September 14, 2023

To
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai-400001
BSE Scrip Code: 538772

Dear Sir/Madam,

Subject: Corringendum to the Integrated Annual Report of the Company for the Financial Year 2022-23

Reg : Intimation under Regulations 30 and 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is in furtherance to our letter dated August 21, 2023 wherein the Company had submitted its Integrated Annual Report alongwith the Notice of 35th Annual General Meeting of the Company (the 'AGM') to be held on Thursday, September 14, 2023 at 4.00 pm 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.

This is to inform you that certain inadvertent typographical errors were noticed in the Integrated Annual Report FY 2022-23 after the same was dispatched on August 21, 2023 through email. The respective correction does not have any impact on financial figures/results/XBRL.

In this regard, please note the following changes made in the Integrated Annual Report FY 2022-23:

1. On Page 111, in Computer equipments for FY 2023 – the additions should be read as 34.76 instead of 15.67, the closing gross block should be read as 108.75 instead of 89.66 and net carrying amount as at 31st March 2023 should be read as 41.90 instead of 22.81.

2. On Page 184, in Change in inventories, in year ended March 31, 2023, Opening stock should be read as 191.81 instead of 849.07, closing stock should be read as (518.29) instead of (1,175.54) and total should be read as (326.48) instead of (326.47).

We are enclosing herewith the Integrated Annual Report for FY 2022-23 alongwith the Notice of the 35th AGM after incorporation of the above changes (other things remaining the same) and it is also available on the website of the Company at www.niyogin.com.

This is for your information and records.

Thanking You,
For Niyogin Fintech Limited

Neha Agarwal

Neha Agarwal
Company Secretary & Compliance Officer
A41425

Encl: a/a

Niyogin Fintech Limited
Annual Report 2022-23

ESTABLISHING. EXPANDING. EMPOWERING.

ESTABLISHING. EXPANDING. EMPOWERING.

Niyogin, derived from the Sanskrit word for 'empowerment', is a Company born out of a profound understanding of the fundamental everyday challenges faced by those who are historically disenfranchised financially, like - small businesses, MSMEs, and rural Indians. With a vision to materially impact the lives of these entities, Niyogin strives to provide them with innovative solutions that harness the power of digital technology while leveraging the trust of a deeply embedded partner network.

During the last year, Niyogin dedicated significant efforts to fortify its infrastructure, laying a solid foundation for future growth. This commitment stems from the Company's understanding that by **establishing** a robust framework and infrastructure, it can better serve its target audience. By understanding the core issues faced by small businesses, MSMEs, and rural Indians, Niyogin ensures that its infrastructure supports the delivery of effective financial solutions that empower these entities to overcome their obstacles.

Looking ahead to FY2024, Niyogin's focus will shift towards **expanding** operations and amplifying its presence in the market. This expansion is driven by the Company's mission to reach a broader customer base and make a tangible difference in the lives of an exponentially large number of people. By harnessing the power of digital technology and building strategic partnerships, Niyogin aims to scale its operations and extend its reach, ensuring that its solutions are accessible to those who need them the most.

With the ultimate objective of achieving sustainable profitability in FY2025, which will ensure Niyogin to keep **empowering** more and more folks. By providing comprehensive financial services and leveraging the trust built through its partner network, Niyogin aims to empower its customers to thrive in their respective endeavours. Through a combination of technological innovation, deep-rooted partnerships, and a customer-centric approach, Niyogin aspires to create a positive impact on the lives of its target audience, driving their success and contributing to their empowerment.

"We have built proof of concept and commercial application through many marquee enterprise clients who leverage our technology to offer their services to customers in rural and semi-urban India."

Amit Rajpal

Non-Executive Chairman and Co-founder

Niyogin Fintech Limited

Performance Highlights (FY2023)

₹1,172 Mn
Revenue

₹26,645 Mn
Urban Tech - Assets Under Management

₹149,943 Mn
Rural Tech - Gross Transaction Value

Inside this report

The annual report is also available online

About Us

Reimagining finance. Transforming lives.

We are an innovative fintech Company in India, distinguished as an early-stage public-listed entity. Our primary focus lies in delivering impactful solutions and spearheading the development of a cutting-edge 'Neobank' platform infrastructure. Through our collaborative model, we empower Micro, Small, and Medium Enterprises (MSMEs) across Rural, Urban, and Wealth Tech sectors.

Derived from the Sanskrit word for 'empowerment', Niyogin embodies a profound understanding of the everyday challenges faced by small businesses, MSMEs, and rural communities in India. Our overarching vision is to make a tangible difference in the lives of these enterprises by providing them with digital solutions bolstered by the trust and reliability of our extensive partner network.

With a steadfast commitment to technology, Niyogin serves as a comprehensive platform catering to the diverse needs of rural and emerging urban MSMEs. We facilitate financial inclusion, extend credit facilities, offer investment opportunities, and deliver SAAS services, all bolstered by our unique combination of physical and digital distribution channels.

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

Niyogin draws its strength from the perfect synergy of youthful vigour and seasoned wisdom, culminating in a robust set of core values that define our organisation in today's dynamic landscape.

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

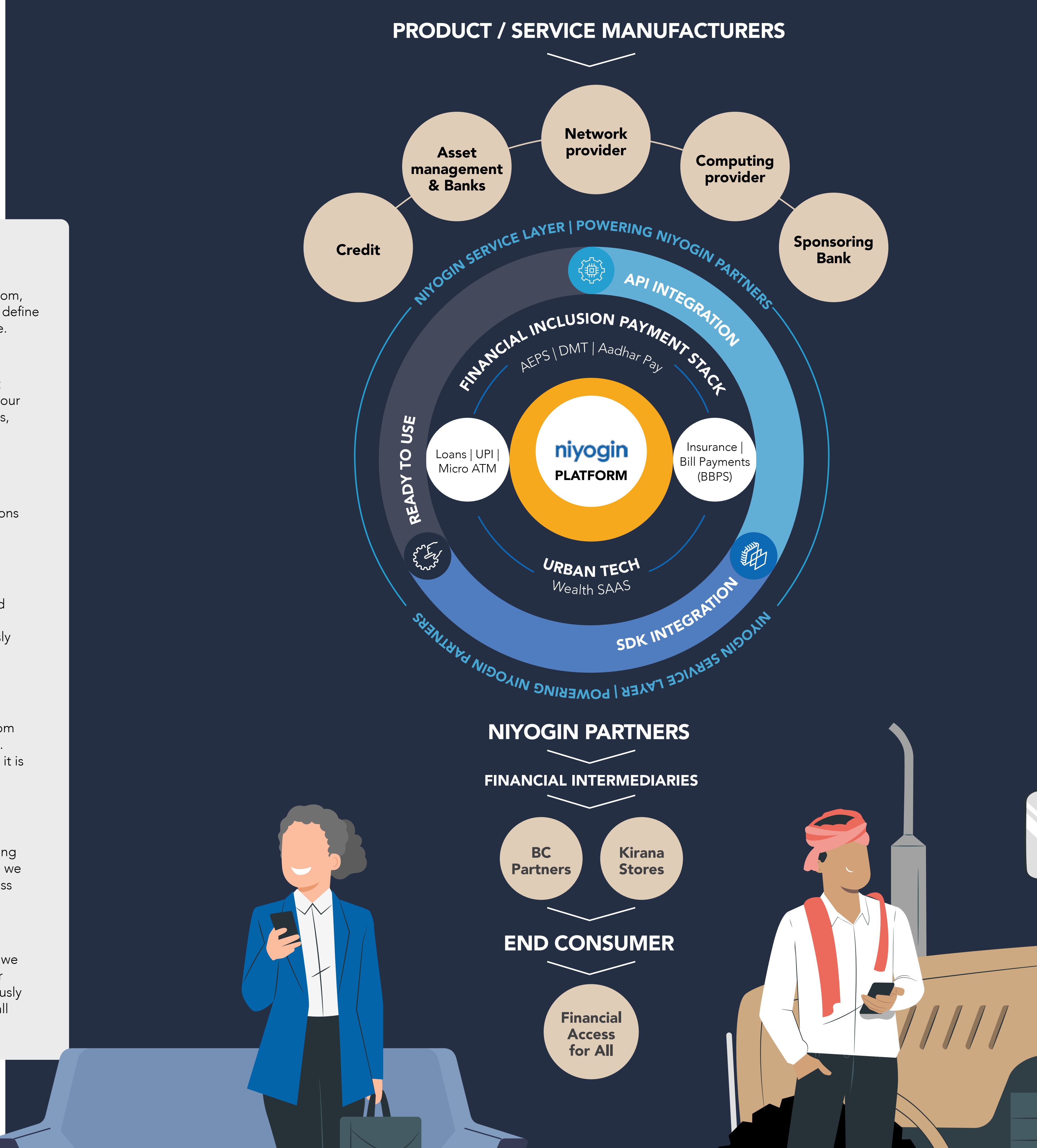
Agility
Nimble and responsive, we pride ourselves on making quick decisions and translating them into a competitive advantage.

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

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.

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.

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



Journey & Evolution

Innovate to elevate

Our flight, though relatively brief, has been marked by a relentless pursuit of progress and transformation, with Niyogin consistently striving to elevate itself. Embracing a forward-thinking mindset, we proactively respond to shifting landscapes and emerging demands, anchored by our unwavering commitment to our core values - innovation, flexibility, and agility among others.

Throughout our journey, we have remained dedicated to relentless evolution, consistently achieving growth milestones. Recognising these values as the fundamental drivers of our advancement, we wholeheartedly embrace the spirit of reinvention at every turn, propelling us towards a brighter future.

1

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

2

Partner-led, credit focused approach

2018

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

3

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

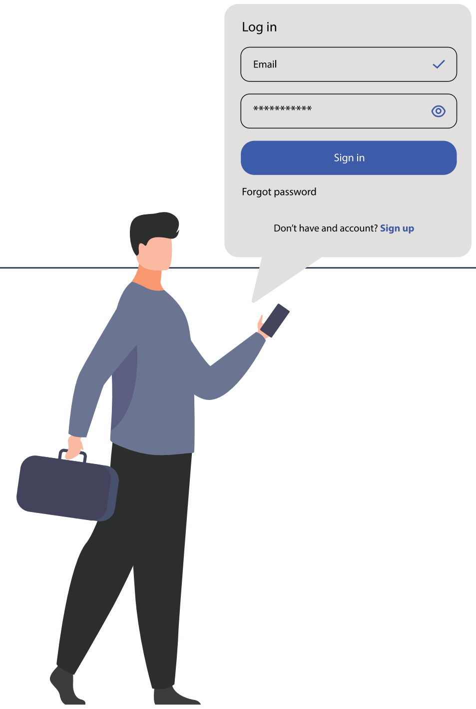
- Achieved cash breakeven
- Rural Tech crosses 130K touchpoints
- Initiated Credit as a product proposition in Rural Tech segment

2022

- Initiated and scaled transaction-led credit
- M-ATM Switch -> Live with NPCI (sponsored by Indusind bank) – India's first Cloud Native switching solution

2023

- Established 722K+ touchpoints, nearly double than last year
- A large payments bank is scaling up IMPS, AePS, and m-ATM solutions on our switch, while the Prepaid card solution on our iSU switch is currently in the pilot phase
- A large payments bank is scaling up m-ATM on our switch while the AePS solution on our switch is currently in the pilot phase
- A large private bank has gone live with our Agent assisted Account opening model - currently in pilot phase
- A large private bank has implemented our Agency Banking solution



The future

Evolve into a premier Banking as a Service (BaaS) platform offering a "**neobank**" product stack.

During FY2023 - 'Year of Build', we dedicated significant efforts in fortifying our infrastructure, laying a solid foundation for future growth. Looking ahead to FY2024 - 'Year of Scale', our focus will shift towards expanding operations and amplifying our presence in the market. Our ultimate objective for FY2025 is to achieve sustainable profitability, driving our organisation towards long-term success in a dynamic business landscape, thus creating significant value for all stakeholders.

Key Performance Indicators

Prolific performance. Promising prospect.

Our unique business model operates on a platform infrastructure that in addition to traditional measurement metrics should also be evaluated using operating metrics like GTV which is a key revenue driver.
To evaluate our success, stakeholders should consider the expansive scale and reach of our platforms, along with the revenue generated through a combination of fees and transaction-based variables. It is essential to recognise the distinctive nature of our approach when assessing our performance and impact in the market.

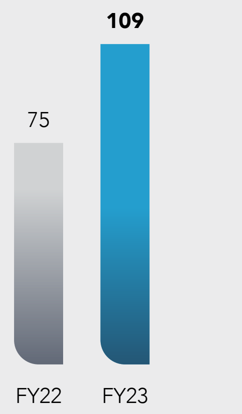
Total Revenue (₹ Cr)

9%
YoY Change

500.0
Year of monetization - FY25

Revenue (ex-Device sales) (₹ Cr)

45%
YoY Change



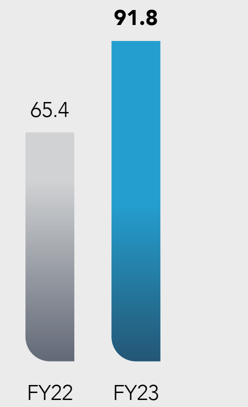
Key Products Developed

Aadhaar Pay

Agency Banking Solution Prepaid Card Stack[2] NiyoBlu

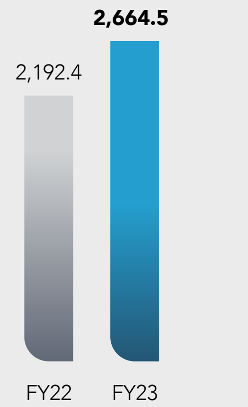
Gross Loan Book (₹ Cr)

40%
YoY Change



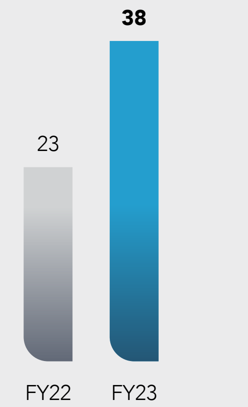
Wealth AUM (₹ Cr)

22%
YoY Change



Number of Transactions (Mn)

62%
YoY Change

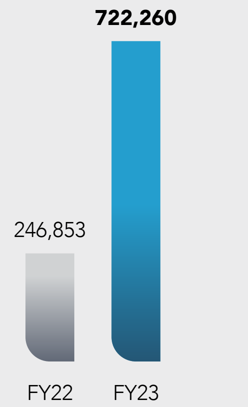


BaaS Partners (#)

20%
YoY Change

Retail Touchpoints (#)

193%
YoY Change



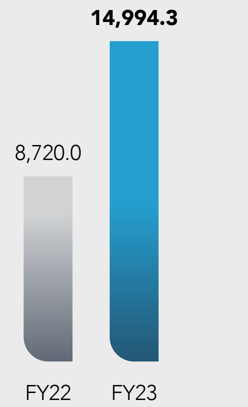
1.5-2.0 Mn
Year of monetization - FY25

Financial Professionals (#)

4%
YoY Change

Gross Transaction Value-GTV* (₹ Cr)

72%
YoY Change



100,000
Year of monetization - FY25

*As per industry standards retailer payouts have been included;

Letter to Shareholders

Innovation in thought. Impact in delivery.

> To further our build and to strengthen Niyogin's future, we have raised equity capital via warrant issuance. We have a strong foundation that we are well-positioned to build on.

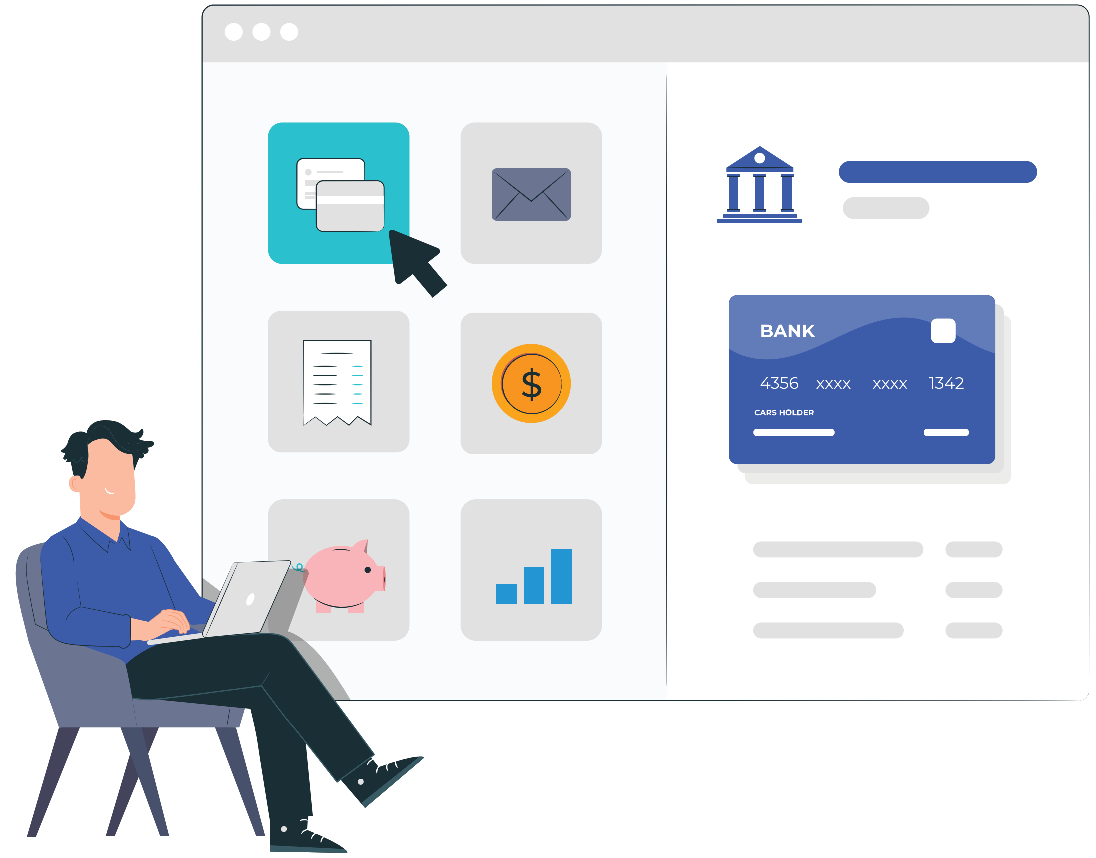
Dear Shareholders,

Niyogin Fintech continues to lay the foundation towards its mandate of empowering small businesses with easy access to financial services. We hope to innovatively leverage technology to solve real-world challenges and partnerships to augment our reach.

