nomination and Remuneration Committee ('NRC').These options are exercisable on vesting, for a period as set forth by the NRC at the time of the grant. The period in which the options may be exercised cannot exceed five years from the date of vesting period. During the years ended March 31, 2022 and March 31, 2021, no modifications were made to the terms and conditions of ESOPs.

The Group Company uses a fair value method to account for the compensation cost of stock options to employees of the Groups.

b) The Group Company introduced an ESOP scheme which covers eligible employees of the Group Company. The vesting of the options for Plan 2018 and Plan 2019 is from expiry of one year till five years and for Plan 2020/Plan 2022 is expiry of one year till Ten years. Each Option entitles the holder thereof to apply for and be allotted/transferred one Equity Share of the Group Company upon payment of the exercise price during the exercise period.

Details of scheme of Employee Stock Option Plans are as under :

Tranch details	Employee Stock Option Plan	No. of options	Date of Grant	Price of Underlying Stock (₹)	Exercise Price (₹)
I	Plan 2018	2,37,110	13-Aug-18	89.44	10.00
II	Plan 2018	6,74,296	05-Sep-18	134.13	10.00
III	Plan 2018	7,153	11-Feb-19	60.96	10.00
IV	Plan 2018	5,37,473	09-Aug-19	43.67	10.00
V	Plan 2018	8,884	23-Jan-20	34.65	10.00
VI	Plan 2018	7,69,000	23-Jul-20	14.28	29.40
VII	Plan 2018	4,45,000	19-May-21	29.76	73.40
VIII	Plan 2018	1,30,000	19-May-21	64.5	10.00
IX	Plan 2018	1,95,000	19-May-21	30.89	70.00
X	Plan 2018	4,50,000	15-Mar-22	24.76	61.70

XI	Plan 2018	1,00,000	15-Mar-22	51.7	10.00
I	Plan 2019	31,225	10-Nov-20	27.68	51.24
I	Plan 2020	34,39,416	10-Nov-20	31.72	64.05
I	Plan 2022	4,125	01-Feb-22	469.55	10.00

Set out below is a summary of options granted under the plan:

Particulars	Year ended 31 March 2022		Year ended 31 March 2021	
	Weighted Average exercise price	Number of options	Weighted Average exercise price	Number of options
Outstanding at the beginning of the year	50.93	49,24,686	10.00	11,51,723
Granted during the year	57.71	13,24,125	57.67	42,39,641
Exercised during the year	14.75	(7,10,004)	10.00	(1,84,159)
Forfeited during the year	-	-	-	-
Lapsed during the year	36.82	(4,51,502)	11.85	(2,82,519)
Outstanding at the end of the year	**59.00**	**50,87,305**	**50.93**	**49,24,686**
Exercisable at the end of the year	55.75	6,29,456	10.00	3,39,715

c) Fair value of options granted

The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The options are granted for no consideration and will vest upon the completion of service condition as specified in scheme in graded manner. Vested options are exercisable for the period of five years after the vesting.

The model inputs for options granted included:

Tranches / Plan	Expected - Weighted average volatility (%)	Expected term (In years)	Risk free rate	Fair value	Grant date
I - 2018	62.23%	3.50	7.80%	89.44	13-Aug-18
II - 2018	66.55%	3.50	8.07%	134.13	05-Sep-18
III - 2018	66.38%	1.50	7.20%	60.96	11-Feb-19
IV - 2018	70.67%	4.00	6.36%	43.67	09-Aug-19
V - 2018	62.75%	1.50	6.63%	34.65	23-Jan-20
VI - 2018	67.86%	4.00	4.93%	14.28	23-Jul-20
VII - 2018	61.13%	3.50	4.70%	29.76	19-May-21
VIII - 2018	61.13%	3.50	4.70%	64.5	19-May-21
IX -2018	61.13%	3.50	4.70%	30.89	19-May-21
X - 2018	59.27%	3.50	5.33%	24.76	15-Mar-22
XI - 2018	53.40%	1.50	4.90%	51.7	15-Mar-22
I - 2019	57.73%	2.00	5.17%	27.68	10-Nov-20
I - 2020	65.19%	5.50	5.17%	31.72	10-Nov-20
I - 2022	39.00%	3.00	5.63%	469.55	01-Feb-22

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

The yield of Government of India Bond as on the date of Grant has been taken as the risk-free interest rate.

d) Expense arising from share-based payment transactions

(Amounts in ₹ lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Employee stock option scheme (equity settled)	530.13	333.70
Total	**530.13**	**333.70**

39. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(A) Contingent liabilities

There are no contingent liabilities as at 31 March 2022.

(B) Commitments

I) Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31 March 2022:Nil (As at 31 March 2021: Nil).

40. LEASES

Disclosures as required under IND AS 116 - Leases

a) On adoption of Ind AS 116, the Company has recognized lease liabilities for all leases which were previously classified as operating leases under earlier GAAP. Ind AS 116 does not provide classification of leases into operating and finance lease for the lessee accounting. The lease liability is measured at present value of the lease payments.

Lease liabilities is disclosed under the 'Other financial liabilities'

(Amounts in ₹ lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest expense on lease liability	20.30	23.93
Total	**20.30**	**23.93**

b) The Group has recognised Right of use (ROU) assets corresponding to the lease liabilities as per the requirements of Ind AS 116. The ROU assets are amortized at SLM basis over the lease term.Reconciliation of Carrying amount of Right of use asset for a lessee as per IND AS 116 :

(Amounts in ₹ lakhs)

Particulars	Amount
As at 31 March 2019	**274.63**
(+) Recognition of Right of use asset during the year	33.29
(-) Derecognition of Right of use asset during the year	23.79
(-) Amortisation of Right of use asset	75.25
As at 31 March 2020	**208.88**
(+) Recognition of Right of use asset during the year	54.99
(+) Modification of Gain/loss during the year	3.97
(-) Derecognition of Right of use asset during the year	-
(-) Amortisation of Right of use asset	75.10
As at 31 March 2021	**192.74**
(+) Recognition of Right of use asset during the year	40.97
(+) Modification of (Gain)/loss during the year	(38.88)
(-) Derecognition of Right of use asset during the year	-
(-) Amortisation of Right of use asset	90.02
As at 31 March 2022	**104.81**

c) Low value lease assets

(Amounts in ₹ lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Low value lease expense reognised in Profit and Loss	-	-
Total	**-**	**-**

d) Short term lease : A lease that at the commencement date, has a lease term of 12 months or less.

(Amounts in ₹ lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Short term lease expense reognised in P&L	20.54	12.41
Total	**20.54**	**12.41**

Short term lease commitment

(Amounts in ₹ lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
For a period of one year from Balance sheet date	8.80	10.90
Total	**8.80**	**10.90**

e) Cash outflow on lease. (Refer Cash flow statement)

41. CORPORATE SOCIAL RESPONSIBILITY ('CSR') EXPENSES:

Provisions of Section 135 of the Act are not applicable to the Group.