We have three verticals where we prioritize the build of our business:

Banking as a Service: Our subsidiary, iServeU, has built an enterprise-ready technology platform that can use cloud-based, modular technology stacks to offer access to payment, financial services, point-of-sale (POS), and card products via ground distribution that convert retail outlets into financial centres. Our platform is secure and well-equipped to cater to the needs of large institutions. We have built proof of concept and commercial application through many marquee enterprise clients who leverage our technology to offer their services to customers in rural and semi-urban India. We are now focused on building scale in this vertical and positioning it as a core infrastructure for financial inclusion.

Credit products: Our positioning as a Fintech NBFC is unique, where our technology-first DNA augments our capability of building and funding credit exposure in our domain of focus. We are making investments in setting up the building blocks for a tech-centric platform. This lending platform will be partnership-oriented that creates a win-win for our partners and borrowers while also being cost efficient. We believe the opportunity set in this space is significant, and we are well-positioned to be able to realize it with the right risk safeguards. This is a pillar for our growth over the next few years.



> We have built proof of concept and commercial application through many marquee enterprise clients who leverage our technology to offer their services to customers in rural and semi-urban India.

Distribution platforms: Our investments in digital distribution, both on our Niyoblu (via finance professionals and partnerships) and Moneyfront platforms, offer customers access to a comprehensive suite of financial services. Both distribution businesses have significant potential ahead of them with the right investments, not only in technology but also in ground distribution. This is our third pillar, and we are focused on continuing to build proof of concept and aiming for commercial application at scale in the future.

As you can see, the Company has made significant investments in these avenues to build access to this emerging opportunity, where the penetration of financial products is still relatively low. To further this build and to strengthen Niyogin's future, we have raised equity capital via warrant issuance. We have a strong foundation that we are well-positioned to build on. I want to thank our board members, management team, and our partners in helping us achieve our mission and making Niyogin the vehicle for financial empowerment in communities across India.

Thank you

Amit Rajpal
Non-Executive Chairman and Co-founder
Niyogin Fintech Limited

Q&A with CEO

A candid conversation with the CEO

In FY2023, we started to see acceptability of our BaaS products as we emerged as the 'Go To' partner for multiple marquee customers we work with The coming year is going to be about making sure that we have a significant presence in the market to sell our propositions.

Tashwinder Singh
Chief Executive Officer & Managing Director

1 Niyogin had laid down a Hypergrowth Strategy wherein FY2023 was classified as the 'Year of Build', what has been our approach towards expanding our product stack?

A FY2023 turned out to be an important year in our journey of becoming a comprehensive Banking as a Service or BaaS provider. Our approach has been towards building our product stack aligned with this vision. It gives me immense pleasure to share that we successfully built our entire stack of infrastructure that is required to facilitate a host of financial services and therefore, we achieved what we had aimed for.

2 What were the incremental products that we built and what is the opportunity we foresee?

A Within our subsidiary, iServeU, we expanded our BaaS product stack on all fronts. As I speak, we are offering a fully digital account opening experience through the neo-banking stack while also facilitating transactions like cash withdrawal or DMT (domestic money transfer) through AePS (Aadhaar Enabled Payment System) or IMPS (Immediate Payment Service) or UPI (Unified Payments Interface). We have further built capabilities to the extent of providing a full cards stack to anyone who wants to be in the business of issuing or acquiring cards. We consider ourselves well-equipped to provide the infrastructure required to enable these various businesses.

While we are offering the entire stack to all our partners or customers, flexibility to customize. iServeU's microservice option allows partners to pick and choose basis their preference and need. This effectively means that while on one hand, a bank could use us for the Agency Banking Solution, another partner could just use our BBPS (Bharat Bill Payment System) stack or the AePS stack. We are also in discussions with various existing partners to see if they would want to start using our, recently launched, card stack for issuing cards in their ecosystem. So, we have built a comprehensive stack and have tie-ups with many partners - it enables the opportunity to consistently cross-sell.

At Niyogin level, we also revamped the NiyoBlu platform which allows us to engage with the MSMEs regarding their financing requirements. Given the nature of their business, MSMEs require small size loans on a frequent basis. Due to the time and effort required to underwrite a loan, it becomes uneconomical for banks to serve MSMEs creating a large opportunity for Fintechs. NiyoBlu bridges this gap by ensuring quick assessment of the credit that an MSME is eligible for, followed by rapid execution of the same through its tie-up with multiple lenders. All of this is an end-to-end digital process.

3 Within the BaaS business, what are the customer segments you are catering and what are the key products that are being offered to them?

A Through iServeU, we are catering to three distinct customer segments – Banking Correspondent or BC Agencies, Banks, and Fintechs or Neo-banks. Our product stack to cater to each of these segments is different from one another.

When it comes to BC Agencies, we are primarily offering them our financial inclusion stack, transactional banking, among others, that consists of products like Micro ATM, AePS, BBPS and DMT, among others.

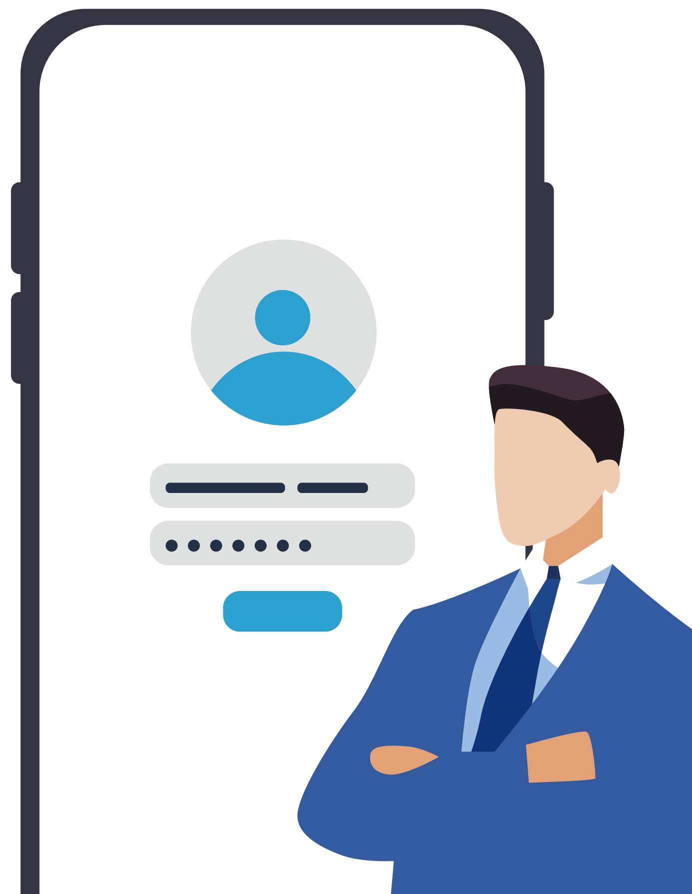
With banks, we are working as a TSP (Technology Service provider) or program manager to support them in launching their digital programs. Alongside, we are also offering our Agency Banking solution which allows them to onboard BC partners onto their platform seamlessly.

With Fintechs or Neo-banks, we are helping them expand their array of financial services and offering them platforms that allow say, issue of prepaid cards and digital account opening and hence helping them monetise the networks created by them.

4 Could you give us a little more colour about the NiyoBlu platform and what are the capabilities of the platform?

A NiyoBlu platform offers end-to-end digital distribution of financial services to MSMEs. We are servicing these MSMEs via ~5200 Chartered Accountants that have been onboarded on the platform to generate leads. Given Niyogin has an NBFC license, it offers unsecured business loans and working capital loans to MSMEs through this platform. In addition to credit, Niyogin has tie ups with some prominent institutional partners to offer a range of financial services like insurance and wealth to service all MSME needs through a single platform.

The new platform boasts of functionalities that enable an enriched and engaging experience for partners by providing access to knowledge documents, product manuals, analytical dashboards and much more.



5 Our credit book increased significantly last year. What is our strategy to scale this business going forward and how are we building a moat to differentiate ourselves from other digital credit players in the market?

A We are building our credit business through a differentiated approach. Unlike traditional NBFCs, we don't operate on a brick-and mortar model and therefore, do not have any branches. We want to encourage digital engagement models and have adopted a partnership-led strategy that allows us to remain asset-light and exercise a cost-efficient market access. We work with multiple CA partners and each of these partners have 100-150 MSME clients. Our partnership-led strategy allows us to preserve the physical leg by serving these MSMEs through partners while our NiyoBlu platform ensures the digital delivery of credit and other financial services.

Our willingness to lend is subject to our access to differentiated data which could be either sourced through our partner network or through other sources. Therefore, besides reducing our customer acquisition costs, the partner network has been helping us underwrite better, ensure low default rates, and reduce the overall cost from a lending perspective as well. This allows us to provide capital to MSMEs at attractive rates.

So, one way to put it is - we have built a unique model where we are a digital lending player with the lending capability (as we have the NBFC license) and we are using the physical infrastructure created by our partners to supplement the digital infrastructure created by us.

The regulatory environment around digital lending is undergoing changes as well. In the recent digital lending guideline updates by the Reserve Bank of India, one of the key guideline talks about the need for execution of loan disbursals and repayments to happen between the bank accounts of the borrowers and the regulated entities such as banks and NBFCs. Niyogin, being an NBFC with a differentiated business model, stands to benefit tremendously through this guideline.

Therefore, we believe, lending will remain a critical element of our business growth in the coming years.

6 What are the key challenges that you expect to face in both the BaaS and credit business and how are you planning to address them?

A So, I would like to answer this question basis the two businesses we operate in.

On the BaaS business side, once an organization builds the product stack, this business is all about scale. We have told the market that FY2024 is the year of scale, and we are seeing increased adoption of our solutions. However, given the business is about pennies, the level of scale that is needed, to grow our business, is quite substantial. So, that I feel, would be our biggest challenge. We are focused on achieving that scale without necessarily increasing our cost structure in a big way.

We have done multiple things to address this challenge the right way. Our strategy to build the product stack first and then go after scale is expected to help us significantly in the coming quarters. By building a comprehensive product stack, we ended up increasing our target customer base. We are also emerging as a 'Go To' partner for anyone who wishes to power their existing network through financial services. Our incremental product stack will allow us to increase our business with existing partners and attract newer partnerships. This will ultimately help us in achieving scale in the current year.

On the credit business side, the biggest challenge is good customer experience and, again, scale. As a digital lending partner, we don't issue loans through the brick-and-mortar model. Therefore, providing a similar hassle-free experience to MSMEs using the partner network has been our key focus. Apart from this, as we said, we would be growing our credit business through an underwriting process that will be based on differentiated and incremental information. Therefore, scaling up such business takes a lot of time and effort.

We are addressing this challenge by onboarding more partners and gradually creating underwriting programs with each partner. Therefore, in an aim to build our credit business the correct way, we will be scaling this business steadily.

7 What were some of the key highlights during the year across all the businesses?

A In FY2023, we started to see acceptability of our BaaS products as we emerged as the 'Go To' partner for multiple marquee customers we work with. Compared to a year ago, our client conversations have become richer given our continuous engagement and ability to provide customized solutions to cater to more use cases. Having successfully established the proof-of-concept, we are extremely excited to take our business to the next level. It will be interesting to see the efficacy of our solutions as we scale our business with existing partners and form newer partnerships. Furthermore, this will be crucial to achieve break-even in the coming year.

7 What will be your key focus areas as you enter FY2024, the 'Year of Scale'?

A The coming year is going to be about making sure that we have a significant presence in the market to sell our propositions. We plan to explore cross-selling opportunities with existing customers and go after our target customers who we think would benefit from our product stack.

7 How would you like the market to track your progress going forward?

A The market can track our progress on multiple parameters - the product stack we have built, number of partners we are working with, expansion of our distribution network through these partnerships, and finally GTV (Gross Transaction Value) growth. These are the key levers that will ultimately drive our financial performance.

Board of Directors & Management Team

Giving direction to Niyogin's vision

Board Committees

A Audit N Nomination and Remuneration S Stakeholder Relationship
C Corporate Social Responsibility R Risk Management

● Chairman
○ Member

Amit Rajpal

Non-Executive Chairman, Co-Founder

A S C

Mr. Amit Rajpal is the Co-Founder and Non-Executive Chairman of Niyogin, a platform serving micro businesses across India with a focus on rural areas.

Mr. Rajpal is currently the Managing Partner of Marshall Wace Asia based in London (previously Chief Executive Officer of Marshall Wace Asia). He manages the Global Financial Services Strategy for the firm, both in the context of public marketing investing and also a late stage private investing focused on new age financial infrastructure with a particular emphasis on blockchain technology.

Prior to this, he was the Head of Asia Proprietary Trading and Global Financials Portfolio Manager at Morgan Stanley, having formerly been Head of Global FIG Research from 2006 to 2007 and Asia FIG Research from 2002 to 2007 at the firm.

Mr. Rajpal graduated from Mumbai University with a Bachelors in Commerce, holds an MBA from the Indian Institute of Management Calcutta (IIM-C) and has also completed a degree in Costs and Works Accountancy (ICWA).

Gaurav Patankar

Non-Executive Director, Co-Founder

R S N

Mr. Gaurav Patankar, Co-Founder and Non-Executive Director of Niyogin, is an institutional investor and impact entrepreneur focused on emerging markets and alternatives. He is a firm believer that the democratization and digitization of the Indian SME sector is the single biggest transformational opportunity within the Indian markets.

Over 26 years of his career, he has led investment and research teams at large institutional platforms such as Bloomberg, Bank of America, BNY Mellon, Lockheed Martin, Citi, Millennium Partners and M&T Bank.

Mr. Patankar 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

C

Mr. Tashwinder Singh comes with more than 29 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 and KKR in his previous roles.

Mr. Singh 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, manage and scale business with focus on Commercial banking, Investment banking, Private banking, Principal investing amongst others. During his long career in the Banking industry, he has built expertise in the areas of Investment Banking, deal diligence, underwriting, Principal Investing Asset Management Business in India.

He holds a masters in Business Administration from Faculty of Mgmt. Studies (Delhi University) and BE (Electrical) from Delhi College of Engineering (Delhi University).

Subhasri Sriram

Independent Director

R N A

Ms. 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.

Ms. Sriram 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 currently serves as the Board member of TVS Electronics Limited and Shriram Asset Management Company Limited amongst others.

Ms. Sriram 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.

Kapil Kapoor

Independent Director

A N S

Mr. Kapil Kapoor is the founder and trustee of Ashoka University. He currently serves as the Chairman and Non-Executive Director of Info Edge (India) Limited. He started his professional career in year 1987 in sales and Brand management with Nestle India Ltd. He later worked with Bausch & Lomb, where he was part of the start-up team that launched RayBan Sunglasses and the Bausch & Lomb vision care range in India. He subsequently went on to manage the overseas marketing territories of Russia, Ukraine and East Africa in addition to the SAARC region. In 1996, Mr. Kapoor relocated to Thailand as the Country Manager for Bausch & Lomb and Commercial Director for South East Asia and the SAARC region.

Mr. Kapoor then joined Timex Group and was Chairman and Managing Director of the publicly held Timex Group India Ltd. from October 2000 onwards. He also managed the Asia Pacific region for the Group from 2003 and eventually went onto become the Global Chief Operating Officer of Timex Group, USA from 2009 until 2013.

Mr Kapoor has earned a degree in Economic Honours from Delhi University and MBA (PGDM) from Indian Institute of Management, Ahmedabad. He has also pursued executive education programs at Ashridge University and Harvard University.

Eric Wetlaufer

Independent Director

C A R

Mr. Eric Wetlaufer provides counsel as an investor, director and advisor to a range of large public to smaller private companies, with a particular focus on technology and financial sectors. He is Managing Partner of TwinRiver Capital, an Impact Investment firm with the dual mission of advancing positive environmental and societal impact globally, as well as delivering strong financial returns. Mr. Wetlaufer currently serves on the Board of Directors of the TMX Group, IMCO, Enterra Solutions and Niyogin Fintech Limited, and is a past director of the UN-supported PRI and past president of the CFA Society Boston.

A seasoned institutional investor, he 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. Prior to joining CPPIB in 2011, he was the Group Chief Investment Officer, International at Fidelity Investments in Boston, Massachusetts.

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

Dr. Ashby Monk
Independent Director

Ⓡ Ⓢ Ⓒ

Dr. Ashby Monk 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.

Dr. Monk has more than 20 years of experience studying and advising investment organizations. He has authored multiple books and published 100s of research papers on institutional investing. His latest book, The Technologized Investor, won the 2021 Silver Medal from the Axiom Business Book Awards in the Business Technology category.

Outside of academia, Dr. Monk is the Head of Research at Addepar and serves on the firm's leadership team. He has co-founded several companies that help investors make better investment decisions, including Real Capital Innovation (acquired by Addepar), FutureProof, NetPurpose, D.A.T.A., ThirdAct, SheltonAI and Long Game Savings. He is also a member of the CFA Institute's Future of Finance Advisory Council and was named by CIO Magazine as one of the most influential academics in the institutional investing world.

Dr. Monk received his Doctorate in Economic Geography at the University of Oxford, holds a Master's in International Economics from the Université de Paris I - Pantheon Sorbonne, and has a Bachelor's in Economics from Princeton University.

Board Committees

Ⓐ Audit Ⓝ Nomination and Remuneration Ⓢ Stakeholder Relationship
Ⓒ Corporate Social Responsibility Ⓡ Risk Management

● Chairman
○ Member

Senior Leadership

Tashwinder Singh
CHIEF EXECUTIVE OFFICER

Ex-Citigroup, KKR

Abhishek Thakkar
CHIEF FINANCIAL OFFICER

Ex-Avendus Capital, Aegis Logistics, Deloitte

Debiprasad Sarangi
CHIEF EXECUTIVE OFFICER, RURAL TECH

Ex-iCash Card

Mohit Gang
CHIEF EXECUTIVE OFFICER, WEALTH TECH

Ex-HSBC, Citi

Pankaj Chaudhary
CHIEF BUSINESS OFFICER

Ex-Citigroup, KKR

Neha Agarwal
COMPANY SECRETARY & COMPLIANCE OFFICER

Ex-Essel Infraprojects

Noorallah Charania
CHIEF OPERATING OFFICER

Ex-Aditya Birla Group, RBS, HDFC Bank

Salima Charania
MARKETING HEAD

Ex-Times Professional learning

Trivenika Avasthi
INVESTOR RELATIONS OFFICER

Ex-L&T, Yes Bank, Equirus Capital

Sonal Patni
CHIEF TECHNOLOGY OFFICER

Ex-SMEcorner, Avaya, Cognizant, Tech Mahindra

Management Discussion and Analysis

Global Economy

2022 began with the global economy still recovering from supply-chain disruptions caused by the COVID-19 pandemic, when it was further impacted by geopolitical tensions. This led to inflation, which remained higher than it has been in recent decades, especially for the developed economies. Central banks responded quickly by raising interest rates. This translated into a gradual decrease in inflation in the latter half of 2022. Thus, many economies reported stronger than expected recovery in the second half of the year on the back of improving domestic conditions. This was particularly evident in advanced economies, especially the United States, which reported lower than forecasted unemployment rates and an overall improvement in labour markets. With commodity prices falling further, global headline inflation is expected to reduce from 8.7% in 2022 to 7.0% in 2023, while underlying core inflation is expected to decline more slowly.

The quick action of Central banks however had an unintended side effect on global banking sector. Post years of high liquidity and low interest rates, tighter monetary policies created a challenging environment for poorly managed banks and non-banking financial intermediaries. Such institution's balance sheets grabbed attention given the large unrealized interest rate-driven losses in securities portfolios, highlighting their unpreparedness for a higher rate environment. A few regional banks in the US faced an asset-liability mismatch as they had invested their short-term deposits in long term securities. This created a liquidity crunch among the banks which resulted in US authorities to step in to restore confidence by giving blanket depositor protection.

Considering these, the International Monetary Fund (IMF) predicts the global GDP growth to decrease from 3.4% in 2022 to 2.8% in 2023, before gradually returning to 3.0% five years later, assuming that current financial sector concerns are addressed.

Sources: IMF World Economic Outlook, April 2023; IMF Global Financial Stability Report, April 2023

Indian Economy

India's real GDP grew by 7.0% in FY2023, compared to 8.7% in FY2022. India saw a full recovery in FY2022 led by urban demand. At the start of FY2023, various estimates suggested that India was well-positioned for a rapid growth, quickly returning to its pre-pandemic growth trajectory. However, global uncertainties led to rising commodity prices, which, coupled with unfavourable weather conditions, kept food prices elevated. The government's exports restriction and RBI's repo rate hikes and rolling back of excess liquidity helped restrain inflation. The domestic retail inflation remained above RBI's upper tolerance level of 6% for ten months before falling back to the range in November 2022.

India is witnessing a K-shaped recovery as rural demand continues to lag. While urban demand grew despite inflationary pressures, rural demand took a drastic hit due to the harsh second wave of the pandemic, followed by sharp rise in product prices of staple foods. However, with inflation falling below 5% in April 2023, there is a steady revival in rural demand.

India's economy is expected to expand by 6.5% in FY2024 driven by private consumption, primarily supported by revival in rural demand and India's rising upper middle-income population with a growing disposable income. However, Deloitte research suggests that private investments towards capacity creation will play a critical role in meeting India's rising demand, ensure non-inflationary growth in the long-term and provide the required momentum to achieve a sustainable domestic demand-led growth.

The Indian government in its Union Budget for FY2024 increased the capital investment outlay for the third time in a row to ₹ 10 Lakh Crores (3.3% of GDP), up 33%. This will be primarily used to crowd-in private investments, create jobs, enhance growth potential, and provide a cushion against global headwinds. Given MSMEs or Micro, Small, and Medium Enterprises are considered to be the growth engines of the Indian economy, they are expected to be key benefactors of this move.

Source: Economic Survey 2022-2023; RBI Bulletin April 2023, May 2023; Invest India; Deloitte

Indian MSME Sector

India is home to 63 Million* Micro, Small, and Medium Enterprises (MSME), contributing 30%# to the country's GDP, 40%@ to domestic exports and creating employment opportunities for ~11 Crores of the country's population.

In an effort to ensure continued growth of MSMEs, the Government of India (GOI) has been proactive in introducing various schemes over the years.

The Union Budget for FY2024, for example, focussed on ensuring ease of business for MSMEs through the following initiatives:

- Emergency Credit Line Guarantee Scheme (ECLGS) that delivered additional credit to **1.3 Million+ MSMEs** was extended up to March 2023 and the guarantee cover was increased by **₹ 50,000 Crores** to a total cover of **₹ 5 Lakh Crores**.
- Additional credit of **₹ 2 Lakh Crores** will be facilitated under the Credit Guarantee Trust for Micro and Small Enterprises (CGTMSE).
- Plan to roll out **₹ 6,000 Crores** towards Raising and Accelerating MSME performance (RAMP) programme.
- Udyam, e-Shram, National Career Service (NCS) and Aatamanirbhar Skilled Employee Employer Mapping (ASEEM) portals will be interlinked. They will now serve as portals with live, organic databases, delivering G2C, B2C, and B2B services relating to credit facilitation, skilling, and recruitment.

GoI is also planning to strengthen the presence of MSMEs in the digital commerce space through initiatives like **Open Network for Digital Commerce (ONDC)** which will help democratize digital commerce in India and lower the entry barriers for small retailers trying to sell online. The platform works on an interoperable system, whose network will enable the display of products and services from all e-commerce platforms in search results across all apps on the network. Consequently, the ONDC network will connect all buyers and sellers in a single network. Through ONDC, the GoI plans to increase e-commerce market penetration in India from 8% to 25% by FY2025.

Providing credit support and transforming the sector digitally have been crucial to the growth of the MSME sector, which is also evident in the government's schemes. Growth in credit to the MSME sector has been extraordinarily high, averaging more than 30.5% from January to November 2022. This has been a boon for the credit starved sector, relieving them from their debt servicing problems while accelerating its recovery post pandemic.

Despite the efforts by the government, the credit gap in the MSME sector is estimated to be ₹ 20 Trillion#, with a lack of working capital being the primary concern. This creates a large opportunity for Fintechs like Niyogin to support MSMEs by providing credit. Niyogin has built a fully digital, distribution platform, NiyoBlu and on boarded ~5,200 Chartered Accountants (as of FY2023) to get a cost-efficient and wide market access to serve MSMEs. The platform allows MSMEs to experience a fully digital way of borrowing. Niyogin is also one of the few companies with an NBFC license. This not only allows the Company to streamline the lending process through digitization but also allows them to underwrite loans.

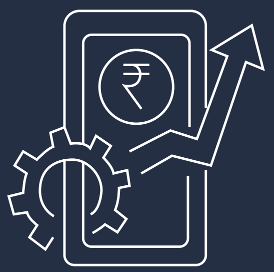
NiyoBlu platform offers a comprehensive set of financial services beyond lending through its tie ups with various financial institutions. Therefore, by becoming a one-stop shop for all MSME needs, Niyogin has unlocked cross-selling opportunities within the same base of MSME clients.

Source: *MSME Annual Report FY2023; #Forty Sixth Report of the Standing Committee of Finance (17th Lok Sabha on March '22); @ Disclosure data of publicly listed companies; InvestIndia; Economic Survey 2022-2023, RBI Bulletin April 2023, May 2023

Global Fintech Industry

The Asia-Pacific Region (APAC), particularly emerging Asia (China, India, and Southeast Asia) is expected to be the fastest growing market, where Fintechs will help boost financial inclusion. North America, the world's largest Fintech market, will follow APAC and continue to be an important innovation hub. Europe and Latin America will continue to have significant growth, aided by supportive authorities, while Africa is expected to skip ahead to a new financial ecosystem free of old infrastructure.

Key Trends in the Industry

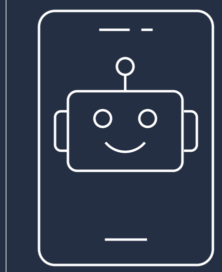


Payments to remain the key growth driver

Payment Fintechs attracted a total equity funding of ~US$ 120 Billion, i.e., ~25% of the cumulative equity funding received by Fintechs since 2000, as per Boston Consultancy Group Analysis. However, the segment continues to have an immense headroom to grow and will remain the largest Fintech segment in 2030 primarily driven by cross border payments and real-time payments.

Large corporations incur ~US$ 120 Billion in transaction costs while transferring more than US$ 20 Trillion funds across countries every year. International remittances involve multiple currencies and several financial institutions. While the traditional systems are robust and reliable, there is an increased need for more innovative payment infrastructures that help reduce costs and complexity without compromising on security.

Globally, real-time payments are expected to be another area of growth. While India, with its UPI, has been a leading example, many advanced and emerging countries have been employing similar infrastructures to enable quick money transfer.



B2B2X to power the next leg of growth

This segment includes Fintechs that are financial infrastructure providers and Fintechs that enable other players to better service their customers (B2B2C) and businesses (B2B2B). Financial infrastructure players provide customized solutions to either enable delivery of financial services or support financial institutions in their operations.

B2B2X is turning out to be a fast-growing segment as Fintechs in this space **work with incumbent banks** instead of competing with them. Banks are unable to innovate at a rapid pace due to their need to meet unwieldy legacy processes, lack of proper talent and inability to allocate sufficient tech funding. This creates a large opportunity for Fintechs to help banks in digitizing processes to help automate decision making, reduce cycle time per loan, enable cost-efficient delivery of financial services and ensure effective compliance, among other things, ultimately helping banks in reducing costs and help them compete more efficiently.

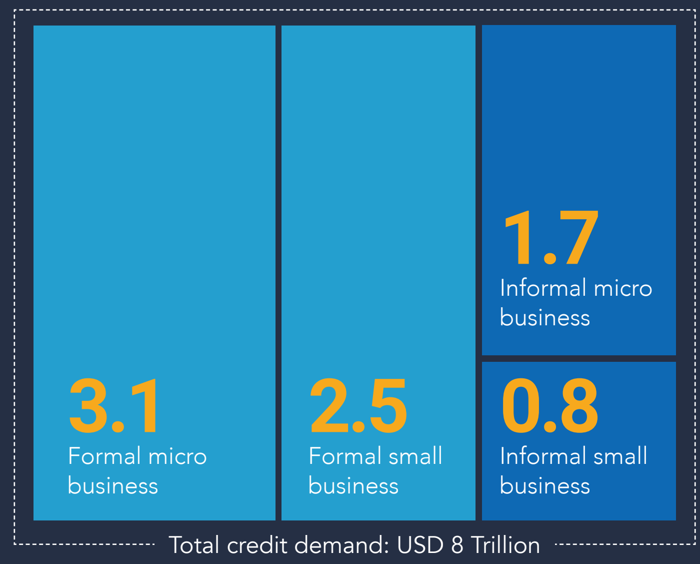
To facilitate this, financial infrastructure, or **BaaS (Banking as a Service)** providers, offer their white labelled banking technology stack to banks and other financial service providers to help them provide a comprehensive product stack to their own clients and enhance customer experience. The BaaS market is anticipated to reach US$ 74.5 Billion by 2030*.

B2B to witness a massive disruption

There were over 330 Million **SMEs (Small and Medium Enterprises)** globally in 2021. They represent 90% of businesses and account for more than 50% of jobs worldwide, as per World Bank. SMEs require basic credit for day-to-day cash flow management and capital investments. However, despite their importance in the global economic growth, many SMEs are credit starved. SMEs are also among the first ones to face bank crackdowns on credit lines at the time of financial crisis.

As per CGAP Report, December 2022, unmet financial credit needs are estimated at US$ 8 Trillion annually for SMEs in emerging markets with the informal sector making up 30%.

Credit demand by type of business, in USD Trillions



This creates a vast opportunity for Fintechs to support underserved SMEs in areas like lending and payments. It is also more lucrative to serve SMEs over individuals given the larger size of loans, broader scale, and more availability of information that enables visibility into their financial standing. When catering SMEs, Fintechs' primary goal is to unlock a cost-efficient way of product delivery by ensuring an end-to-end fully digital experience, utilizing additional distribution channels and keep exploring newer revenue streams through the same customer base.

Need for lending Fintechs to own banking licenses

Globally, lending platforms like BNPL (Buy Now Pay Later), student lending and unsecured lending performed well due to cheap capital in the past years. They issued commercial papers or went for asset securitization to fund themselves. While this worked well when interest rates were low, securing funds is expected to become increasingly difficult in the current, high interest rate environment, thereby rendering their business models unsustainable. Therefore, we are witnessing an increasing trend among lending platforms trying to either own or secure a banking license to have access to low-cost funding.

Source: World Bank – SME Finance, BCG Global Fintech Report 2023, The Economist Special Report on Digital Finance, *BDO 2023 Fintech Predictions

Indian Fintech Industry

The Indian Fintech industry is expected to increase from US$ 584 Billion in 2022 to US$ 2.1 Trillion in 2030, growing at a CAGR of 18%. Rise in per capita income, broader financial inclusivity, and greater internet penetration in deeper geographies of India will be crucial for driving future growth. Fintech industry has six major sub-segments, Lendingtech, Insurtech, Payments, Neo-banking, Investment Tech and Fintech SaaS or infrastructure. Out of these, dominance by players in the digital lending and insurtech space helped boost confidence across the Indian Fintech space.

Indian Fintech Opportunity

Sector & Sub-Sector	Market Size (2022)	Market Size (2023)	CAGR (2022 to 2030)	% Share Market Size (2030)
Overall Fintech Market	$584 Bn	$2.1 Tn	18%	-
Lendingtech	$270 Bn	$1.3 Tn	22%	60%
Insurtech	$87 Bn	$307 Bn	17%	14%
Payments	$165 Bn	$253 Bn	5%	12%
Neobanking	$48 Bn	$183 Bn	18%	9%
Investment Tech	$9.2 Bn	$74 Bn	30%	3%
Fintech SaaS	$4.6 Bn	$31 Bn	27%	1.5%

Source: Secondary Sources, INC42 Calculations

B2B Digital Lending opportunity to be most lucrative

India has the highest number of MSMEs when compared to the US and China but access to formal credit remains the lowest of all. Out of total MSMEs in India, only 16% have access to formal credit. This forces more than 50 Million Indian MSMEs to opt for informal credit and pay extraordinarily high interest rates. Therefore, digital lending in India is all set for an accelerated growth in the coming years driven by the following factors.

- **Increased digital adoption:** ~68% of MSMEs have undergone a digital transformation in some way or the other as per estimates released by International Data Corporation in 2020. With MSMEs becoming more comfortable with technology, their inclination towards availing digital loans over other options is expected to grow.
- **Digital lending, a viable way to serve MSMEs:** Over the years, traditional banks could not underwrite credit for MSMEs owing to the lack of relevant information. Also, MSMEs need quick disbursement of small size loans, therefore the time and effort required to underwrite a loan given the size was not economical. Thus, banks increased focus on larger ticket size loans creating a huge market for digital lenders that work on a more agile and cost-efficient model. By ensuring an end-to-end fully digital process from consumer onboarding to product delivery, Fintechs can serve underserved MSMEs and unbanked areas of the country at a fraction of the cost spent by traditional banks that operate on a brick-and-mortar model.
- **Growing consumer demand:** In India, per capita income grew by over 150% in the last decade. As a result, consumer spending has increased substantially, ultimately driving the MSME growth. This has increased the need for investments to avoid capacity constraints and maintain sufficient working capital for day-to-day requirements. Being a consumer-driven economy, the trend will continue in India, ultimately expanding the opportunity for B2B lenders.
- **Support from Government:** GoI has not just introduced various schemes but has also been supporting innovation through its continued developments in IndiaStack.
  a. Credit Guarantee Fund Scheme (CGS) is one such initiative wherein government aims to reduce lending risks among MSMEs by offering guarantee of 75% of the loan amount availed by MSMEs.
  b. On the innovation aspect, Open Credit Enablement Network (OCEN) is a component of the wider IndiaStack framework of open APIs that allows easy interaction between an ecosystem of lenders, lending service providers (LSPs), account aggregators, and small business borrowers. It will also enable these market participants to form partnerships and work together to develop new financial solutions specifically suited to serve last-mile borrowers and MSMEs.
- **Support from Reserve Bank of India**
  a. **Issuance of Udyam Asset Certificate (UAC):** Lack of required documents made it difficult for informal micro enterprises to register on the Udyam Registration Portal (URP) ultimately barring them access to government schemes. Therefore, issuing UAC to these informal enterprises will classify them as micro enterprises making them eligible for various schemes and avail loans issued by NBFCs and banks as per the priority sector lending norms. Fintechs can effectively serve these credit-starved enterprises by employing cash-based lending models wherein they can assess the credit worthiness of the micro enterprise based on their cash flows instead of documents.
  b. **New Digital Lending Guidelines:** Given the digital lending space has grown exponentially in the past couple of years, we saw Reserve Bank of India (RBI) issue various guidelines on digital lending last year to regulate the lending platforms and applications in an aim to protect the borrowers from unethical lending practices.

  In September 2022, RBI released a comprehensive set of guidelines pertaining to Digital Lending Applications (DLAs) and Lending Service Providers (LSP). These were on various facets, such as loan disbursal, servicing, repayment, regulatory reporting, collections, disclosures to borrowers, borrower's data collection, usage and third-party sharing. Hence, it has become imperative for DLAs to have the necessary technology and infrastructure in place, that is compliant with the regulatory guidelines.