42. SEGMENT REPORTING:

Operating segment are components of the Group whose operating results are regularly reviewed by the Chief Operating Decision Maker ("CODM") to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Group is engaged primarily on the business of 'Financing' only, taking into account the risks and returns, the organization structure and the internal reporting systems. All the operations of the Group are in India. All non-current assets of the Group are located in India. Accordingly, there are no separate reportable segments as per Ind AS 108 – "Operating segments".

43. RELATED PARTY DISCLOSURES:

Since consolidated financial statement present information about the holding & its subsidiary as a single reporting entity intraGroup transactions are not disclosed.

(a) Related party disclosures as required by Ind AS 24 - Related Party Disclosures.

Sr. No.	Nature of relationship
1	**Subsidiaries**
	Iserveu Technology Private Limited
	Investdirect Capital Services Private Limited
	MoneyMap Investment Advisors Private Limited
2	**Entity having Significant Influence**
	Information Interface India Private Limited

3	Key management personnel	
	Amit Rajpal (Non Executive Chairman)	
	Makarand Patankar (Whole time Director)	till 04 December 2021
	Noorallah Charania (Whole time Director)	till 03 February 2022
	Tashwinder Singh (CEO)	
	Gaurav Patankar (Director)	
	Kapil Kapoor (Director)	
	Sutapa Banerjee (Director)	till 04 December 2021
	Eric Wetlaufer (Director)	
	Subhasri Sriram (Director)	
	Ashby Monk (Director)	
	Mohit Gang (CEO - Investdirect Capital Services Private Limited)	
	Debiprasad Sarangi (CEO -Iservu Technology Private Limited)	
	Amit Tyagi (CFO Iservu Technology Private Limited)	
	Rumit Dugar (Chief Financial Officer)	till 15 March 2022
	Raghvendra Somani (Chief Financial Officer)	w.e.f - 15 March 2022
	Neha Agarwal (Company Secretary)	

Transactions with related parties are as follows:

(Amounts in ₹ lakhs)

Transaction with KMP	Year ended 31 March 2022			Year ended 31 March 2021		
	Salary/Bonus/ Sitting fees	ESOP	Total	Salary/Bonus/ Sitting fees	ESOP	Total
Salary/Bonus						
Makarand Patankar	-	-	-	2.50	-	2.50
Noorallah Charania	47.39	18.35	65.74	43.44	15.71	59.15
Tashwinder Singh	100.00	-	100.00	46.51	1,090.91	1,137.42
Rumit Dugar	91.37	73.40	164.77	74.20	22.14	96.34
Raghvendra Somani	2.00	-	2.00	-	-	-
Neha Agarwal	13.94	7.34	21.28	10.18	2.86	13.04
Mohit Gang	49.86	19.37	69.23	49.86	8.64	58.50
Debiprasad Sarangi	12.76	-	12.76	9.17	-	9.17
Amit Tyagi	12.76	-	12.76	9.17	-	9.17
Sitting fees						
Kapil Kapoor	6.00	-	6.00	5.25	-	5.25
Sutapa Banerjee	4.25	-	4.25	5.75	-	5.75
Eric Wetlaufer	4.75	-	4.75	4.50	-	4.50
Subhasri Sriram	7.50	-	7.50	4.25		4.25
Ashby Monk	0.50	-	0.50	-	-	-

(Amounts in ₹ lakhs)

Transaction with other than those KMP	Year ended 31 March 2022			
	Subsidiary	Entity having Significant Influence	Relatives of Key Management Personnel	Total
Other payments	-	-	-	-

(Amounts in ₹ lakhs)

Transaction with other than those KMP	Year ended 31 March 2021			
	Subsidiary	Entity having Significant Influence	Relatives of Key Management Personnel	Total
Other payments	-	7.10	-	7.10

Notes :
All Related Party Transactions entered during the year were in ordinary course of the business and are on arm's length basis.

Expenses towards gratuity provisions are determined actuarially on overall company basis at the end each year and, accordingly, have not been considered in the above information.

Balances outstanding from related parties are as follows:

(Amounts in ₹ lakhs)

Particulars	Year ended 31 March 2022		
	Subsidiary	Entity having Significant Influence	Total
Other payments	-	21.89	21.89

(Amounts in ₹ lakhs)

Particulars	Year ended 31 March 2021		
	Subsidiary	Entity having Significant Influence	Total
Other payments	-	21.89	21.89

(b) Disclosures as per Regulation 53(f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements Regulations, 2015).

Loans and advances in the nature of loans to companies in which directors are interested as under:

(Amounts in ₹ lakhs)

Sr. No.	Name	As at 31 March 2022	Maximum balance out-standing during the year ended 31 March 2022	As at 31 March 2021	Maximum balance out-standing during the year ended 31 March 2021
1		N.A	N.A	N.A	N.A

44. Based on and to the extent of the information received by the Group from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'), the total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 are given below:

(Amounts in ₹ lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Principal amount payable to suppliers as at year-end	74.37	13.50
Interest due thereon as at year end	-	-
Interest amount for delayed payments to suppliers pursuant to provisions of MSMED Act actually paid during the year, irrespective of the year to which the interest relates	-	-
Amount of delayed payment actually made to suppliers during the year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
Interest accrued and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006.	-	-

45. EMPLOYEE BENEFIT PLAN

Disclosure in respect of employee benefits under Ind AS 19 - Employee Benefit are as under:

(a) Defined contribution plan

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans. The Company's contribution to provident fund aggregating ₹ 70.24 lakhs (31 March 2021: ₹ 55.27 lakhs) has been recognised in the statement of profit and loss under the head employee benefits expense.

(b) Defined benefit plan:

Gratuity

Financial assets not measured at fair value

The Company operates a defined benefit plan (the 'gratuity plan') covering eligible employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age/ resignation date.

The defined benefit plans expose the Company to risks such as actuarial risk, liquidity risk, market risk, legislative risk. These are discussed as follows:

Actuarial risk: It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse salary growth experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption then the gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

Liquidity risk: Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the Company, there can be strain on the cash flows.