  In December 2022, with an aim to smoothen the digital lending process and protect borrowers from usurious interest rates, RBI laid out further guidelines to strike a balance between innovation and compliance. One of the key guidelines was that execution of loan disbursals and repayments will occur between the bank accounts of the borrowers and the regulated entities such as the banks and the NBFCs.

  Being a regulated entity with a digital DNA, Niyogin exists at a sweet spot where it is able to merge the best of both traditional lenders and modern fintech. It can serve MSMEs by providing not just credit but also a host of other financial services through its fully digital platform, NiyoBlu. Niyogin's tie-ups with financial institutions allow its offerings to go beyond lending and choose from a host of other financial services available on the platform. Niyogin's asset light and partnership model allow it to acquire customer and distribute services cost effectively.

Source: RBI

Indian Digital Payments Landscape

Over the last five years, India's digital payments landscape has grown exponentially and is expected to increase from US$ 165 Billion in 2022 to US$ 253 Billion in 2030, growing at a CAGR of 5%. This is expected to be driven by following factors.

Increased awareness

Consumer adoption of digital ways of payment has increased in recent years, particularly following the November 2016 demonetization. Millennials and Gen Z consumers are at ease with digital payments and use them frequently.

Shifting customer preferences for contactless payments driven by the pandemic

Pandemic brought a radical shift in the consumer behaviour that boosted digital payments in India. To reduce the risk of touch and illness, consumers shifted to buying everything online and opted for contactless digital payment methods. This behaviour has now become a habit but remains limited to urban India.

Prevalence of cash in rural India

Although the wave of digital payment adoption has taken India by storm, historically the country has been a cash-led economy. Despite demonetization and growth in UPI volumes, the Cash in Circulation (CIC) as a % of GDP has consistently been on an increasing trend, growing from 15% in FY2019 to 21% in FY2023*. Therefore, to effectively serve rural India, Fintechs have been building cash-in/cash-out products. IndiaStack's Micro-ATM & Aadhaar Enabled Payment System have been instrumental in making this possible.

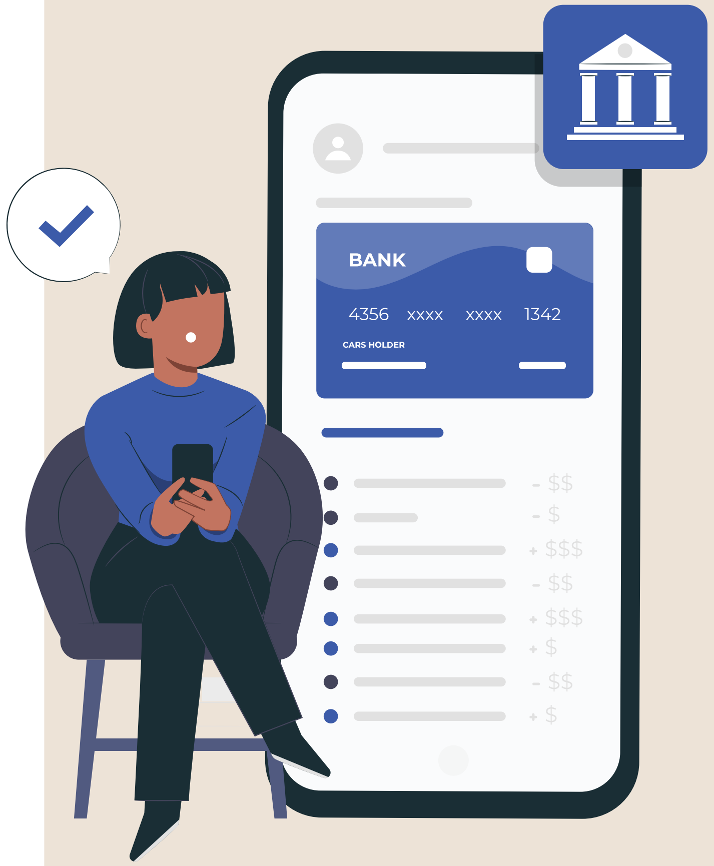
Source: CMIE, RBI

Government policies

The existing government's emphasis on developing a cashless economy in India has resulted in the implementation of many policies that incentivize merchants to accept digital payments.

Recent key government initiatives

- **GoI, through its collaboration with Singapore's PayNow,** has introduced UPI-PayNow to facilitate cross border transfers between these two nations, paving the potential for additional collaborations in future.
- **National Logistics Policy:** GoI plans to regularize the highly fragmented Logistics sector, currently valued at ₹ 160 Billion, for better management. Therefore, the plan has been to set up a single platform called Unified Logistics Interface Platform (ULIP) that will digitize the sector's financial transactions and act as a boost for digital payments.
- **National Common Mobility Card:** NCMC is another great move by GoI to achieve its vision of 'One Nation One Card'. The card will give an integrated access to the commuters irrespective of where they are travelling, or the commute taken. Integration of NCMC on credit and debit cards to facilitate transit payments will provide further impetus to digital payments.



Recent initiatives by RBI

RBI took a number of actions to support growth of digital payments and promote financial inclusion in FY2023.

DigiSaathi: To raise public knowledge of digital payments, the RBI and NPCI created DigiSaathi. It is a round-the-clock helpline with a website, chatbots, and toll-free calls that addresses customer queries and distributes information on all digital payment products.

UPI123PAY: ~28% of Indian population still own feature phones. This will make digital payments available to those users by allowing feature phone users to send payments via UPI.

UPI Lite: This is an on-device wallet-based UPI system for small ticket transactions up to ₹ 2000 wherein users can load money in their wallet, which can then be used to make payments in offline mode. This is expected to help users in areas of low/negligible internet connectivity.

Inward, cross-border remittance through BBPS: The RBI launched BBPS cross-border payments for inward remittance. This will help non-resident Indians (NRIs) pay utility, water, and telephone-related bills directly from their mobile phones.

BBPS open for all categories of payments and collections: The RBI enabled dual payments and collection of both recurring and non-recurring in nature for all categories. This is expected to facilitate payments like education fees, tax payments and rent collections, to be made through BBPS.

Central Bank Digital Currency (CBDC): Through CBDC, RBI has started exploring the usage of digital currencies. RBI launched CBDC in retail and wholesale segments in late 2022, within a closed group. While currently RBI has started testing with 4 banks, CBDC is expected to be used for both Peer to Peer (P2P) as well as Peer to Merchant (P2M) payments.

Linking RuPay Credit Cards to UPI: This is expected to increase the adoption of digital payments and benefit its stakeholders due to the following reasons:

- Increase in credit card usage
- Income augmentation to payment facilitators by charging merchant discount rate (MDR) to merchants for all UPI transactions made through credit card
- Increase in sales to merchants as consumption is expected to increase

Key digital payment methods

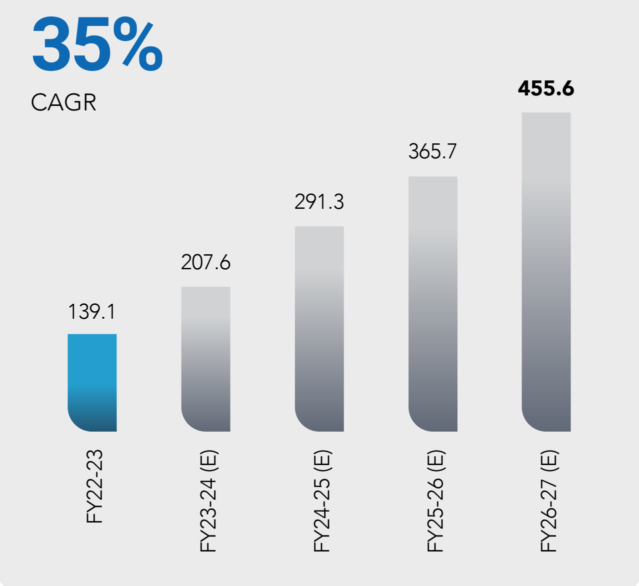
Unified Platform Interface (UPI):

Unified Platform Interface (UPI): UPI emerged as the fastest growing payment instrument in India as transaction volumes grew by over 55% YoY to ~8700 Million in FY2023. Rising income levels, increased smartphones penetration and push by the government and other regulators are expected to continue to drive this growth in future.

We are seeing various new trends in the sector that will further boost the use of UPI by Indians and grow the segment in future.

- **Cross border payments:** India's partnerships with other countries like Singapore, the UAE, Nepal, Malaysia, Thailand, Cambodia, Hong Kong, Taiwan, Japan, Vietnam, Philippines, South Korea and Bhutan will enable low-value transactions and cross-border remittances through UPI.
- **Re-introduction of Merchant Discount Rate (MDR):** More than three years ago, in an attempt to boost the use of UPI, RBI had removed MDR that was charged to merchants by digital payment providers. However, RBI's plan to reimburse MDR for FY2023 and re-introduce the same in a couple of years will provide much-needed relief to industry players who have not been generating any revenue through UPI transactions.

Transaction Value of UPI (in ₹ Trillion)



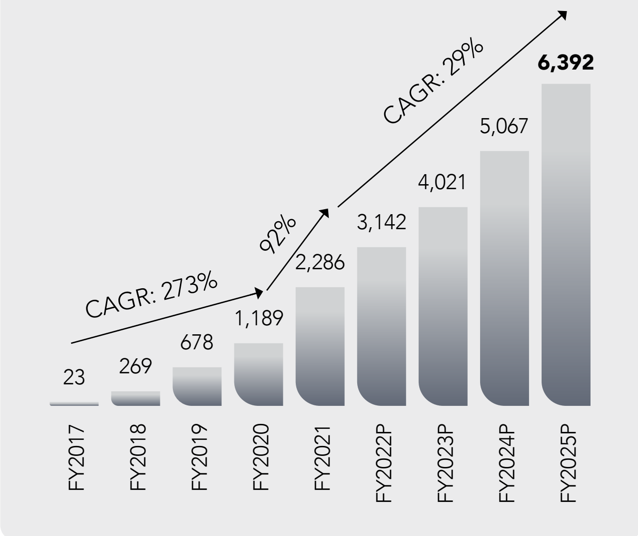
Source: RBI, NPCI, PwC Analysis

Aadhaar Enabled Payment System (AePS)/Micro-ATM (M-ATM): AePS and M-ATM are a digital to cash product that is especially meant to serve India's deeper geography population. Lack of smartphone penetration, network connectivity issues and systemic issues like digital illiteracy have been the key reasons as to why digital only payments have not found substantial traction in rural India.

AePS is a bank-led technology that permits online interoperable financial transactions using PoS (Point of Sale/Micro-ATM) terminals and uses Aadhaar number and biometric authentication as factors for authenticating the transactions. There were 20 Million M-ATM devices as on March 31, 2023, that grew at a CAGR of 72% in last 2 years.*

* Source: RBI

Transaction Value of AePS (in ₹ Billion)

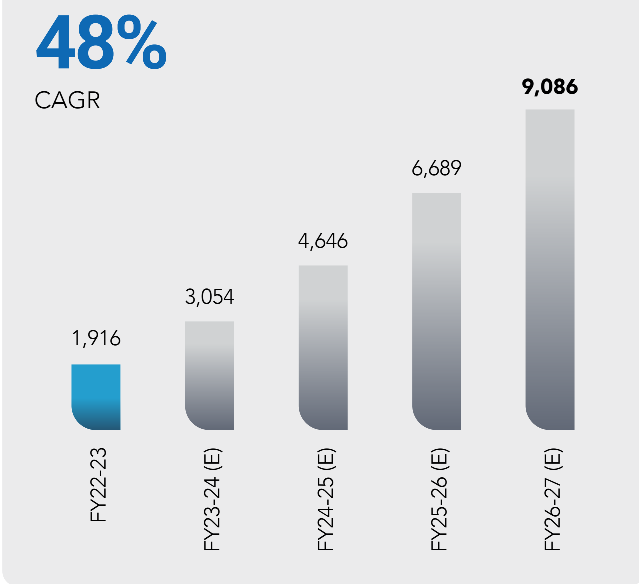


Source: Data of listed companies

Bharat Bill Payment System (BBPS): The growth of digital payments has witnessed a substantial contribution coming from the BBPS segment. BBPS volume and value of transactions was largely driven by utility bill payments. National Payment Corporation of India (NPCI) has planned to introduce newer categories that are recurring in nature and will help boost the future growth in the segment. Currently, e-challan, ticketing, wallet reloading, semi-closed PPI reloading and rent payments are expected to contribute significantly in the coming years.

Besides RBI's BBPS-related initiatives, government's effort towards improving infrastructure in rural areas will result in more households receiving water supply and electricity ultimately increasing the customer base for BBPS.

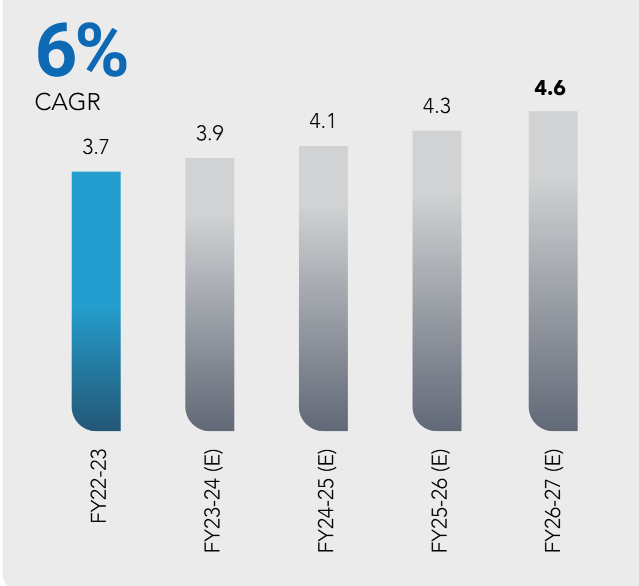
Transaction value of BBPS (in ₹ Billion)



Source: NPCI, PwC Analysis

Prepaid payment instruments (PPIs): This is an emerging segment in India, with prepaid wallets being a significant contributor towards segment's growth, as per PwC analysis. These instruments facilitate ease of payments for goods and services, including financial services, remittances, and fund transfers to family and friends. However, in the coming years, prepaid cards are expected to become a prevalent instrument in a lot of sectors like FMCG, wherein they can issue specific prepaid cards to purchase their goods, and among travel companies that might start issuing travel cards, are some use cases. This will result in steady growth in the PPI segment.

Transaction value of PPIs (in ₹ Trillion)



Source: RBI, PwC Analysis

Fintech infrastructure players supporting other Fintechs to launch Super Apps

Matured Fintechs have been working towards building super apps. As the name suggests, the objective is to create a single platform with a variety of features and services to cater to customers' day-to-day needs like transferring money, paying bills, fees, booking tickets, managing investments, applying for loans and buying insurance, among others. Fintechs keep adding new features and products to maintain customer engagement. They have been grouping several specialised applications creating an ecosystem of integrated third-party services backed by a payment system.

Financial infrastructure providers have been playing a key role in helping other Fintechs to expand their product stack by providing BaaS in the form of full stack, API, and SDKs.

Niyogin's subsidiary, iServeU, a financial infrastructure or BaaS provider, has built a comprehensive stack to cater to the various needs of banking correspondent agencies, banks and Fintechs.

- **Effective management of the backend:** Besides providing its stack, iServeU also takes the responsibility of continuously maintaining and upgrading the technology. This allows its customers to focus on their core business operations without having to worry about the tech.
- **Cost-efficient and robust financial delivery model:** iServeU's partner-led and asset light strategy allows the Company a cost-efficient market access. It has further built its own switch – "iSwitch" that not just helps in reducing transaction costs and earn a higher margin, but also ensures a seamless customer experience and significantly high transaction success rates.
- **Promoting financial inclusion:** iServeU offers its financial inclusion stack to banking correspondent agencies and agents to facilitate cost-efficient delivery of financial services that is more economical than traditional banks.
- **Supporting banks:** iServeU's ability to offer customized solutions allows it to cater to specific use cases of banks and assist them in their digital journey. By gaining access to iServeU's tech stack and a team of experts, banks can scale up more rapidly and employ prompt digital processes as and when they identify the need.
- **Empowering other Fintechs:** iServeU has been working with multiple Fintechs to help them provide varied services on their platform. It is also assisting Neo-banks by offering APIs that facilitate a fully digital banking experience by offering services like digital account opening to its customers. iServeU's scalable and flexible API infrastructure allow it to manage large amounts of data on behalf of the Fintech customer without compromising on the end users' experience. Moreover, iServeU's Plug and Play approach allows Fintechs to easily add new products. The Company is further leveraging its ability to offer customized solutions and emerging as a Go-To partner for the multiple marquee partners that it works with.

About the Company

Niyogin Fintech Limited ("Niyogin") is a B2B Company that operates on a tech centric platform-based model. It delivers 'Banking as a Service' or BaaS and credit to rural and urban India through a partnership-led strategy. This strategy allows Niyogin to tie up with local enterprise partners that have a large and deeply penetrated distribution infrastructure. Niyogin can utilize this infrastructure for cost effective reach to MSMEs i.e. customers for Niyogin.

The BaaS platform can be employed by partners in their customer-facing touchpoints that enable these touchpoints to provide banking, payment, and financial services to their local customers. Moreover, the partner led strategy helps the Company reach out to a large number of SMEs through every partner it on boards, allowing a cost-efficient market access by reducing the customer acquisition costs. The revenue model is primarily transaction-led where it earns a fee or commission on every transaction that is routed through the platform.