Market risk: Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in defined benefit obligation of the plan benefits and vice versa. This assumption depends on the yields on the government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

Legislative risk: Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act, 1972, thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the defined benefit obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

The status of gratuity plan as required under Ind AS-19 is as under:

(Amounts in ₹ lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
i. Reconciliation of opening and closing balances of defined benefit obligation		
Present value of defined benefit obligations at the beginning of the year	36.78	27.12
Current service cost	25.97	22.91
Past service cost	-	-
Interest cost	2.48	1.90
Acquisition adjustment	-	-
Benefit paid	-	-
Change in demographic assumptions	-	-
Change in financial assumptions	(1.12)	0.52
Experience variance (i.e. Actual experience vs assumptions)	(5.09)	(15.67)
Present value of defined benefit obligations at the end of the year	**59.02**	**36.78**
ii. Reconciliation of opening and closing balances of the fair value of plan assets	**-**	**-**
Fair value of plan assets at the end of the year	**-**	**-**
iii. Reconciliation of the present value of defined benefit obligation and fair value of plan assets		
Present value of defined benefit obligations at the end of the year	59.02	36.78
Fair value of plan assets at the end of the year	-	-
Unrecognised past service cost	-	-
Net asset / (liability) recognized in the balance sheet as at the end of the year	**(59.02)**	**(36.78)**

(Amounts in ₹ lakhs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
iv. Expenses recognised to the Statement of Profit & Loss		
Current service cost	25.97	22.91
Interest cost	2.48	1.90
Past service cost	-	-
Expenses recognised in the statement of profit and loss	**28.46**	**24.81**
v. Other comprehensive income		
Components of actuarial gain/losses on obligations:	(25.12)	(12.64)
Due to change in financial assumptions	(1.12)	0.52
Due to change in demographic assumption	-	-
Due to experience adjustments	(7.40)	(13.00)
Return on plan assets excluding amounts included in interest income	-	-
Closing amount Recognized in other comprehensive Income	**(33.64)**	**(25.12)**
vi. Amount recognized in balance sheet		
Present value of unfunded defined benefit obligation	59.02	36.78
Net defined benefit liability recognised in Balance Sheet	59.02	36.78

Particulars	As at 31 March 2022	As at 31 March 2021
vii. Principal actuarial assumptions		
Discount rate (per annum)	7.10%	6.85%
Annual increase in salary cost	7.00%	7.00%
Withdrawal rates per annum		
21 to 30	15.00%	15.00%
31 to 34	10.00%	10.00%
35 to 44	5.00%	5.00%
45 to 50	3.00%	3.00%
51 to 54	2.00%	2.00%
55 to 57	1.00%	1.00%

The discount rate is based on the prevailing market yields of Government of India's bond as at the balance sheet date for the estimated term of the obligations.

viii. Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase . The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Particulars	For the year ended 31 March 2022		For the year ended 31 March 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (- / + 0.5%)	7.60%	6.60%	7.35%	6.35%
(% change compared to base due to sensitivity	-5.54%	6.01%	-5.12%	5.52%
Salary growth rate (- / + 0.5%)	7.50%	6.50%	7.50%	6.50%
(% change compared to base due to sensitivity)	5.99%	-5.57%	5.48%	-5.14%

viii. Effect of plan on the Company's future cash flows

a) Maturity profile of defined benefit obligation

The average outstanding term of the obligations (years) as at valuation date is 11.54 years.

(Amounts in ₹ lakhs)

Particulars	Cash flows (₹)	Distribution (%)
Expected cash flows over the next (valued on undiscounted basis):		
1st Following Year	19.08	15.67%
2nd Following year	1.35	1.11%
3rd Following Year	2.05	1.68%
4th Following Year	2.17	1.78%
5th Following Year	2.52	2.07%
6th Following Year	6.03	4.95%
7th Following Year	2.10	1.72%
8th Following Year	1.96	1.61%
9th Following Year	1.82	1.49%
Sum of years 10 and above	82.69	67.90%

The Code on Social Security, 2020 (the Code) has been enacted, which would impact contribution by the Company towards Provident Fund and Gratuity. The effective date from which changes are applicable is yet to be notified and the rules thereunder are yet to be announced. The actual impact on account of this change will be evaluated and accounted for when notification becomes effective.

46. CLASSIFICATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(Amounts in ₹ lakhs)

As at 31 March 2022	Mandatorily at FVTPL	Amortised cost	Total carrying amount
ASSETS			
Cash and cash equivalents	-	3,737.81	3,737.81
Bank balance other than cash and cash equivalents	-	5,063.32	5,063.32
Loans and advances to customers	-	5,834.63	5,834.63
Investment securities	-	-	-
Measured at fair value	209.29	-	209.29
Measured at amortised cost	-	6,079.60	6,079.60
Receivables	-	2,843.90	2,843.90
Other financial assets	-	1,453.15	1,453.15
Total Financial assets	**209.29**	**25,012.41**	**25,221.70**
Trade Payables	-	466.04	466.04
Borrowings (other than debt securities)	-	29.10	29.10
Contract liabilities	-	-	-
Other financial liabilities	-	3,500.04	3,500.04
Total Financial liabilities	**-**	**3,995.18**	**3,995.18**

(Amounts in ₹ lakhs)

As at 31 March 2021	Mandatorily at FVTPL	Amortised cost	Total carrying amount
ASSETS			
Cash and cash equivalents	-	6,812.33	6,812.33
Bank balance other than cash and cash equivalents	-	3,048.54	3,048.54
Loans and advances to customers	-	4,583.86	4,583.86
Investment securities	-	-	-
Measured at fair value	97.10	-	97.10
Measured at amortised cost	-	7,929.04	7,929.04
Receivables	-	804.34	804.34
Other financial assets	-	305.69	305.69
Total Financial assets	**97.10**	**23,483.80**	**23,580.90**
Trade Payables	-	226.24	226.24
Borrowings (other than debt securities)	-	29.10	29.10
Contract liabilities	-	-	-
Other financial liabilities	-	4,425.90	4,425.90
Total Financial liabilities	**-**	**4,681.24**	**4,681.24**

47. FAIR VALUE MEASUREMENT

Financial Instrument by Category

(Amounts in ₹ lakhs)

Particulars	As at 31 March 2022		As at 31 March 2021	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Asset				
Investments				
- Bonds and Debentures	-	6,079.60	-	7,929.04
- Mutual Funds	209.29	-	97.10	-
Receivables	-	2,843.90	-	804.34
Loans	-	5,834.63	-	4,583.86
Cash And Cash Equivalents	-	3,737.81	-	6,812.33
Bank balance other than cash and cash equivalents	-	5,063.32	-	3,048.54
Other Financial Assets	-	1,453.15	-	305.69
Total Financial Assets	**209.29**	**25,012.41**	**97.10**	**23,483.80**
Financial Liability				
Trade Payables	-	466.04	-	226.24
Borrowings (other than debt securities)	-	29.10	-	29.10
Contract liabilities	-	-	-	-
Other financial liabilities	-	3,500.04	-	4,425.90
Total Financial Liabilities	**-**	**3,995.18**	**-**	**4,681.24**

Fair value Hierarchy

This section explains the judgments and estimates made in determining the fair value of the financial instrument that are (a) recognized and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath table

As at 31 March 2022

(Amounts in ₹ lakhs)