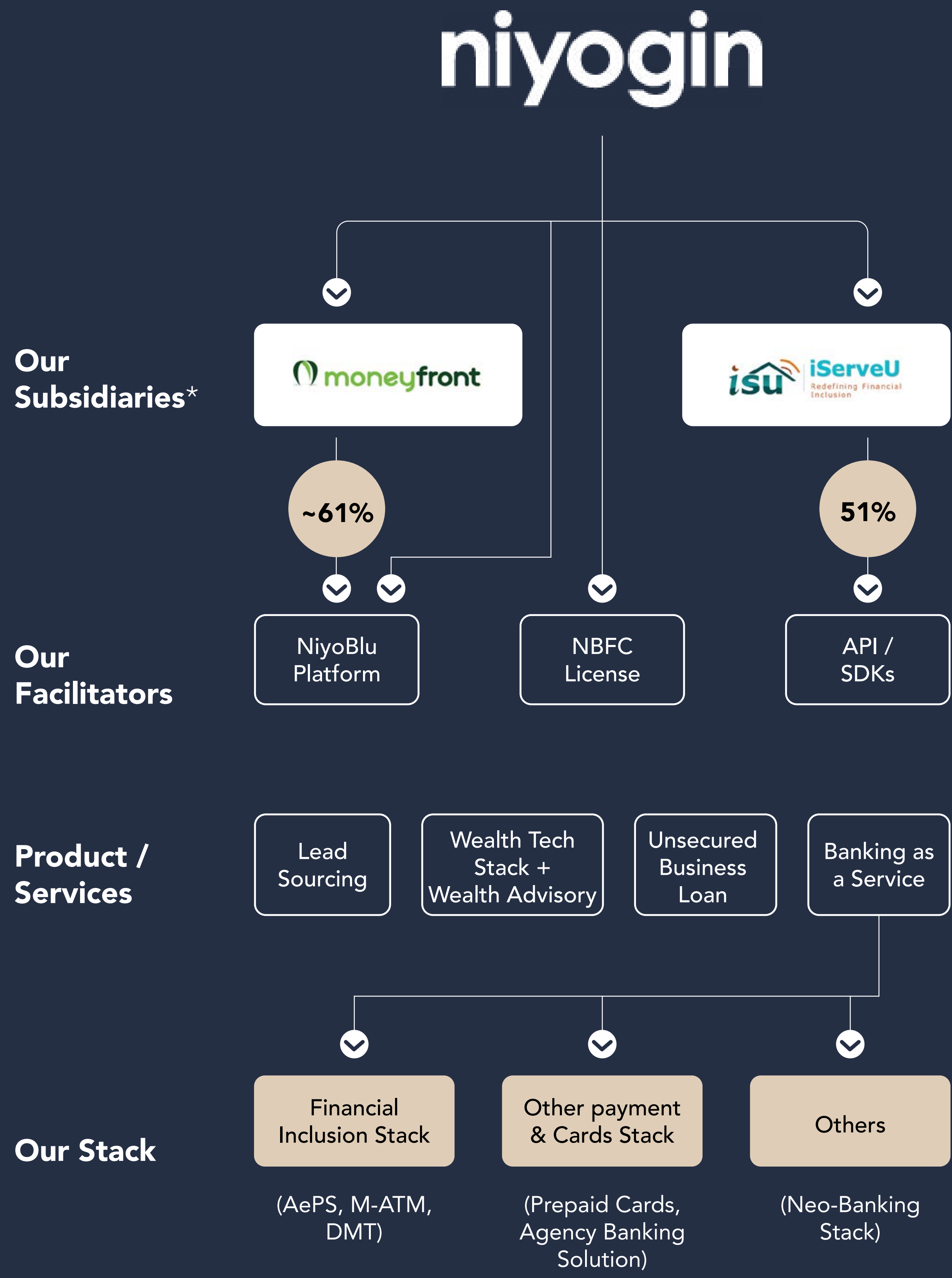
Being an NBFC, Niyogin can serve MSMEs by providing credit as well. Moreover, Niyogin's revamped platform, NiyoBlu enables lead generations and offers credit along with other financial services to MSMEs digitally. The Company has employed various lending models and earns either an interest income or a fee for loan lead generation.

Our Segments

A Snapshot of our Products and Services

Niyogin, along with its subsidiaries, offers Banking as a Service (BaaS), Unsecured business loans, Wealth Tech SaaS offerings and generates leads through the NiyoBlu platform for various financial institutions.

Niyogin, as a parent Company, is directly involved in offering credit. While some of the credit is underwritten by Niyogin, others are passed on to banks and NBFCs. Through its distribution platform NiyoBlu, Niyogin offers credit and various other financial services to MSMEs. The Company further provides access to Wealth Tech SaaS offerings through its subsidiary, Moneyfront.



** Please note that the Company holds 60.76% in Investdirect Capital Services Private Limited (Investdirect) and Investdirect holds 100% in Moneymap Investment Advisors Private Limited. Moneyfront being the brand name.*

Banking as a Service or BaaS

iServeU offers financial infrastructure or BaaS platforms to partners in the form of API, SDK and Full stack to help them expand their offerings. API and SDK platforms can be easily integrated with partners' existing platforms, while full stack solutions can help partners that are just getting started. These BaaS offerings allow partners to create a comprehensive product stack, provide various financial services to their customers or end consumers and become a one-stop shop for them. iServeU serves three different kinds of partners.

1 Banking Correspondent Agency (BCs)

BC Agencies have a large distribution network of retail stores or BC agents and are constantly looking for ways to keep generating incremental income from the same network. iServeU supports BC Agencies by providing its financial inclusion stack, transactional banking, among other offerings. These platforms are deployed by BC Agencies to their customer-facing touchpoints (Kirana stores/BC Agent kiosks) which enable these touchpoints to provide various financial services to end consumers. By offering these stacks, iServeU empowers individuals that belong to deeper geographies of India by giving them access to basic financial services.

2 Banks

iServeU works in the capacity of a Technology Service Provider (TSP) or program manager with banks to support them in launching their digital programs and help them expand their existing service offerings to promote customer stickiness. By offering its stack, iServeU further ensures a cost-efficient delivery of financial services.

3 Neo-banks or Fintechs

There are many Fintechs that aim to expand their array of financial services and go beyond their core offering. iServeU's comprehensive product stack and Plug and Play approach allows Fintechs to not just expand their services but also allows them to go live with these offerings in just a matter of weeks.

Products

iServeU's BaaS offerings consist of three kinds of stack.

1 Financial Inclusion Stack

a. **Micro-ATM and Aadhaar Enabled Payment System (AePS):** Cash-in and cash-out products that allow individuals to withdraw/deposit cash from/into their bank accounts.

b. **Domestic Money Transfer solution:** This allows the bearer of cash to deposit money in their own or anyone else's account regardless, as long as the account holder's bank is a member of the NPCI network.

c. **Agency Banking Solution:** This solution helps banks onboard and manage BC aggregator platforms thus entrusting iServeU with the integration of such agencies with bank's systems.

2 Payments and Cards Stack

API Plug and Play solution across the listed modes of payment on both issuing and acquiring sides:

a. Prepaid Cards

b. Bharat Bill Payment System

c. Point of Sale (POS)

3 Others

a. **Neo banking solutions:** Niyogin has added solutions to help Fintechs become neo-banks by offering solutions like digital account opening, mobile banking application, among others.

b. **Customer Relationship Management (CRM) solutions**

Revenue Model

iServeU earns three kinds of revenue as depicted in the picture below.

1 Volume of Transaction-led revenue

The revenue earned through such transactions is a function of the number of transactions processed regardless of the ticket size.

2 Value of Transaction-led revenue

The revenue earned through such transactions is a function of the ticket size i.e., the value of the transaction processed.

3 Subscription

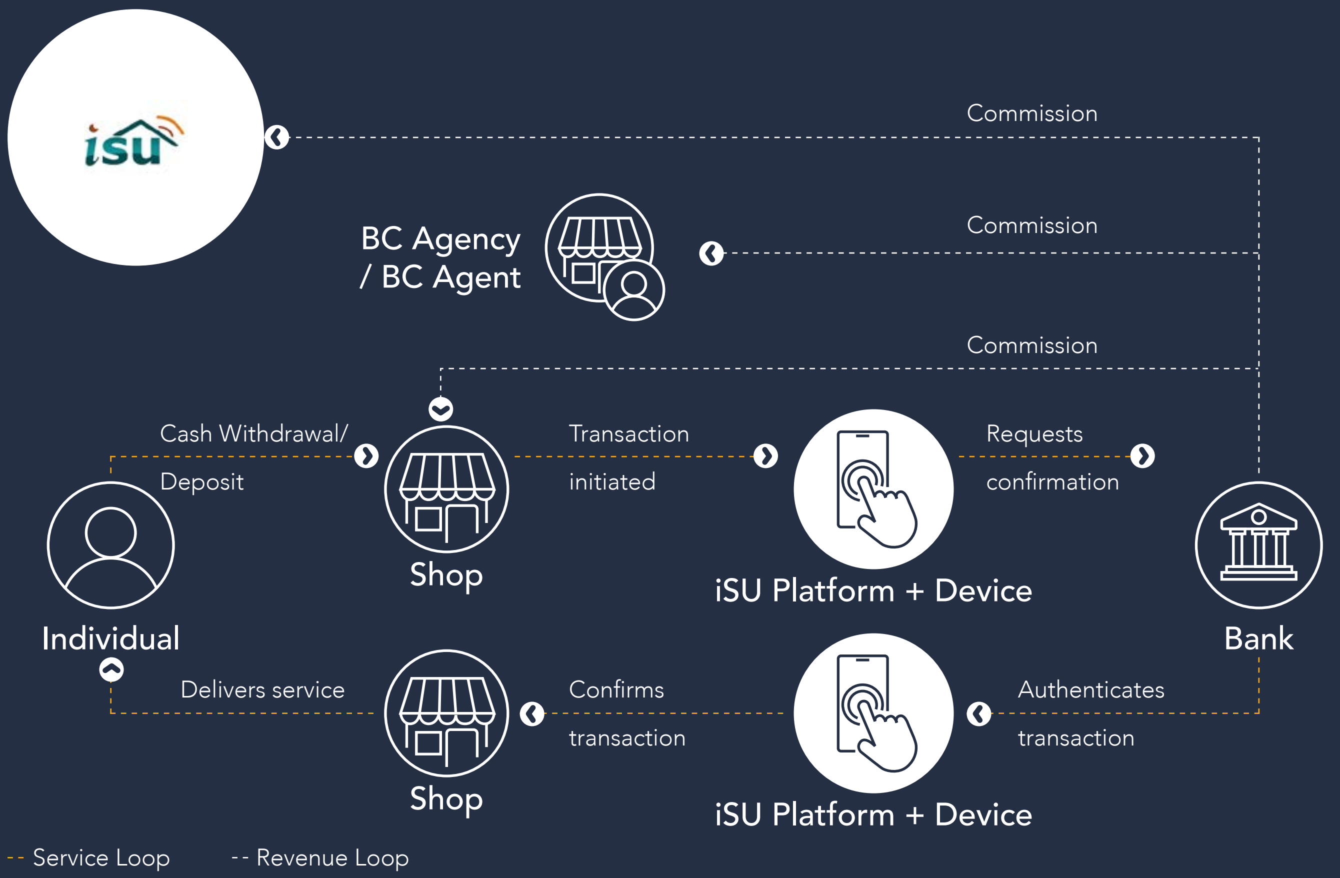
This revenue is predominantly earned at a pre-defined frequency as a function of successfully delivering service.

Below is a table categorizing some of our offering across these 3 buckets:

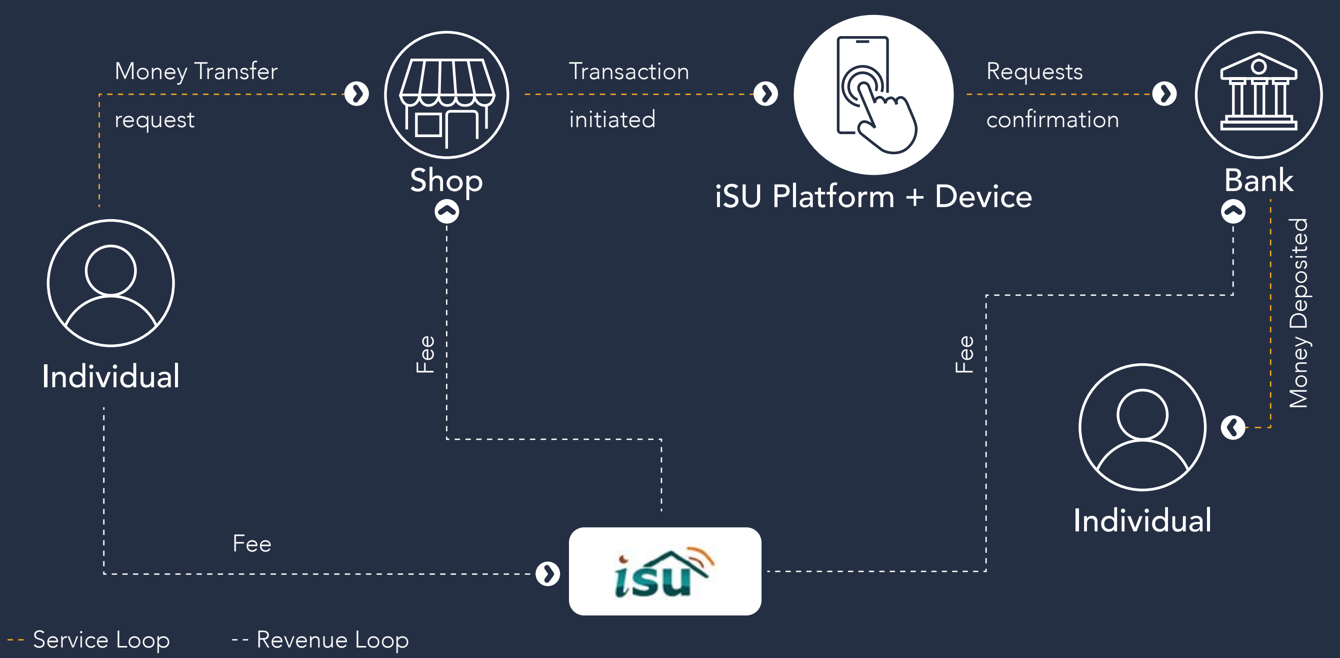
Revenue Model	Financial Inclusion Stack	Other payment & Cards Stack	Others
Volume of Transaction-led revenue	• Micro-ATM • Aadhaar Enabled Payment System (AePS)	Prepaid Cards	Neo-banking
Value of Transaction-led revenue	Domestic Money Transfer (DMT)	• BBPS • Recharge • POS	
Subscription	Agency Banking Solution		CRM Solution

Understanding the transaction & revenue model of our key products

M-ATM and AePS



Domestic Money Transfer



Business Update: 'Year of Build'

1 Building product stack

1.1) NiyoBlu, our Distribution Platform

In Q1 FY2024, Niyogin launched its revamped distribution platform, NiyoBlu to service MSMEs via finance professionals. The platform offers end-to-end digital distribution of financial services. Niyogin has an NBFC license and therefore offers unsecured business loans and working capital loans to MSMEs through this platform. In addition to credit, Niyogin has tie ups with some prominent institutional partners to offer other financial services like insurance and wealth to finance professionals to service their MSME clients through a single platform.

Lending Partner

Lending Business

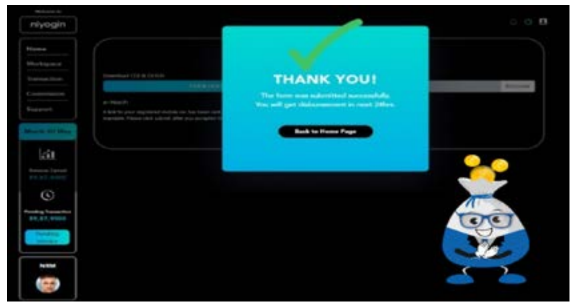
Insurance Partner

Wealth Management

The new platform aims to provide an enhanced and engaging experience to finance professionals by providing access to knowledge documents, product manuals, analytical dashboards and much more.

- Easy login
- Single login for multiple products

- Multiple products hosted on a single platform
- Dashboards
- Knowledge documents & product manuals



- Seamless user experience
- Fully digital journey

Over the years, Niyogin has on boarded ~5,200 finance professionals (Chartered Accountants). Each of these finance professionals may potentially have ~100-150 MSMEs as their clients. Niyogin incentivizes these finance professionals to flag financial needs of their clients on the Niyogin platform. Once a lead is successfully processed and the financial service is availed by the MSME, Niyogin offers the finance professional a commission for flagging the lead. Niyogin in turn may earn an interest income if the credit product is underwritten on its book or may derive a sourcing fee if the lead is passed onto any of NiyoBlu's partner institutions.

1.2) iServeU product stack

iServeU expanded their product stack and added insurance, LIC premium payment, prepaid card solutions, end-to-end digital account opening, and IRCTC ticket services, among others. The Company further continued to scale its key products – AePS, M-ATM and DMT transaction processing which led to a significant increase in the GTV numbers, that resulted in growth in transaction-led revenue.

During the year, iServeU expanded its BaaS partners base by 20% to 732. The Gross Transaction Value, including payouts, reported a significant growth of 72% and touched ~₹ 15,000 Crores in FY2023 as the Company routed over 38 Million transactions during the year.

iServeU also built its own switching capabilities allowing it to reduce transaction costs and earn a higher margin. Indigenous switching capabilities also ensure a seamless customer experience and significantly high transaction success rates for the Company.