Particulars	Carrying amount	Fair value measurements using			
		Level 1	Level 2	Level 3	Total
Financial assets*					
Investments					
- Bonds and Debentures	6,079.60	-	6,079.60	-	6,079.60
- Mutual Funds	209.29	209.29	-	-	209.29
Loans and advances**	5,834.63	-	6,337.66	-	6,337.66
Receivables	2,843.90	-	-	-	-
Cash And Cash Equivalents	3,737.81	-	-	-	-
Bank balance other than cash and cash equivalents	5,063.32	-	-	-	-
Security Deposits	54.71	-	54.71	-	54.71
Other Financial assets	1,398.44	-	-	-	-
Total Financial Asset	**25,221.70**	**209.29**	**12,471.97**	**-**	**12,681.26**

Financial Liabilities*					
Trade Payables	466.04	-	-	-	-
Borrowings (other than debt securities)	29.10	-	29.10	-	29.10
Contract liabilities	-	-	-	-	-
Lease Liability	146.77	-	146.77	-	146.77
Other financial liabilities	2,612.66	-	-	-	-
Contingent Consideration	-	-	-	-	-
Total Financial Liabilities	**3,254.58**	**-**	**175.87**	**-**	**175.87**

As at 31 March 2021

(Amounts in ₹ lakhs)

Particulars	**Carrying amount**	**Fair value measurements using**			
		Level 1	**Level 2**	**Level 3**	**Total**
Financial assets*					
Investments					
- Bonds and Debentures	7,929.04	-	7,929.04	-	7,929.04
- Mutual Funds	97.10	97.10	-	-	97.10
Loans and advances	4,583.86	-	4,511.61	-	4,511.61
Receivables	804.34	-	-	-	-
Cash And Cash Equivalents	6,812.33	-	-	-	-
Bank balance other than cash and cash equivalents	3,048.54	-	-	-	-
Security Deposits	49.24	-	49.24	-	49.24
Other Financial assets	256.45	-	-	-	-
Total Financial Asset	**23,580.90**	**97.10**	**12,489.89**	**-**	**12,586.99**
Financial Liabilities*					
Trade Payables	226.24	-	-	-	-
Borrowings (other than debt securities)	29.10	-	29.10	-	29.10
Contract liabilities	-	-	-	-	-
Lease Liability	240.95	-	240.95	-	240.95
Other financial liabilities	1,129.28	-	-	-	-
Contingent Consideration	3,055.67	-	-	3,055.67	3,055.67
Total Financial Liabilities	**4,681.24**	**-**	**270.05**	**3,055.67**	**3,325.72**

*The Company has not disclosed the fair values for cash and cash equivalents, bank balances, bank deposits, receivables and other financial assets, trade payables and contract liabilities as these are short term in nature and their carrying amounts are a reasonable approximation of fair value.

** For the purpose of loans and advances leveling, subsidiaries are excluded.

Level 1 : Level 1 hierarchy includes financial instruments measured using unadjusted quoted prices in active markets that the Group has the ability to access for the identical assets or liabilities. A financial instrument is classified as a Level 1 measurement if it is listed on an exchange. This includes mutual funds that have quoted price. The mutual funds are valued at the closing NAV.

Level 2 : The fair value of financial instruments that are not traded in active markets is determined using valuation techniques which maximize the use of observable market data either directly or indirectly, such as quoted prices for similar assets and liabilities in active markets, for substantially the full term of the financial instrument but do not qualify as Level 1 inputs. Fair value of loans and advances of the Group is measured using the last month's lending rate. If all significant inputs required to fair value an instrument are observable the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based in observable market data, the instruments is included in level 3. The company has measured contingent consideration based on Level 3.

Financial instruments valued at carrying value

The respective carrying values of certain on-balance sheet financial instruments approximated their fair value. These financial instruments include cash in hand, balances with Banks, financial institutions and money at call and short notice, accrued interest receivable, acceptances, deposits payable on demand, accrued interest payable, and certain other assets and liabilities that are considered financial instruments. Carrying values were assumed to be approximate fair values for these financial instruments as they are short-term in nature and their recorded amounts approximate fair values or are receivable or payable on demand.

Financial instruments recorded at fair value

Investment in debt securities

Securities classified as fair value through profit or loss, are carried at fair value based on quoted market prices. The Company records mutual funds at closing NAV.

Fair value of financial instruments carried at amortised cost

Loans and advances

The fair values of loans that do not reprice or mature frequently are estimated using discounted cash flow models. Loans and advances are fair valued basis the future expected cash flows discounted at the lending rate.

Security deposits

Security deposits have been accounted at amortised cost using SBI MCLR rates.

Bonds and debentures

The fair value of bonds and debentures are discounted using cash flow models. Bonds and debentures are fair valued basis the future expected cash flows discounted at the interest rate.

Fair value of contingent consideration

a) ICSPL - The value of contingent consideration is calculated using Binomial Option Pricing Model. The binomial tree is arrived by using profitability scenarios specified in the agreement entered between the acquirer and the acquiree and the value of contingent liability is arrived by assigning probability weights to each profitability scenario considered.

b) ISU - The value of contingent consideration is calculated using fair value measurement .

c) The table below shows the movement in the valuation of contingent consideration :

(Amounts in ₹ lakhs)

Particulars	Amount
As at 31 March 2019	**-**
(+) Initial recognition	43.37
Change during the year	-
As at 31 March 2020	**43.37**
(+) Initial recognition	3,012.30
Change during the year	-
As at 31 March 2021	**3,055.67**
Less : Crystalised during the year	(975.00)
Less : Reversed during the year*	(2,080.67)
As at 31 March 2022	**-**

* The carring value of investment in subsidiary has been adjusted due to partial achievement of earn out clause as per share holders agreement.

48. FINANCIAL RISK MANAGEMENT

The Group has operations in India which expose it to liquidity risk and credit risk. The risks are managed through a management established framework of identification and measurement of risk.

This note explains the sources of risk which the Group is exposed to and how the Group manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Loans and advances, cash and cash equivalents, trade receivables, financial assets measured at amortized cost.	Aging analysis of loans and advances held at amortized cost	Diversification of Group's investments into NCDs and FDs
		Credit ratings in case of investments held at amortized cost	Monitoring of credit risk on loans and advances basis the days past dues.
Liquidity risk	Trade liabilities	Maturity analysis	Maintaining sufficient cash and cash equivalents and marketable investments

The Company's board of directors is the highest decision- making body within the organisation. The Board of directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management committee is established to

- Recommend changes to the risk Policy for approval by the Audit Committee.
- Monitors and supervises the ECL process, identifies and analyses the risks faced by the Company
- Authorize any overrides on the provisioning model of assets to achieve provisioning objectives in line with the approval policy
- Reviewing the adequacy of ECL training across the key departments
- Establishing that the businesses comply with the risk Policy
- Review and address concerns raised by the internal Credit Committee, Statutory Auditors or the Internal Auditors in any ECL exceptions
- Delegate such roles and responsibilities to the Company's internal Credit Committee to ensure that this policy is in line with the board approved policy and the applicable accounting standards.

The audit committee oversees the recommmendations of the risk management committe and how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee ensures adequate provisioning for the financial statements in line with the approved policies and ensures that the scope of the External Auditor covers adequate assurance in complying with the Company's approved provisioning and risk policy.

48 FINANCIAL INSTRUMENTS – FINANCIAL RISK MANAGEMENT (CONTINUED)

A. Credit risk

Credit risk arises from loans and advances, cash and cash equivalents, investments carried at amortized cost and deposits held by the Group.

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities.

i) Credit risk management

The primary organizational Groups forming part of the Group risk governance are Board of Directors, Audit Committee, Risk committee and Credit committee. In regards to loans and advances of the Group, the credit risk is managed in accordance with the ECL policy by monitoring of credit risk basis the days past dues.

For the investments, the ECL policy provides that the Group uses the external ratings for estimation of forward looking PDs to estimate ECL.The Group reviews the creditworthiness of these counterparties on an on-going basis.

The Group classifies its financial assets in following category:

Stage 1

As soon as a financial instrument originates or is purchased, it is categorized as Stage 1. This is applicable across all the loan facilities, investments and bank balances. Stage 1 would include all residual facilities, not impaired or, have not experienced a significant increase in credit risk since initial recognition.

Stage 2 and stage 3
Loans

The following staging criteria based on Days Past Dues (DPDs) fixed for Loan portfolio as per the Ind AS 109:

Stage 1 to Stage 2: More than 30 Days Past Due as criteria for Stage 2 classification.

Stage 2 to Stage 3: More than 90 Days Past Due as criteria for Stage 3 classification.

Investments and Balances with Bank

Following is the staging criteria for investments:

- For facilities with rating grade AAA to B, three notch downgrades (without modifiers) shall be taken as stage 2.
- Any financial instrument with rating grade CCC or below classified as Stage 2 at origination.

ii) Provision for expected credit losses

The Group provides for expected credit loss based on following:

Category	Description for category	Probability of default (PD)	Exposure at default (EAD)	Loss given default (LGD)
Loans	The Group is engaged in the business of providing unsecured loans to SMEs and individuals with proprietary businesses, the borrower profiles are having similar risk characteristics across the loan book.	The PD estimation is based on transition matrix approach, gross flow analysis and net flow analysis with application of single factor Vasicek model for incorporation of macro- economic factor (GDP). The Group has used cohort framework for computation of PDs on loans. As the default definition for loan portfolio is 90 days past due, the Company taken quarterly transition matrix for estimation of PDs across following behavioral buckets: Ranking 1: Current (DPD up to 0) Ranking 2: Up to 30 Days past due Ranking 3: Up to 60 days past due Ranking 4: Up to 90 days past due Ranking 5: Default PD estimates Grouped as per the above ranking grades. For Stage 3 assets PD is taken to be 100%.	Exposure at Default gives an estimate of the amount outstanding when the borrower defaults. It is the total amount of an asset the entity is exposed to at the time of default. The exposure at default for the loans is: Principle outstanding + accrued interest	LGD for loan portfolio will be calculated at a portfolio level based upon the actual recovery data. In case of insufficient recovery information due to low/no defaults, a proxy LGD based on industry practice would be used.
Investments and bank balances	The Group holds investments in non-convertible debentures as a part of its investment portfolio. Additionally, the Group also holds balances with Banks in fixed deposits and current account	As the default data set is low or near to zero for the investment portfolio, the Company uses external ratings for assessment of forward looking PDs to estimate ECL. Vasichek model is used for incorporation of economic factor (i.e. GDP in case of the Company) For Stage 3 assets PD is taken to be 100%.	Exposure at Default is the total amount of an asset the Company is exposed to at the time of default. The exposure at default for the investments and bank balances is: Principle outstanding + accrued interest	For India Sovereign exposures, the LGD value remains at 0%. Going forward, subject to availability of adequate default data, the LGD will be calculated at instrument level (Corporate bonds, Sovereign bonds) based the above workout procedure in the Company's ECL policy.

Year ended 31 March 2022

(Amounts in ₹ lakhs)

Particulars	Asset Group	Estimated gross carrying amount at default	Expected credit losses (%)	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Investments at amortised cost				
	- NCD/PTC	6,237.03	2.52%	157.43	6,079.60
	- FD	5,063.32	-	-	5,063.32
	Loans at amortised cost	5,672.24	4.37%	248.01	5,424.23
Loss allowance measured at life-time expected credit losses, not credit impaired	Investments at amortised cost				
	- NCD/PTC	-	-	-	-
	- FD	-	-	-	-
	Loans at amortised cost	124.19	16.31%	20.25	103.94
Loss allowance measured at life-time expected credit losses, credit impaired	Investments at amortised cost				
	- NCD/PTC	-	-	-	-
	- FD	-	-	-	-
	Loans at amortised cost	752.29	59.26%	445.83	306.46

Note : There is no provision for expected credit loss in the books of subsidiaries

Year ended 31 March 2021

(Amounts in ₹ lakhs)

Particulars	Asset Group	Estimated gross carrying amount at default	Expected credit losses (%)	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Investments at amortised cost				
	- NCD/PTC	8,005.67	0.96%	76.64	7,929.03
	- FD	3,129.34	2.58%	80.80	3,048.54
	Loans at amortised cost	4,752.52	8.38%	398.12	4,354.40
Loss allowance measured at life-time expected credit losses, not credit impaired	Investments at amortised cost				
	- NCD/PTC	-	-	-	-
	- FD	-	-	-	-
	Loans at amortised cost	407.01	65.39%	266.14	140.87
Loss allowance measured at life-time expected credit losses, credit impaired	Investments at amortised cost				
	- NCD/PTC	-	-	-	-
	- FD	-	-	-	-
	Loans at amortised cost	462.05	80.83%	373.46	88.59

Note : There is no provision for expected credit loss in the books of subsidiaries.

Investments in NCD, PTC and FD

The Group has invested in NCDs, PTCs and FDs having Credit rating ranging from AAA to BBB-

Measurement of Expected Credit Losses

The Group has applied a three-stage approach to measure expected credit losses (ECL) on debt instruments accounted for at amortised cost. Assets migrate through following three stages based on the changes in credit quality since initial recognition:

(a) Stage 1: 12- months ECL: For exposures where there is no significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12- months is recognized.

(b) Stage 2: Lifetime ECL, not credit-impaired: For credit exposures where there has been a significant increase in credit risk since initial recognition but are not credit-impaired, a lifetime ECL is recognized. Marginal PDs are used to compute lifetime ECL.