2 Building Partnership with Fintechs and other large networks

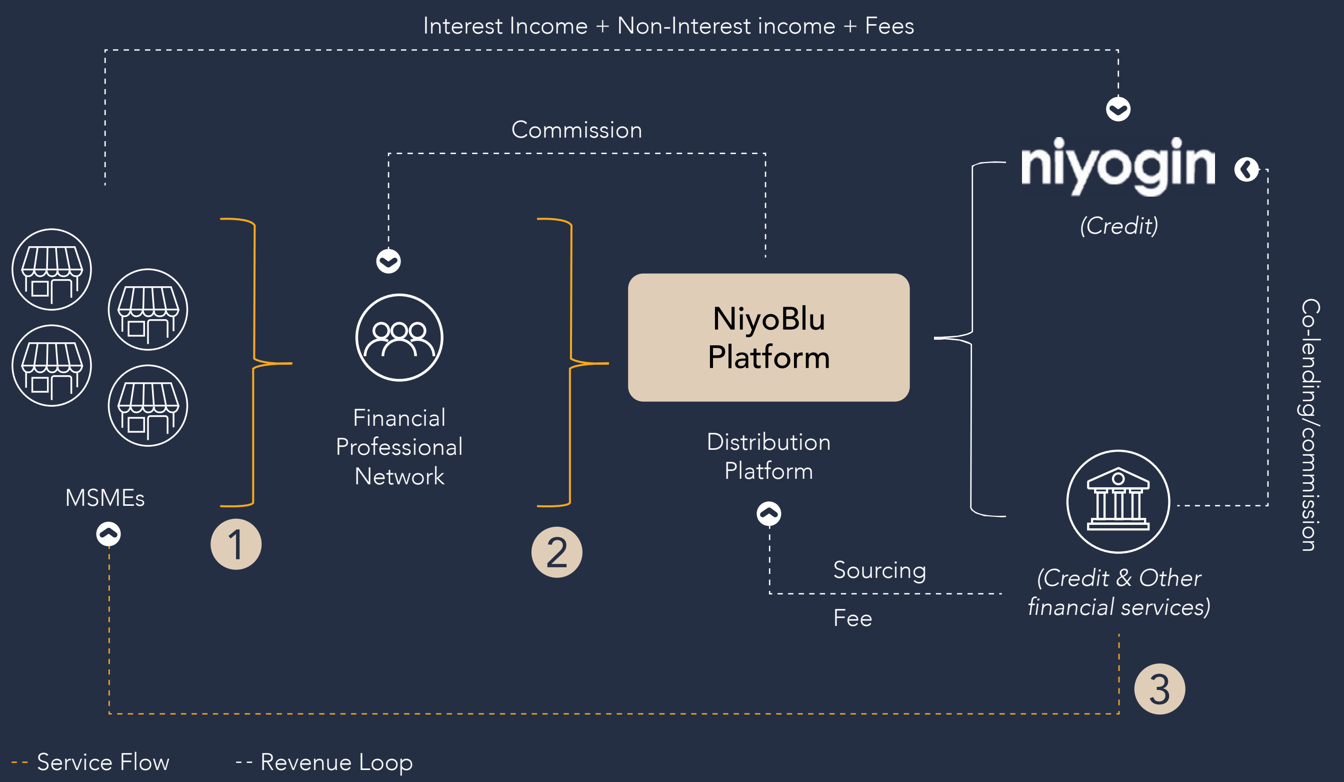
Niyogin ties up with Fintechs that own a large network of MSMEs are maybe looking to monetize this network. Niyogin through its platform NiyoBlu can connect this large network to financial institutions that offer products tailored for financial needs of MSMEs. Niyogin's powerful APIs allow for seamless integration, making the process end-to-end digital. Niyogin in turn may earn an interest income if a credit lead is underwritten on its book or may derive a sourcing fee if the lead is passed onto any of NiyoBlu's partner institutions. on boarded networks like Capital Trust, FatakPay, Bizongo and Soch.

iServeU has tied up with networks like India Post Payments bank for powering their network of 1.6 Lakh post offices and 3.0 Lakh postal employees with AePS, M-ATM and DMT capabilities.

3 Building Teams

Niyogin strengthened its leadership as it added Mr. Abhishek Thakkar as the Chief Financial Officer, Mr. Sonal Patni as the Chief Technology Officer, and Ms Trivenika Avasthi as the Investor Relations Officer. Given the kind of expertise each of our new recruits bring to the table, Niyogin is confident that their association with the Company will help them in growing the business by leaps and bounds.

In an aim to build a solid team, Niyogin expanded its employee base by 36% to 98 in FY2023, while iServeU's base grew by 50% to 338 employees in the current financial year.



1 We partner with Finance professionals who act as our sourcing agents

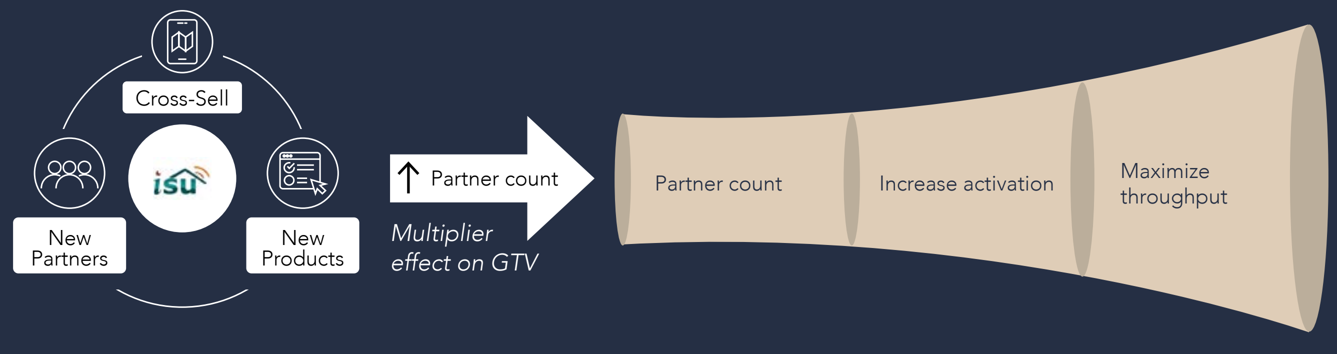
2 Financial professional are on boarded onto the NiyoBlu platform

3 MSMEs are afforded access to a wide range of financial services through institutional partners of NiyoBlu platform

India Post Payments Bank (IPPB): A case for scale

As activation rates step-up within IPPB network, the GTV scales up but cost stay comparatively low

IPPB is a payments bank set up under the Department of Post with 100% equity owned by GoI. The IPPB network has one of the most expansive footprint in the country. GoI envisions to leverage the postal network for furthering financial access to deeper geographies



3-vector growth path

- ₹ 200 Cr per month throughput
- 10k centres active on ISU platform

- +1.36 Lakh post offices acting as banking access points*
- +1.29 Lakh postmen enabled to provide doorstep banking*
- 5.26 Cr. Customers as of Mar'23

- Network strength that can be enabled by ISU:
  - 1.55 Lakh post offices*
  - 3.0 Lakh postal employees*

Source: India Post Payments Bank

Business Model & Strategy

Ensuring a Cost Efficient & Wide market access through Partnership-led model

Niyogin and iServeU operate on a partnership-led model, wherein they tie-up with large networks, enterprise partners, and financial professionals to get access to their already established network of touchpoints or MSME clients to increase market presence. The partnership-led strategy enables a cost-efficient market access by lowering customer acquisition costs.

Building Scalable & Flexible Tech Platforms

Over the past years, iServeU has effectively built digital platforms that are both flexible and scalable. iServeU's financial services infrastructure platforms or BaaS are available as full stack, API, and SDK. By providing the platforms as API and SDK, the Company enables easy deployment of the platform and seamless integration of its capabilities into the partners' existing platforms or applications. iServeU provides customized solutions to cater to varied use cases and assist customers in their digital programs. Moreover, iServeU's exceptional technological strengths are well evident through its capability to allow smooth and quick onboarding of partners, manage a large user base without any lag, route large volumes of transactions, and maintain high success rates.

Expanding product stack to unlock Cross-selling Opportunities & increase Customer Stickiness

Over the past few months, with a focus on building a comprehensive range of BaaS offerings, iServeU has gone beyond Aadhaar Enabled Payment System (AePS), Domestic Money Transfer (DMT), Micro-ATM products and added insurance, LIC premium payment, prepaid card solutions, end-to-end digital account opening, and IRCTC ticket services, among others. Having a comprehensive product stack not only allows iServeU to cross sell its products within the large distribution network but also helps its partners become a one-stop shop for their end consumers and ensure customer stickiness. This establishes a win-win situation for both iServeU and its partners, as both the parties involved explore numerous ways of monetizing the existing networks.

Key Highlights for FY2023

Completed the Year of Build

FY2023 has been a year of build for iServeU given the Company's focus towards building a comprehensive product stack for MSMEs, Banks, Neo-banks and Fintechs. To carry out the build effectively, Niyogin invested ₹ 50 Crores in iServeU during the year.

iServeU enhanced its Financial Inclusion stack with Agency Banking Solution; Neo-banking stack with prepaid cards; added Customer Relationship Management solutions for lending and insurance, among other services.

Partnerships

India Post Payments Bank: Went live with iServeU's Agency Banking Solution and on boarded 3000+ agents on the system.

PSU banks: Went live with iServeU's Aadhaar Payment stack to run its Aadhaar pay program.

Future Outlook

Key Priorities for FY2024

Building differentiated product capabilities and Deepening customer relationships in iServeU

Being a technology Company, innovation is crucial for us to stay relevant for our customers. Through iServeU, we will continue to focus our efforts on building a differentiated and comprehensive product stack of BaaS offerings for our partners. We have been building our products on IndiaStack rails and work closely with our partners to identify use cases and offer customized solutions that are deeply integrated with their capabilities. Having a differentiated breadth of offerings will create strong exit barriers and allow us to offer a comprehensive product suite and ensure repeat value.

Calibrated scale-up of our lending and distribution business

Niyogin is focussed on creating an income accretive lending model to ensure appropriate monetization of the distribution network. Niyogin is scaling its lead funnel by on boarding new Fintech and finance professionals while also focussing on deepening existing relationships. On the other hand, Niyogin is developing multitude of offerings on the platform for its partners to provide a holistic and best-in-class experience to their MSME clients.

All of this will be complemented by our feature rich and robust NiyoBlu platform, that will help us facilitate the complete process. With NiyoBlu, Niyogin aims to increase engagement with the partners and build an end-to-end digital process of financial services delivery.

Create a Brand Identity

Recently, Niyogin launched its official mascot 'Potli'. The mascot has been carefully curated to depict Niyogin's business and represent the Company's brand with three unique highlights.

The power of smart borrowing and responsible lending.

Trust and reliability that the partners bestow on Niyogin. Mascot's polished appearance reflects Niyogin's commitment to excellence, ensuring a seamless and refined financial journey for its customers.

The attire (tie and collar suit) stands for an air of professionalism through which Niyogin provides guidance towards financial success.

Financial Review

Consolidated Profit & Loss Statement

(In ₹ Crores)

	FY2023	FY2022	YoY Change
Revenue (ex-device sales)	108.6	75.1	44.6%
Total Income	117.2	107.1	9.4%
Expenses	134.4	104.1	29.1%
Adjusted EBITDA (ex-ESOP)	(17.2)	3.0	NM
Reported Pre-Tax Profit/(Loss) (A)	(28.1)	(7.7)	NM
Depreciation & Amortization	6.1	5.4	13.2%
ESOP (B)	4.8	5.3	(9.5) %
Non-GAAP PBT (C) = (A) + (B)	(23.3)	(2.4)	NM

Our total revenue grew by 9% YoY. Revenue, excluding device sales, demonstrated a significant growth of ~45% YoY and its contribution to total revenue increased from 70% in FY2022 to 93% in FY2023. This was driven by improved product mix and growth in Gross Transaction Value (GTV) numbers that resulted in increase in transaction-led revenue. Gross Transaction Value (GTV), including payouts, reported a significant growth of 72% and touched ~₹ 15,000 Crores in FY2023. This accelerated growth gave way to a J-curve kind of a growth wherein we witnessed a quarter-on-quarter reduction in EBITDA (ex-ESOP) and PAT losses throughout the financial year.

FY2023 was a Year of Build wherein we invested close to ₹ 50 Crores in our subsidiary, iServeU to develop a comprehensive product stack.

On a full year basis, Adj. EBITDA (ex-ESOP) was negative ₹ 17.2 Crores compared to ₹ 3.0 Crores last year. Our Non-GAAP PBT was negative ₹ 23.3 Crores in FY2023, compared to negative ₹ 2.4 Crores in FY2022.

Our gross loan book expanded and now stands at ₹ 91.8 Crores, up 39% YoY from ₹ 66.0 Crores in FY2022 driven by scale up of our credit business.

We continue to be debt-free and cash-flow positive. Our cash position stood at ₹ 89.4 Crores as of March 31, 2023.

Key Financial Ratios

Particulars	FY2023	FY2022
Fee to Total Income (%)	58.7%	39.4%
Total Income to Total Assets (%)	34.0%	29.5%
Book value (₹)	28.9	30.3

1. Fee income increased significantly as a percentage of Total Income driven by transaction-led revenue.
2. Total Income increased as a percentage of Total Assets on account of our increased focus on fee income business.
3. Change in Book value was due to capitalization of investment in subsidiary that resulted in losses during the year.

Opportunities

Neo-Bank model in Deeper geographies of India

India has a sizable population residing in the deeper geographies that have limited access to financial services. This presents a significant opportunity to serve this section of the society through a Neo-Bank model, instead of the conventional brick-and-mortar branch model followed by banks due to the weak economics of the latter. Neo-banks offer the full spectrum of banking services to consumers digitally and has no physical branches. In India, Neo-banks work with banks and create platforms that offer services like digital account opening and automated analytics for MSMEs. This allows the users to transact with superior products and get an enhanced customer experience. Traditional banks may offer improved customer experiences and cross-sell additional goods at extremely low prices through these partnerships.

Financial Inclusion

iServeU has been benefiting from the government's and RBI's efforts to promote financial inclusion. Every level of the IndiaStack is being expanded by the government, making the digital infrastructure even more reliable. As a result, iServeU has been able to offer a seamless and robust customer experience to MSMEs.

Potential to expand the distribution network

Niyogin and iServeU operate on a partnership-led model that gives a cost-efficient market access. They partner with Banking Correspondent Agencies, Neo-banks/Fintechs, Banks and Financial Professionals (Chartered Accountants). There are 17,34,658 Banking Correspondent Agencies (RBI's Annual Report 2022-23), 382,582 Chartered Accountants, 2100+ Fintechs, and ~40 private, public sector and payment banks. Therefore, the partner ecosystem is huge for both the businesses to expand their presence.

Innovative use of data

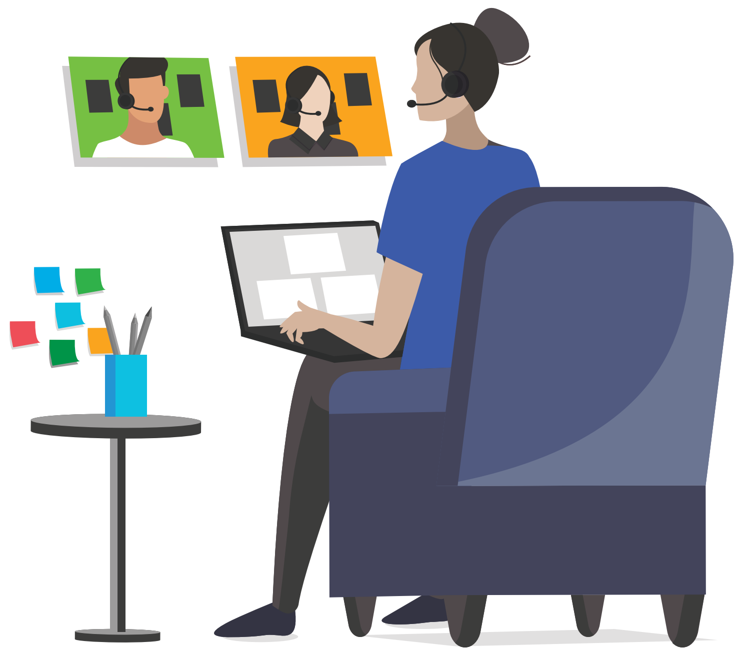
Niyogin has been experimenting with their credit models and exploring cash flow-based lending. With the formalization of the MSME sector, Fintechs now have access to cash flow related data that can be used to ascertain the credit worthiness of the MSMEs at the time of lending. This will not just help speed up the process of credit underwriting but also ensure low default rates.

Risks, Concerns & Mitigation

Risk	Understanding the Risk	Mitigation
Market Risk	Market risk is the possibility of financial loss brought on by unfavorable changes in market variables that affect earnings and capital, such as interest rates, credit spreads, foreign exchange rates, commodity prices, and others.	The framework of policies and procedures used by the Company to manage its market risk is continually reviewed to ensure that it complies with industry standards and legal requirements. Through a well-organized risk management team, Niyogin proactively monitors market risks and de-risks the loan book portfolio. In order to replicate the effects of unexpected market shocks, we also conduct periodic stress testing across asset classes.
Credit Risk	Companies involved in lending are exposed to the potential risk of a borrower defaulting on their obligations. This leads to lost principal and interest amounts, increased collection costs, and disruption to cash flows for the lenders. Moreover, traditional banks and NBFCs refrained from lending to MSMEs due to their lack of credit history and reliable financial statements. Therefore, companies giving out loans to MSMEs are said to run at a higher risk of default.	Niyogin uses a variety of measures to reduce hazards. The Company carries out comprehensive credit analyses, considering things like financial statements, cash flows, collateral values, and credit history. The risk is diversified by distributing the loan portfolio over several businesses, regions, and borrower types. Technology integration through data analytics and artificial intelligence (AI)-driven decision-making enables effective risk management. These tactics are used to assure ethical lending practices, reduce concentration risk, and improve the Company's overall stability and sustainability when lending to MSMEs. To implement corrective measures, periodic stress tests and scenario analyses of the entire credit portfolio are conducted.
Distribution Risk	Working with partners that control the deployment of products across the distribution network or touchpoints creates dependency. This creates the risk of losing business when a large partner wishes to discontinue.	iServeU's technological capabilities are well tested in advance by partners before signing the contract. Once on boarded, iServeU's platforms are deeply integrated with partners' existing platforms. Deploying the platforms across the distribution network is a time-consuming task undertaken by the partner. Once deployed, it takes at least six months for an agent to start carrying out transactions on the platform. iServeU manages the back-end operations and enables a seamless customer experience and high transaction success rates. Furthermore, iServeU ensures customer stickiness by building a comprehensive product stack to help the partners serve their clients better.
Digital Economy	Government has been increasingly emphasizing on moving to a digital economy. Niyogin's transaction-led revenue is largely driven by cash to digital and digital to cash products like AePS, M-ATM and DMT.	iServeU forayed into digital only modes of transaction by launching the prepaid card stack. With this, iServeU now covers all types of transaction modes.
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. 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 variable cost model 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.
Technology Risk	The risk of operational setbacks and financial losses brought on by IT infrastructure failure, data loss, or threat to data.	Niyogin works with one of the leading data center providers. There are various provisions that have been put in place by the data center provider that disallow unauthorized access to servers and ensure data protection. To avoid data loss, Niyogin has employed mechanisms to take regular backups. In the coming months, Niyogin will be asking a third party to conduct Vulnerability Assessment and Penetration Testing (VAPT) to identify security gaps and loopholes that might be there in the existing infrastructure and applications.
Cyber Security Risk	The threat posed by cyberattacks and hacking as a result of expanding internet and digital device use.	Niyogin has implemented firewalls, email protection and various other measures to mitigate this risk. The Company further plans to educate and train the employees to protect them from phishing and other cyberattacks.