(c) Stage 3: Lifetime ECL, credit-impaired: Financial assets are assessed as credit impaired upon occurrence of one or more events that have a detrimental impact on the estimated future cash flows of that asset. For financial assets that have become credit-impaired, a lifetime ECL is recognized and interest revenue is calculated by applying the effective interest rate to the amortised cost

At each reporting date, the Group assesses whether there has been a significant increase in credit risk of its financial assets since initial recognition by comparing the risk of default occurring over the expected life of the asset. In determining whether credit risk has increased significantly since initial recognition, the Group uses information that is relevant and available without undue cost or effort. This is based on the historical default rates or delinquency status of account across various internal rating grades, products or sectors.

The portfolios for which external benchmark information represents a significant input into measurement of ECL are as follows.

	Exposure	External benchmarks used
		LGD
Loans at amortised cost	5,941.05	65%

The Group assesses whether the credit risk on a financial asset has increased significantly on an individual and collective basis. In determining whether the credit risk on a financial asset has increased significantly, the Group considers the change in the risk of a default occurring since initial recognition. The default definition used for such assessment is consistent with that used for internal credit risk management purposes.

The Group considers defaulted assets as those which are contractually past due 90 days, other than those assets where there is empirical evidence to the contrary. Financial assets which are contractually past due 30 days are classified under Stage 2 - life time ECL, not credit impaired, barring those where there is empirical evidence to the contrary. An asset can move into and out of the lifetime expected credit losses category (Stage 2 and 3) based on a predefined pattern obtained from the historical default rates or delinquency status of account across various internal rating grades, products or sectors. Credit exposures transition back from stage 2 to stage 1 when the credit quality of the credit facility shows significant improvement. Primarily, when factors that previously triggered an exposure moving to Stage 2 no longer meet, such exposures move back to Stage 1 and a 12-month ECL measured instead of Lifetime ECL. Credit exposures may transition from stage 3 to stage 2 /stage 1, if the exposures are current, no longer meet the definition of default / credit impaired and if the factors that previously triggered an exposure to move to stage 3 are no longer met.

The Group measures the amount of ECL on a financial instrument in a way that reflects an unbiased and probability-weighted amount. The Group considers its historical loss experience and adjusts the same for current observable data. The key inputs into the measurement of ECL are the probability of default, loss given default and exposure at default. These parameters are derived from the Group's internally developed statistical models and other historical data. In addition, the Group has used reasonable and supportable information on future economic conditions by using GDP as suitable macroeconomic factors . Since incorporating these forward looking information increases the judgment as to how the changes in these macroeconomic factor will affect ECL, the methodology and assumptions are reviewed regularly. The following table presents the key macroeconomic indicators used for the purposes of measurement of ECL in the periods presented.

Macro economic indicator	As at 31 March 2022
GDP	8.20%

iii) Reconciliation of loss allowance provision

For loans

(Amounts in ₹ lakhs)

Reconciliation of loss allowance	Loss allowance measured at 12 month expected losses	Loss allowance measured at life-time expected losses	
		Financial assets for which credit risk has increased significantly and not credit-impaired	Financial assets for which credit risk has increased significantly and credit-impaired
Loss allowance on 31 March 2019	**47.60**	**124.74**	**73.50**
Changes in loss allowances due to			
Assets originated or purchased	639.90	68.78	132.80
Write – offs	(9.53)	(81.26)	(73.50)
Addition/ (Recoveries) for assets originated in Previous years	147.67	63.53	482.73
Loss allowance on 31 March 2020	**825.64**	**175.79**	**615.53**
Changes in loss allowances due to			
Assets originated or purchased	102.42	9.15	-
Write – offs	(403.47)	(117.35)	(610.32)
Addition/ (Recoveries) for assets originated in Previous years	(126.47)	198.55	368.24
Loss allowance on 31 March 2021	**398.12**	**266.14**	**373.46**
Changes in loss allowances due to			
Assets originated or purchased	13.07	-	499.61
Write – offs	-	-	(427.24)
Addition/ (Recoveries) for assets originated in Previous years	(163.19)	(245.89)	-
Loss allowance on 31 March 2022	**248.01**	**20.25**	**445.84**

For investments

(Amounts in ₹ lakhs)

Reconciliation of loss allowance	Loss allowance measured at 12 month expected losses	Loss allowance measured at life-time expected losses	
		Financial assets for which credit risk has increased significantly and not credit-impaired	Financial assets for which credit risk has increased significantly and credit-impaired
Loss allowance on 31 March 2019	**4.41**	**-**	**-**
Changes in loss allowances due to			
Assets originated or purchased	81.37	-	-
Addition/ (Recoveries) for assets originated in Previous years	(4.30)	-	-
Loss allowance on 31 March 2020	**81.48**	**-**	**-**
Changes in loss allowances due to			
Assets originated or purchased	157.43	-	-
Addition/ (Recoveries) for assets originated in Previous years	(81.48)	-	-

Loss allowance on 31 March 2021	**157.43**	**-**	**-**
Changes in loss allowances due to			
Assets originated or purchased	-	-	-
Addition/ (Recoveries) for assets originated in Previous years	-	-	-
Loss allowance on 31 March 2022	**157.43**	**-**	**-**

Note : There is no provision for expected credit loss in the books of subsidiaries

B. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Due to the dynamic nature of the underlying businesses, Group's treasury maintains flexibility in funding by maintaining availability under committed credit lines.

a) The table below shows an analysis of assets and liabilities analysed (maturity analysis) according to when they are to be recovered or settled.

As at 31 March 2022

(Amounts in ₹ lakhs)

Particulars	**As at 31 March 2022**			**As at 31 March 2021**		
	Carrying amount	**Within 12 months**	**After 12 months**	**Carrying amount**	**Within 12 months**	**After 12 months**
Financial liabilities						
Trade payables	466.05	466.05	-	226.24	226.24	-
Borrowings (other than debt securities)	29.10	29.10	-	29.10	29.10	-
Contract liabilities	-	-	-	-	-	-
Other financial liabilities	3,500.04	3,467.34	32.70	4,425.90	4,282.02	143.88
Non Financial liabilities						
Provisions	948.49	593.52	354.97	614.39	577.61	36.78
Deferred tax liabilities	55.58	55.58	-	76.98	76.98	-
Other non-financial liabilities	183.08	183.08	-	198.35	198.35	-
Financial assets						
Cash and cash equivalents	3,737.81	3,737.81	-	6,812.33	6,812.33	-
Bank balance other than cash and cash equivalents above	5,063.32	5,063.32	-	3,048.54	3,048.54	-
Receivables	2,843.90	2,843.90	-	804.34	804.34	-
Loans and advances to customers	5,834.63	3,670.23	2,164.40	4,583.86	3,754.32	829.54
Investment securities	6,288.89	6,288.89	-	8,026.14	8,026.14	-
Other financial assets	1,453.15	-	1,453.15	305.69	2.15	303.54
Non-financial Assets						
Inventories	191.81	191.81	-	91.82	91.82	-
Income tax assets	420.57	420.57	-	324.55	324.55	-
Right of use asset	104.81	83.17	21.64	192.74	83.93	108.81
Property, plant and equipment	194.05	54.26	139.79	63.50	24.75	38.75

Intangible assets under development	-	-	-	7.90	7.90	-
Intangible assets	3,824.19	363.15	3,461.04	4,200.50	374.46	3,826.04
Goodwill	5,952.85	5,952.85	-	8,033.52	8,033.52	-
Other non-financial assets	389.13	389.13	-	315.45	315.45	-

b) Maturity Pattern

The table below summarises the maturity profile of the undiscounted cashflow of the Groups financial liabilities :

As at 31 March 2022

(Amounts in ₹ lakhs)

Particulars	Within 12 months	1-2 years	2-5 years	Total
Trade payables	466.04	-	-	466.04
Borrowings (other than debt securities)	29.10	-	-	29.10
Contract liabilities	-	-	-	-
Other financial liabilities				
- Lease liability	120.30	32.97	-	153.27
- Contingent consideration	-	-	-	-

As at 31 March 2021

(Amounts in ₹ lakhs)

Particulars	Within 12 months	1-2 years	2-5 years	Total
Trade payables	226.24	-	-	226.24
Borrowings (other than debt securities)	29.10	-	-	29.10
Contract liabilities	-	-	-	-
Other financial liabilities				
- Lease liability	118.41	117.86	34.43	270.70
- Contingent consideration	3,055.67	-	-	3,055.67

c) The following table sets out the carrying amounts of non-derivative financial assets and financial liabilities expected to be recovered or settled more than 12 months after the reporting date.

(Amounts in ₹ lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Financial assets		
Loans and advances to customers	2,164.40	829.54
Other financial assets	1,453.15	303.54
Financial liabilities		
Lease Liability	32.70	143.88

d) The following table sets out the components of the Group's liquidity reserves.

(Amounts in ₹ lakhs)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Cash And Cash Equivalents	3,737.81	3,737.81	6,812.33	6,812.33
Bank balance other than cash and cash equivalents	5,063.32	5,063.32	3,048.54	3,048.54
Total liquidity reserves	**8,801.13**	**8,801.13**	**9,860.87**	**9,860.87**

e) All the financial assets of the Group as at 31 March 2022 and as at 31 March 2021 are unencumbered.

f) Disclosures in terms of RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019 have been given under Annexure-II to these financial statements:

Annexure-II - Disclosure on Liquidity Risk

(i) **Funding Concentration based on significant counterparty (both deposits and borrowings) -** Not Applicable

(ii) **Top 20 large deposits (amount in ₹ lacs and % of total deposits) –** Not Applicable

(iii) **Top 10 borrowings (amount in ₹ lacs and % of total borrowings) –** Not Applicable

(iv) **Funding Concentration based on significant instrument/product -** Not Applicable

(v) **Stock Ratios:**

Particulars	Ratios
Commercial papers as a % of total public funds	Nil
Commercial papers as a % of total liabilities	Nil
Commercial papers as a % of total assets	Nil
Non-convertible debentures (original maturity of less than one year) as a % of total public funds	Nil
Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	Nil
Non-convertible debentures (original maturity of less than one year) as a % of total assets	Nil
Other short-term liabilities, if any as a % of total public funds	Nil
Other short-term liabilities, if any as a % of total liabilities	93.40%
Other short-term liabilities, if any as a % of total assets	2.40%

(vi) **Institutional set-up for liquidity risk management :**

The Company's Board of Directors has the overall responsibility of management of liquidity risk. The Board decides the strategic policies and procedures of the Company to manage liquidity risk in accordance with the risk tolerance/ limits decided by it.The Company also has a Risk Management Committee, which reports to the Board and is responsible for evaluating the overall risks faced by the Company including liquidity risk.Asset Liability Management Committee of the Company consisting of the Company's senior management is responsible for ensuring adherence to the risk tolerance/ limits as well as implementing the liquidity risk management strategy of the Company.

49. REVENUE FROM CONTRACTS WITH CUSTOMERS

Set out below is the disaggregation of the Group's revenue from contracts with customers and reconciliation to profit and loss account:

(Amounts in ₹ lakhs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Type of income		
Services charges	25.33	42.94
Bounce charges	1.93	0.79
Penal charges	3.42	3.49
Foreclosure charges	4.21	5.10
Brokerage received	83.54	32.70
License integration fees	480.15	189.20
Sale of subscription services	10.03	9.97
Sale of value added services	139.48	90.10
Fees and commission Income	4,219.82	1,933.12
Total revenue from contracts with customers	**4,967.91**	**2,307.41**

Geographical markets		
India	4,967.91	2,307.41
Outside India	-	-
Total revenue from contracts with customers	**4,967.91**	**2,307.41**
Timing of revenue recognition		
Services transferred at a point in time	4,709.54	2,131.70
Services transferred over time	258.37	175.71
Total revenue from contracts with customers	**4,967.91**	**2,307.41**

50. There have been no events after the reporting date that require disclosure in these financial statements except for impact of COVID-19 as disclosed in Note no.51.

51. IMPACT OF COVID -19 PANDEMIC

The significant increase in economic activities post easing of lockdown by the state governments due to COVID-19 had resulted in improvement in business operations of the Company. As a matter of prudence, during the financial year ended 31 March 2022, the Company has written off ₹ 323.64 lakhs by utilising the ECL provision created as management overlay on account of COVID-19. The ECL provision of ₹ 176.06 lakhs is retained by the company as at 31 March 2022 towards management overlay on account of COVID-19.

The additional ECL provision retained on account of COVID-19 is based on the Company's historical experience, collection efficiencies post lockdown, internal assessment and other emerging forward looking factors on account of the pandemic. However, the actual impact may vary due to prevailing uncertainty caused by the pandemic. The Company's management is continuously monitoring the situation and the economic factors affecting the operations of the Company.

52. The following additional information (other than what is already disclosed elsewhere) is disclosed in terms of amendments dated 24 March 2021 in Schedule III to the Companies Act 2013 with effect from 1st day of April, 2021:-

1. There are no charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period as applicable.
2. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year 2021-2022.
3. There is no proceeding has been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
4. The details is not applicable to the Company, related to transactions not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961), unless there is immunity for disclosure under any scheme and shall also state whether the previously unrecorded income and related assets have been properly recorded in the books of account during the year.
5. The Company is not declared wilful defaulter by any bank or financial Institution or other lender.
6. The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall :
   (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
   (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;
7. The Company has not received any funds from any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Company shall:
   (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
   (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;
8. The Compliance with number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of layers) Rule, 2017 is not applicable as the Company is registered as non banking financial company with Reserve Bank India.