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

Niyogin 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 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. Through our upskilling initiatives, we ensure that employees are up-to-date with the ever-evolving technology. Our HR policy revolves around building a workforce that is motivated, effective, well-organized, and trained. Building high-performing teams, promoting creativity, inducting leadership at all levels, preparing the employees for higher positions, broadening the search for new talent, and strengthening the recruiting process are strategies that are being implemented to increase the talent threshold. The Company's consolidated workforce strength as of March 31, 2023, was 436.

Cautionary Statement

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

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

Directors' Report

DEAR MEMBERS,

Your Directors are pleased to present the 35th Annual Report along with the audited standalone and consolidated financial statements of the Company for the year ended 31 March, 2023.

1. FINANCIAL PERFORMANCE:

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

Particulars	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Total Income	2,631.63	2,439.18	11,717.75	10,707.91
Total Expenditure	3,268.47	2,859.36	14,530.48	11,480.63
Profit/(Loss) before Tax	(636.84)	(420.18)	(2,812.73)	(772.72)
Less: Provision for taxation				
Current Tax	-	-	-	46.67
Deferred Tax Asset	-	-	25.90	(59.34)
Net Profit/(Loss) after Tax	(636.84)	(420.18)	(2,838.63)	(760.05)
Transfer to Reserve under Section 45IC of the RBI Act, 1934				
Balance brought forward from previous period	(4,927.42)	(4,513.45)	(5,207.33)	(4,622.96)
Balance carried to Balance Sheet	(5,559.65)	(4,927.42)	(7,038.08)	(5,207.33)
Earnings Per Share				
- Basic	(0.68)	(0.44)	(1.87)	(0.63)
- Diluted	(0.68)	(0.44)	(1.87)	(0.63)

2. PRESENTATION OF STANDALONE AND CONSOLIDATED FINANCIAL STATEMENTS:

The financial statements of the Company for FY 2023, on a standalone and consolidated basis, have been prepared in compliance with the applicable provisions of the Companies Act, 2013 (the 'Act'), Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 read with relevant RBI circulars/ guidelines, applicable Accounting Standards, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereto (the 'SEBI Listing Regulations'). 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 2023 was ₹ 11,717.75 lakhs. The loss for the year was ₹ 2,838.63 lakhs.

On a standalone basis, during the year under review, the revenue of the Company stood at ₹ 2,631.63 lakhs. The Company posted loss of ₹ 636.84 lakhs as against ₹ 420.18 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 31 March, 2023.

5. DIVIDEND DISTRIBUTION POLICY:

The Company has adopted a Dividend Distribution Policy, 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 www.niyogin.com

6. DEBT EQUITY RATIO:

Your Company's Debt: Equity ratio as on 31 March, 2023 stands NIL.

7. NET OWNED FUNDS:

The Net Owned Funds of your Company as on 31 March, 2023 stood at ₹ 28,718.13 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 stated in the preferential issue of securities and the share capital section.

10. SCALE BASED REGULATIONS:

Reserve Bank of India issued a circular on "Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs" on 22 October, 2021 ('SBR Framework'). Detailed guidelines for the same were issued wide RBI Notification No. DOR.CRE. REC.No. 25/03.10.001/2022-23 dated 19 April, 2022. As per the framework, based on size, activity, and risk perceived, NBFCs are categorised into four layers, NBFC - Base Layer (NBFC-BL), NBFC - Middle Layer (NBFC-ML), NBFC - Upper Layer (NBFC-UL) and NBFC - Top Layer (NBFC-TL). Accordingly, your Company is categorised as an NBFC – Base Layer (NBFC- BL). The Company has put in place necessary Board approved policy such as policy on Grant of Loans to Directors, Senior Officers of NBFC and relatives of Directors and to entities where Directors or their Relatives have major shareholding, etc.

11. SUBSIDIARIES:

The Company has 3 subsidiaries as on 31 March, 2023. 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 holds 51.00%. The Company is into Domestic Money Transfer, Aadhar Enabled Payment System, Micro ATM facilitation, Bharat Bill Payment System (BBPS) facilitation, Business Correspondence Arrangement, facilitating Micro Lending/other loans, Merchant payment solutions through payment aggregation (including but not limited to UPI, card-based payments) and otherwise, Cash deposit and withdrawal facilitation, Credit Disbursements as a disbursement partner. Iserveu is having its registered office in Odisha, Bhubaneswar.

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

  A subsidiary in which the Company holds 60.76%. Investdirect offers a range of traditional wealth products to clients ranging from mutual funds, bonds, corporate deposits, PMS, etc. Investdirect provides bespoke reporting and analytical tool to other private wealth outfits and has a very marquee list of enterprise names under its belt. Investdirect also has a large B2B franchise offering wealth solutions to Tier 2 and Tier 3 cities through a partner network. Investdirect is having its registered office in Mumbai, Maharashtra.

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

  A step down subsidiary i.e. Moneymap is 100% owned by Investdirect. Moneymap is operating as 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. Moneymap holds a valid license issued by SEBI under the Securities and Exchange Board of India (Investment Advisers) Regulations, 2013. 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 at www.niyogin.com

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

12. PREFERENTIAL ISSUE OF SECURITIES

The Board of Directors of the Company at its meeting held on 04 July, 2023 subject to the approval of the members of the Company and other regulatory authorities approved issue and allotment of upto 1,75,36,011 (One Crore Seventy-Five Lakhs Thirty-Six Thousand And Eleven Only) warrants, each convertible into, or exchangeable for, 1 (one) fully paid-up equity share of the Company of face value of ₹ 10/- each ("Warrants") at a price of ₹ 45.62/- (Rupees Forty-Five And Sixty-Two Paisa Only) each (including the warrant subscription price and the warrant exercise price) including premium of ₹ 35.62/- (Rupees Thirty-Five And Sixty-Two Paisa Only) each payable in cash aggregating upto ₹ 79,99,92,821.82 (Rupees Seventy-Nine Crores Ninety-Nine Lakhs Ninety-Two Thousand Eight Hundred Twenty-One And Eighty-Two Paisa Only).

The Company received requisite approval from the members on 02 August, 2023 and was awaiting for the in-principle approval from the stock exchange i.e. BSE Limited as on the date of this report.

13. SCHEME OF AMALGAMATION:

The Board of the directors of the Company at its meeting held on 16 December, 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, (**Transferor Company**) with Niyogin Fintech Limited, (**Transferee Company**) and their respective shareholders and creditors **("Scheme")**.

The Hon'ble National Company Law Tribunal, Chennai bench ("NCLT") vide the Order issued on 20 July, 2022, corrigendum to which was pronounced on 27 July, 2022 had sanctioned the Scheme. The certified copy of the said Order was received on 12 August, 2022. The appointed date of the Scheme was 01 April, 2022 and the Scheme has become effective on 18 August, 2022, upon filing of the NCLT Order by the Transferor and Transferee Companies with the Registrar of Companies, Chennai, Tamil Nadu. Further, in accordance with the Scheme, upon the Scheme becoming effective and consequent to amalgamation, the Company was required to issue and allot 3,44,35,567 fully paid-up equity shares of ₹ 10/-each to the equity shareholders of the Transferor Company in proportion of their holding in the Transferor Company as on Record Date i. e. 02 September, 2022 and the issued, subscribed and paid-up share capital of the Transferee Company be cancelled by 3,44,35,567 equity shares of face value ₹ 10/- each, held by the Transferor Company. Accordingly, the Board of Directors through Circular Resolution dated September 8, 2022, had issued and allotted 3,44,35,567 fully paid-up Equity Shares of ₹ 10/- each to the equity shareholders of the Transferor Company i.e. Mr. Amit Vijay Rajpal (2,28,42,142 equity shares), Mr. Makarand Ram Patankar (43,25,471 equity shares) and Mrs. Jayashree Makarand Patankar (72,67,954 equity shares) and listed at BSE Limited on 14 October, 2022. Consequent to the above allotment and cancellation of equity shares, the issued, subscribed and paid-up capital of the Company remained the same.

14. SHARE CAPITAL:

(i) Increase in Authorized Share Capital

The Company increased the Authorised Share Capital from the existing ₹ 113,05,00,000 (Rupees One Hundred Thirteen Crores Five Lakhs only) divided into 10,40,50,000 (Ten Crores Forty Lakhs Fifty Thousand) Equity Shares of ₹ 10/- each aggregating to ₹ 104,05,00,000/- (Rupees One Hundred Four Crores Five Lakhs only) and 90,00,000 (Ninety Lakhs) Preference Shares of ₹ 10/- each aggregating to ₹ 9,00,00,000/- (Rupees Nine Crores only) to ₹ 135,58,60,000/- (Rupees One Hundred Thirty-Five Crores Fifty-Eight Lakhs Sixty Thousand only) divided into to 12,65,86,000 (Twelve Crores Sixty-Five Lakhs Eighty-Six Thousand) Equity Shares of ₹ 10/- each aggregating to ₹ 126,58,60,000/- (Rupees One Hundred Twenty-Six Crores Fifty-Eight Lakhs Sixty Thousand only) and 90,00,000 (Ninety Lakhs) Preference Shares of ₹10/- each aggregating to ₹ 9,00,00,000/- (Rupees Nine Crores only).

The said increase in the Authorized Share Capital of the Company and the subsequent alteration in the Memorandum of Association was approved by the shareholders at their Extraordinary General Meeting held on 02 August, 2023.

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

(a) Presently, the stock options granted to the employees operate under NFL-Employee Stock Option Plan 2018 ('Plan 2018'), Niyogin Employee Stock Option Plan 2019 ('Plan 2019') and Niyogin Employees Stock Option Plan 2020 ('Plan 2020'). Pursuant to the Plan 2018, during the FY 2023, the Board issued and allotted 1,27,855 (One Lakh Twenty-Seven Thousand Eight Hundred and Fifty-Five) stock options to the eligible employees (for information pertaining to ESOPs, please refer Annexure to the Directors' Report).

(b) Allotment and cancellation of equity shares pursuant to the Scheme – Kindly refer to Scheme of Amalgamation Section.

Subsequent to the aforesaid allotments and cancellation, the issued and paid-up equity share capital of the Company as on 31 March, 2023 stood at ₹ 94,33,93,250/- (Rupees Ninety-Four Crores Thirty-Three Lakhs Ninety-Three Thousand Two Hundred and Fifty Only) divided into 9,43,39,325 (Nine Crores Forty-Three Lakhs Thirty-Nine Thousand Three Hundred and Twenty-Five) equity shares of ₹ 10/- (Rupees Ten Only) each.

15. DEPOSITORY SYSTEM:

The Company's equity shares are compulsorily tradable in electronic form. As on 31 March, 2023, 99.94% of the Company's total paid-up capital representing 9,42,85,525 equity shares was in dematerialized form. In view of the benefits offered by the depository system, members holding shares in physical mode are advised to avail the demat facility.

16. PARTICULARS OF LOANS, GUARANTEES & INVESTMENTS:

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.

17. RELATED PARTY TRANSACTIONS:

All contracts/arrangement/transactions entered by the Company during FY 2023 with related parties was in compliance with the applicable provisions of the Act and SEBI Listing Regulations. Prior omnibus approval of the Audit Committee was obtained for all related party transactions which are foreseen and of repetitive nature. A statement giving details of all related party transactions was 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.

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

Report on Corporate Governance and Management Discussion and Analysis Report for the year under review, together with a certificate from M/s Mitesh J. Shah & Associates, 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.

19. DIRECTORS & KEY MANAGERIAL PERSONNEL:

(a) Directors:

As on 31 March, 2023, the Company's board consists of the following directors:

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

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

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

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

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

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

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

In accordance with Section 152 and other applicable provisions of Act, Mr. Gaurav Makarand Patankar (DIN: 02640421), Non–Executive Non-Independent Director retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting. The Nomination and Remuneration Committee and the board commends his re-appointment.

All the Directors have confirmed that they are not disqualified from being appointed as directors in terms of Section 164(2) of the Act. In the opinion of the board, the independent directors continue to fulfil the criteria prescribed for an independent director as stipulated in Regulation 16(1)(b) of the SEBI Listing Regulations, Section 149(6) of the Act and are independent of the management of the Company.

The necessary resolution for re-appointment and the brief profile of Mr. Patankar has been included in the notice convening the ensuing Annual General Meeting.

The details pertaining to the integrity, expertise, experience as well as proficiency of independent directors have been provided in the Report on Corporate Governance. 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. All the independent directors have registered their names in the database maintained by the Indian Institute of Corporate Affairs and all the independent directors have qualified the online proficiency self- assessment test who are not otherwise exempted within the prescribed time.

(b) Key Managerial Personnel:

As on 31 March, 2023, 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

(ii) Mr. Abhishek Thakkar – Chief Financial Officer (w.e.f. 09 November, 2022)

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

20. BOARD & COMMITTEE MEETINGS:

During the year under review, five (5) board meetings and five (5) 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, which forms part of this report.

21. 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 various 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 Director 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.

Further details have also been explained in the Report on Corporate Governance.

22. DISCLOSURES BY DIRECTORS:

Based on the declarations and confirmations received in terms of provisions of the Act, circular(s)/notification(s)/ direction(s) issued by the RBI and other applicable laws, none of the directors on the board of the Company are disqualified or debarred 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 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.

23. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS:

The independent directors have complete access to the information within the Company. As a part of agenda of board/committee meetings, presentations are regularly made to the independent directors on various matters inter-alia covering the financial results, periodic updates regarding the operations, risk management, treasury function, the economic and regulatory environment, lending strategy, investor perceptions, customer engagement or any other matter which the board needs to be apprised of, where Directors get an opportunity to interact with the Company's management.

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

24. 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 Report on Corporate Governance and is also available on the Company's website www.niyogin.com

25. 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 31 March, 2023, the applicable accounting standards and Schedule III of the Act, 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 31 March, 2023 and of the profit/loss of the Company for the financial year ended 31 March, 2023;

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

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

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

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

26. STATUTORY AUDITORS:

As per Section 139 of the Act, the members of the Company in its 33rd Annual General Meeting held on 17 September, 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 subject to them continuing to fulfil the applicable eligibility norms. The statutory audit report for the FY2023, is unmodified, does not contain any qualification 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 confirmed that they continue to satisfy the eligibility norms and independence criteria as prescribed by RBI guidelines and 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 27 April, 2021.

27. 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, Practicing Company Secretary to undertake the Secretarial Audit of the Company for the financial year ended 31 March, 2023 and Iserveu, material subsidiary of the Company had appointed M/s Saroj Ray & Associates, Company Secretaries as its secretarial auditor for the financial year ended March 31, 2023. The secretarial audit reports forms part of the Annual Report. Further, pursuant to amendments under SEBI Listing Regulations and SEBI circular dated 08 February, 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, Practicing Company Secretary for FY2023. These reports do not contain any qualification, reservation or adverse remark or disclaimer.

28. REQUIREMENT FOR MAINTENANCE OF COST RECORDS:

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

29. PARTICULARS OF DEPOSITS:

The 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 Reserve Bank of India (RBI). Accordingly, the disclosure requirements under Rule 8(5) (v) and (vi) of the Companies (Accounts) Rules, 2014 are not applicable to the Company.

30. INTERNAL FINANCIAL CONTROL SYSTEM:

The Company has put in place adequate policies and procedures to ensure that the system of internal financial controls is commensurate with the size and nature of the Company's business. These systems provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the Company, prevention and detection of frauds, accuracy and completeness of accounting records and ensuring compliance with corporate policies.

31. 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, timely preparation of reliable financial information and prevention and detection of frauds and errors. Internal financial controls with reference to the financial statements and compliance with the provisions of all applicable laws were adequate and operating effectively.

32. 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.

33. 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.

34. 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

35. PARTICULARS OF EMPLOYEES:

As on 31 March, 2023, there were 98 employees on the payroll of the Company. During the year, 1 employee employed throughout the year was in receipt of remuneration of ₹ 1 crore and 2 lakhs or more per annum and no other 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.

36. EMPLOYEE STOCK OPTION SCHEME:

The Company grants share-based benefits to eligible employees with a view to attract and retain talent, align individual performance with the Company's objectives 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 FY 2023.

A statement giving complete details as at 31 March, 2023, pursuant to regulation 14 of SBEB Regulations are provided in Annexure to this report.

37. STATUTORY DISCLOSURES:

- The financial statements of the Company and its subsidiaries are placed on the Company's website www.niyogin.com
- The directors' responsibility statement as required by Section 134(5) of the Act, appears in this report.
- There is no change in the nature of business of the Company during FY2023.
- A Cash Flow Statement for FY2023 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 at www.niyogin.com. 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 of during the year:** NIL
  c) **Number of complaints pending as on end of financial year:** NIL

38. AUDIT COMMITTEE:

The details pertaining to the composition of the audit committee are included in the Report on Corporate Governance Report.

39. RISK MANAGEMENT:

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

40. VIGIL MECHANISM:

The 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. The details are included in the Report on Corporate Governance.

41. 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: ₹ 8,50,000/-

42. SECRETARIAL STANDARDS OF ICSI:

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

43. BUSINESS RESPONSIBILITY REPORT:

Regulation 34(2) of SEBI Listing Regulations, inter alia, provides that the annual report of the top 1000 listed entities based on market capitalization (calculated as on 31 March of every financial year) shall include a Business Responsibility Report (BRR). As on 31 March, 2023, the Company is not amongst top 1000 listed entities, hence this is not applicable.