53. The Board of the Directors of your Company (the 'Board') at their meeting held on 16 December 2019, approved Scheme of amalgamation under Sections 230-232 of the Companies Act, 2013 (the 'Act') and the rules and regulations made thereunder, of Information Interface India Private Limited ("IIIPL") with Niyogin Fintech Limited ("NFL") and their respective shareholders and creditors ("Scheme"). The Scheme as aforesaid has received approval from the stock exchange and Reserve Bank of India on 9 July 2020 and 23 July 2020 respectively. Approval of the Equity shareholders and Unsecured creditors pursuant to the Order of Chennai Bench of National Company Law Tribunal, dated 01 December 2021 has been received vide

Special Resolution dated 15 February 2022. Subsequently, the Company filed the Petition on 25 February 2022 vide Petition Number CP(CAA)/46&47(CHE)/2022 with the National Company Law Tribunal, Chennai Bench. The National Company Law Tribunal, Chennai Bench vide its order dated 10 April 2022 has given the next date of hearing of the Petition shall be on 22 June 2022 for consideration of the approval of the Scheme

54. During the year under purview, the Company had subscribed to 33,444 - 0.1% redeemable non-cumulative preference shares ("RPS") of ₹ 10 each of Iserveu Technology Private Limited on a premium of ₹ 14,940 per redeemable non-cumulative preference share for a term of 15 years aggregating to total consideration of ₹ 4,999.87 lakhs on a preferential basis pursuant to the Redeemable Preference Shares Subscription Agreement dated 17 March 2022 ("Agreement"). The RPS were allotted to the Company on 28 March 2022. The RPS shall not carry any voting rights, except as provided under Applicable Law. Redemption shall be at such value as may be agreed between the Parties which shall not be less than the cost of acquisition of Preference Shares, subject to Applicable Law. In the event of liquidation, the amount available for distribution shall be applied in priority to all Equity Shares and all other securities in the capital of the Company as per the terms mentioned in the Agreement.

55. SUPREME COURT ORDER ON REFUND OF INTEREST ON INTEREST AND PENAL INTEREST

Pursunat to the order passed by the honourable Supreme Court read along with the RBI Circular No. RBI/2021-22/17 DOR.STR.REC.4/21.04.048/2021-22 dated 7 April 2021 and the methodology for calculation of interest on interest based on guidance issued by Indian Banks' Association, the Company has put in place a Board approved policy to refund / adjust interest on interest charged to borrowers during the moratorium period, i.e. 1 March 2020 to 31 August 2020. The Company has estimated the said amount and made a provision in the financial statements for the year ended 31 March 2021. The Company had estimated the benefit to be extended to the eligible borrowers at ₹ 5.73 lakhs and created a liability / credited the Borrower's account towards the estimated interest relief and reduced the same from the interest income of the financial year 31 March 2021.

56. BUSINESS COMBINATION

a) Goodwill on consolidation

(Amounts in ₹ lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Cost as at beginning of the year	8,033.52	450.94
Addition relating to acquisition of subsidiary	-	7,582.58
Cost as at end of the year	**8,033.52**	**8,033.52**
Impairment as at beginning of year	-	-
Charge for the year*	(2,080.67)	-
Impairment as at end of the year	**-**	**-**
Net carrying value as at beginning of the year	**8,033.52**	**450.94**
Net carrying value as at end of the year	**5,952.85**	**8,033.52**

* During the year ended 31 March 2022, the fair value of contingent consideration has been adjusted against the carrying value of goodwill due to partial achievement of earn out clause as per share holders agreement.

b) Business Combinations / Acquisition of subsidiaries

Significant judgement:

(i) Accounting policy choice for non-controlling interests

The Group recognises non-controlling interests ('NCI') in the acquired entity either at fair value or at the NCI proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by-acquisition basis.

(ii) Revenue and profit contribution

The acquired business contributed revenues of ₹ 8,268.73 lakhs and net loss of ₹ 339.87 lakhs to the Group for the period from 1 April 2021 to 31 March 2022.

Impairment testing note :

A. NFL has invested ₹ 936.03 lakhs for 60.76 % equity stake in ICSPL and ₹ 8,332.50 lakhs for 51% stake in ISU.Further, NFL has invested additional ₹ 200.00 lakhs through compulsorily convertible preference shares in ICSPL & invested ₹ 4,999.87 lakhs through redeemable preference shares in ISU.For the purpose of impairment testing of goodwill acquired in acquisition, the management analyses do not show an impairment charge.

In respect of ICSPL, it has registered a revenue of ₹ 279.06 lakhs in FY 2022 as against ₹ 135.69 lakhs in FY 2021, representing a increase of ~ 205%. The increase in the revenue in FY 2022 is primarily on account of development and sale of B2B platform (Analytics revenue).The Company has incurred expenses for the development of B2B platform, owing to the same the revenues of the Company are projected to grow at a CAGR of ~65% from ₹ 279.06 lakhs in FY 2022 to ₹ 1,955 lakhs in FY 2026.

In respect of ISU, it has registered a revenue of ₹ 8,065.38 lakhs in FY 2022 as against ₹ 4,208.42 lakhs in FY 2021, representing a increase of ~192%. The increase in the revenue in FY 2022 is primarily on account of the Company has started incurring expenses in building the platform, improving current products and lunching new products to provide full stack financial services to customers,owing to the same the revenues of the Company are projected to grow at a CAGR of ~72% from ₹ 8,065.38 lakhs in FY 2022 to ₹ 69,824 lakhs in FY 2026.

The fair value of ICSPL and ISU are assessed by using Discounted Cash Flow Method under Income Approach and is assessed on going concern basis. This method is used to determine the present value of a business on a going concern assumption and recognizes the time value of money by discounting the free cash flows for the explicit forecast period and the perpetuity value at an appropriate discount factor. The terminal value represents the total value of the available cash flow for all periods subsequent to the horizon period. The terminal value of the business at the end of the horizon period is estimated, discounted to its present value equivalent and added to the present value of the available cash flow to estimate the value of the business. Free Cash Flow to Firm ('FCFF') method has been used. FCFF is discounted by the Weighted Average Cost of Capital ('WACC'), which is considered an appropriate discount factor.

The key assumptions on the basis of which management has estimated the fair value of ICSPL are:

- Revenue
- EBITDA
- Terminal value
- Net Working Capital
- Weighted Average Cost of Capital

57. Figures of previous periods have been regrouped, wherever necessary, to make them comparable with the current period.

As per our report of even date.

For **Pijush Gupta & Co**
Chartered Accountants
Firm's Registration No: 309015E

Sangeeta Gupta
Partner
Membership No: 064225

For and on behalf of the Board of Directors of
Niyogin Fintech Limited
CIN No: L65910TN1988PLC131102

Amit Rajpal
Chairman & Non-Executive Director
DIN : 07557866
Hong Kong

Tashwinder Singh
Managing Director & Chief Executive Officer
DIN: 06572282

Raghvendra Somani
Chief Financial Officer (Interim)

Neha Agarwal
Company Secretary & Compliance Officer
Membership No: 41425

Gurugram
14 May, 2022

Mumbai
14 May, 2022

niyogin

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