44. ACKNOWLEDGEMENT:

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

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

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

Tashwinder Singh
MD & CEO
DIN: 06572282

Date: August 09, 2023
Place: Mumbai

Annexure to the Director's Report – 1

Remuneration details under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the Financial Year ended 31 March, 2023

Requirement	Disclosure	
The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the FY 2023	**Name of Director**	**Ratio**
	Mr. Amit Vijay Rajpal	NA
	Mr. Gaurav Makarand Patankar	NA
	Mr. Tashwinder Harjap Singh	274.98
	Ms. Subhasri Sriram	NA
	Mr. Kapil Kapoor	NA
	Mr. Eric Miachael Wetlaufer	NA
	Dr. Ashby Henry Benning Monk	NA
The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary in the FY 2023	**Name of Director/CEO/ CFO/CS**	**Percentage increase in their remuneration during the Financial Year ended 2023 (in %)**
	Mr. Amit Vijay Rajpal	NA
	Mr. Gaurav Makarand Patankar	NA
	Mr. Tashwinder Harjap Singh	14%
	Ms. Subhasri Sriram	NA
	Mr. Kapil Kapoor	NA
	Mr. Eric Miachael Wetlaufer	NA
	Dr. Ashby Henry Benning Monk	NA
	Ms. Neha Agarwal	50%
	Mr. Raghvendra Somani	10.3%
	Mr. Abhishek Thakkar	NA
The percentage increase in the median remuneration of employees in the FY 2023		2.32%
Number of permanent employees on the rolls of Company as on 31 March, 2023		98

Average percentile increase already made in the salaries of employees other than the managerial personnel in the FY 2023 was 9.96%. The average percentile increase in the managerial remuneration in the FY 2023 was 10.5%

The average increase in the remuneration of both, the managerial and non-managerial personnel was determined based on the overall performance of the Company and is as per the remuneration policy of the Company.

Note:

1. Mr. Raghvendra Somani resigned as the Chief Financial Officer (Interim) of the Company with effect from closure of business hours on 09 November, 2022.
2. Mr. Abhishek Thakkar was appointed as the Chief Financial Officer of the Company with effect from closure of business hours on 09 November, 2022.
3. Sitting fees paid to Non-Executive Independent Directors during the FY 2022-23 has not been included for calculation of remuneration paid to them. During the year, there was no change in the sitting fees paid to the Non-Executive Independent Directors for attending the board/committee meetings.
4. Permanent employees does not include trainees, contract employees.

Annexure to the Director's Report - 2

Disclosures pursuant to Regulation 14 of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 for the financial year ended 31 March, 2023

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 31 March, 2023.

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

Particulars	Plan 2018	Plan 2019	Plan 2020
Date of shareholder's approval	09 July, 2018	24 December, 2019	16 October, 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 subject to maximum period of 5 years from the date of respective grant/s of such options, unless otherwise decided by the Nomination and Remuneration Committeeand [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 subject to maximum period of 5 years from the date of respective grant/s of such options, unless otherwise decided by the Nomination and Remuneration Committeeand [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 subject to maximum period of 10 years from the date of respective grant/s of such options, unless otherwise decided by the Nomination and Remuneration Committee [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 the respective Plan 2018, Plan 2019 and Plan 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.		
Source of shares	New issue of shares by the Company.		
Variation in terms of ESOP	Nil		

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

D) Option movement for the year ended 31 March, 2023:

The position of the existing plans are summarized as under:

Particulars	Plan 2018	Plan 2019	Plan 2020
Number of options outstanding at the beginning of the year	16,12,539	31,225	34, 39,416
Options granted during the year	10,12,500	0	9,42,114
Options cancelled during the year	0	0	0
Options lapsed during the year	8,06,385	0	0
Options vested during the year	4,74,067	31,225	12,89,780
Options exercised and allotted during the year	1,27,855	0	0
Total number of shares arising as a result of exercise of options	127855	0	0
Money realised by exercise of options (₹)	15,22,990	0	0
Number of options outstanding at the end of the year	16,90,799	31,225	43,81,530
Number of options exercisable at the end of the year	3,76,418	31,225	12,89,780
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)	(0.68)	-	-

- As per the terms of the ESOP Plans, the options lapsed under the ESOP Plans shall form part of the overall options granted that can be granted under that specific ESOP Plan. 8,06,385 options lapsed under Plan 2018 can be re-granted by the Company to the eligible employees.

- The total expense charged to the statement of profit and loss on a standalone basis in respect of the options granted aggregated: ₹ 463.27 lakhs (previous year: ₹ 526.90 lakhs) and on a consolidated basis is ₹ 479.41 lakhs (previous year: ₹ 530.13 lakhs).

Annexure 'A'

Details of options granted to Key Managerial Personnel/Director/Senior Management during the FY 2023:

Employee name	ESOP Scheme	Designation	No. of options	Exercise Price (in ₹)
Mr. Tashwinder Singh	Plan 2020	Managing Director & Chief Executive Officer	9,42,114	50.45
Mr. Abhishek Thakkar	Plan 2018	Chief Financial Officer	50,000	46.45
Ms. Neha Agarwal	Plan 2018	Company Secretary	25,000	50.45
Mr. Noorallah Charania	Plan 2018	Chief Operating Officer	50,000	50.45
Ms. Trivenika Awasthi	Plan 2018	Investor Relations Officer	1,25,000	39.80
Mr. Sonal Patni	Plan 2018	Chief Technology Officer	2,00,000	37.00
Mr. Prashant Salvi	Plan 2018	Head – Collections	35,000	50.45
Mr. Devanand Chaudhary	Plan 2018	Head – Sales	30,000	50.45
Ms. Salima Charania	Plan 2018	Head- Marketing	25,000	50.45
Ms. Asawari Sathe	Plan 2018	Head – HR	15,000	50.45
Mr. Raghvendra Somani	Plan 2018	Chief Financial Officer (Interim)	50,000	50.45
Mr. Ravi Pratap Singh	Plan 2018	Chief Technology and Product Officer	75,000	50.45

Notes:

- *Mr. Raghvendra Somani resigned w.e.f close of business hours on 09 November, 2022.*
- *Mr. Abhishek Thakkar was appointed w.e.f close of business hours on 09 November, 2022.*
- *Mr. Ravi Pratap Singh resigned with effect from 03 October, 2022.*

Annexure to the Director's Report - 3

Form No. AOC.2

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

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:

Annexure to the Director's Report - 4

Disclosures pursuant to Regulation 34(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as on 31 March, 2023

Related Party Disclosure:

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

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*

**Please refer the Scheme of Amalgamation section in Director's Report.*

Annexure to the Director's Report – 5

Statement containing salient features of the Financial Statement of Subsidiaries

Form AOC-1

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

PART "A": SUBSIDIARIES

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

Sr. No.	Particulars	(in ₹)	(in ₹)	(in ₹)
1.	Name of the Subsidiary	Investdirect Capital Services Private Limited (Investdirect)	Moneymap Investment Advisors Private Limited	Iserveu Technology Private Limited
2.	The date since when subsidiary was acquired	19.08.2019	19.08.2019	18.12.2020
3.	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	Reporting period of the subsidiary is the same as that of the holding Company i.e. 01 April, 2022 to 31 March, 2023		
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	3,50,00,000.00	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	64,610,759	(31,707,103)	354,081,209
7.	Total assets	71,460,974	5,926,935	972,826,476
8.	Total Liabilities	3,540,366	4,134,038	618,512,737
9.	Investments*	19,668,572	2,425,529	257,783,823
10.	Turnover	36,086,045	1,136,458	886,890,997
11.	Profit before taxation	1,167,776	(791,096)	(216,675,677)
12.	Provision for taxation	0	0	4,842,345
13.	Profit after taxation	1,167,776	(791,096)	(221,518,022)
14.	Proposed Dividend	0	0	0
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	Net worth 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

Annexure to the Director's Report – 6 (Part-1)

Form No. MR-3

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED ON 31 MARCH, 2023

[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, 2023** 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, 2023** 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. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

   d. 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;

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

   f. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; **(There were no events requiring compliance during the audit period)**

   g. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(There were no events requiring compliance during the audit period)**

   h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(There were no events requiring compliance during the audit period)**

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

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), General Meeting (SS-2), Secretarial Standard on Dividend (SS-3) and Secretarial Standard on Report of the Board of Directors (SS-4) 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 filed a petition on February 25, 2022 vide Petition Number CP(CAA)/46&47(CHE)/2022 with the National Company Law Tribunal, Chennai Bench for the Scheme of amalgamation of Information Interface India Private Limited with Niyogin Fintech Limited and their respective shareholders and creditors (**"Scheme"**).

Subsequently, the National Company Law Tribunal, Chennai Bench (**"NCLT"**) approved the Scheme and passed Common order CP(CAA)/46&47/(CHE)/2022 dated July 20, 2022, corrigendum to which was pronounced on July 27, 2022 (**"NCLT Order"**) for the same. The Scheme had become effective post filing of e-Form INC-28 on August 18, 2022.

2. Cancellation and Allotment of Equity Shares pursuant to Scheme of Amalgamation:

In compliance with the NCLT Order and pursuant to scheme of Amalgamation, the Company had cancelled the existing 3,44,35,567 equity shares of ₹ 10/- each held by Information Interface India Private Limited **("IIIPL")** on the Record Date of September 2, 2022 in **Niyogin Fintech Limited** and allotted the same to the equity shareholders of IIIPL in proportion of their holding in IIIPL on the Record Date of September 2, 2022.

Further, consequent to the above cancellation and allotment of equity shares, the issued, subscribed and paid-up capital of the Company remained the same.

3. Allotment of Equity Shares under NFL – Employee Stock Option Plan – 2018 ("ESOP Scheme"):

The Company at its meeting as mentioned below approved the following allotments under the ESOP Scheme:

Sr. No.	Type of Meeting	Date of Meeting	Number of Shares (Face value of ₹ 10/- each)
1.	NRC Meeting	May 14, 2022	47,474
2.	NRC Meeting (through Circular Resolution)	June 17, 2022	55,436
3.	NRC Meeting	August 02, 2022	7,260
4.	NRC Meeting	August 22, 2022	6,193
5.	NRC Meeting	November 09, 2022	11,492

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

Mitesh Shah
Proprietor
FCS No.: 10070
C. P. No.: 12891
Peer Review Certificate No. 1730/2022
UDIN: F010070E000291549

Date: 11 May, 2023
Place: Mumbai

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

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

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

Date: 11.05.2023
Place: Mumbai

Annexure to the Director's Report – 6 (Part-2)

Form No. MR-3

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2023

[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
Plot No. E-12, SRB Tower, 11th Floor Infocity Area,
Chandaka, I E Bhubaneswar, Khordha-751024.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Iserveu Technology Private Limited** (hereinafter called 'the Company') for the financial year ended **31st March, 2023**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

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 and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023, 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Iserveu Technology Private Limited** for the financial year ended on 31st March, 2023, 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 there under; **(Not applicable during the Audit Period**)

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable during the Audit Period)**

(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 (Listing Obligations and Disclosure Requirements) Regulations, 2015; **(Not applicable during the Audit Period)**

b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not applicable during the Audit Period)**

c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not applicable during the Audit Period)**

d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable during the Audit Period)**

e. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not applicable during the Audit Period)**

f. The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021; **(Not applicable during the Audit Period)**

g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; **(Not applicable during the Audit Period)**

h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable during the Audit Period)**

i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable during the Audit Period)**

(vi) Apart from the other statutory laws applicable to the day to day business of the Company, following industry specific laws which are also applicable to the Company:

1. The Information Technology Act, 2000.

We have also examined compliance with the applicable clauses of Secretarial Standards (SS-1 & SS-2) issued by The Institute of Company Secretaries of India (ICSI).

During the period under review, as per the explanations and clarifications given to us, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive 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 is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance. However, few Board Meetings were held in shorter notice in compliance with the provisions of Companies Act, 2013 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.

We 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.

We further report that;

During the period under review, the Company has no specific events or actions which are having a major bearing on the Company's Affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For **Saroj Ray & Associates**
Company Secretaries

CS D M Rao, FCS
Partner
M No. 5195, CP No. 13914
Peer Review No.: 976/2020
UDIN: F005195E000264927

Place: Bhubaneswar
Date: May 08, 2023

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

Annexure A

To
The Members
Iserveu Technology Private Limited
Plot No. E-12, SRB Tower, 11th Floor Infocity Area,
Chandaka, I E Bhubaneswar, Khordha-751024.

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

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

For **Saroj Ray & Associates**
Company Secretaries

CS D M Rao, FCS
Partner
M No. 5195, CP No. 13914
Peer Review No.: 976/2020
UDIN: F005195E000264927

Place: Bhubaneswar
Date: May 08, 2023

Report on Corporate Governance

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company strives to adopt policies and practices that meet the highest ethical standards. Commitment to good governance has a distinctive competitive advantage, enhances trust and creates long-term sustainability.

The Company has been guided by the belief that the strong relationship between culture and strategy will consistently produce improved financial performance, better employee engagement, ethical behaviour and stakeholder satisfaction.

The Company has already put in place systems and procedures and has complied with the applicable provisions of the Companies Act, 2013 ('Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.

2. BOARD OF DIRECTORS:

A. Board Composition:

The board of directors comprise of 7 directors. As on 31 March, 2023, the board comprised of a Chairman (Non-Executive Non-Independent), 1 (One) Managing Director & Chief Executive Officer, 1 (One) Non-Executive Director and 4 (four) Non-Executive Independent Directors (including 1 Women Independent Director). The composition of the board is in conformity with the SEBI Listing Regulations and the Act.

The role of the chairperson and the CEO are distinct and separate.

None of the independent directors have any material pecuniary relationship or transactions with the Company.

In the opinion of the board, the independent directors continue to fulfil the criteria prescribed for an independent director as stipulated in Regulation 16(1)(b) of the SEBI Listing Regulations, Section 149(6) of the Act and are independent of the management of the Company.

All the members of the board are persons with considerable experience and expertise in industry, finance, management and law. All the directors of the Company have confirmed that they are not debarred from holding the office of director by virtue of any order by SEBI or any other authority. The directors have ascertained that neither they nor any other Company on which they serve as directors have been identified as a wilful defaulter.

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.

Brief profiles of the directors, along with their directorships in other Indian listed companies are set out elsewhere in the annual report.

B. Meetings of the Board:

The board meets at least once a quarter inter-alia, to review the quarterly performance and financial results of the Company. The gap between two consecutive meetings is less than 120 days. In case of a special and urgent business need, board approval is taken by passing resolutions by circulation as permitted by law, which is noted and confirmed at the subsequent board meeting. In addition, the board also meets whenever necessary. The board periodically reviews compliance reports of all laws applicable to the Company.

During the year under review, the Board met 5 (five) times. The meetings were held on 14 May, 2022, 02 August, 2022, 22 August, 2022, 09 November, 2022 and 13 February, 2023.

Directors	Board meetings				Attendance at the 34th AGM
	No. of meetings held	Number of meetings attended	% of meetings attended	Sitting Fees paid (₹)	
Mr. Amit Vijay Rajpal	5	5	100%	-	Yes
Mr. Gaurav Makarand Patankar	5	5	100%	-	Yes
Mr. Tashwinder Harjap Singh	5	5	100%	-	Yes
Ms. Subhasri Sriram	5	4	80%	2,00,000	Yes
Mr. Kapil Kapoor	5	5	100%	2,50,000	Yes
Mr. Eric Michael Wetlaufer	5	5	100%	2,50,000	Yes
Dr. Ashby Henry Benning Monk	5	4	80%	2,00,000	No

Leave of absence was granted to the concerned director who could not attend the respective board meeting.

Directors are expected to attend all the board/committee meetings. The Company schedules the meetings well in advance and provides necessary assistance to enable the directors to participate in meetings, either in person or through audio-visual means. The Company Secretary in consultation with the Chairman and the Managing Director prepares a detailed agenda for the meetings. The board is provided with the relevant information as stipulated in the SEBI Listing Regulations. The board papers, agenda and explanatory notes are circulated to the directors well in advance. The members of the board are free to recommend inclusion of any matter in the agenda for discussion. 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.

Senior management is invited to attend the board meetings so as to provide additional inputs on the matters being discussed by the board. At the board meetings and seperately, the managing director and senior management make presentations on various matters including the financial results, periodic updates regarding the operations, risk management, treasury function, the economic and regulatory environment, lending strategy, investor perceptions, customer engagement or any other matter which the board needs to be apprised of.

The minutes of each board meeting is finalised and recorded in the minutes book.

The Company has a directors' & officers' liability insurance policy, which provides indemnity to its directors and eligible employees in respect of liabilities incurred as a result of their office.

C. Directorships held:

(i) Details of the board of directors including their directorships/memberships in committees of public companies as at the date of this report are as under:

Directors	Age	Category of director	Number of Directorships*	Of which number of committees**	
			Other Companies	Membership	Chairperson
Mr. Amit Vijay Rajpal	50	Non-Executive Non- Independent	0	2	1
Mr. Gaurav Makarand Patankar	45	Non-Executive Non- Independent	1	2	0
Mr. Tashwinder Harjap Singh	53	Managing Director designated as Chief Executive Officer	2	1	1
Ms. Subhasri Sriram	54	Independent	6	3	2
Mr. Kapil Kapoor	58	Independent	1	3	1
Mr. Eric Michael Wetlaufer	61	Independent	0	1	0
Dr. Ashby Henry Benning Monk	46	Independent	0	1	0

**Excludes directorships in private companies, foreign companies, companies under Section 8 of the Companies Act, 2013, Partnership Firms, LLP, HUF, Sole Proprietorship and Association of Individuals (Trust, Society).*

***Includes Audit Committee and Stakeholders Relationship Committee in all listed companies including this listed entity.*

The number of directorships held by all directors as well as their membership/chairmanship in committees are within the prescribed limits under the Act and SEBI Listing Regulations.

(ii) Directorships in equity listed companies

The name of equity listed entities where directors of the Company held directorships as on date of this report are as under:

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

D. Board Expertise And Attribute:

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

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

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

Skill Areas	Mr. Amit Vijay Rajpal	Mr. Gaurav Makarand Patankar	Mr. Tashwinder Harjap Singh	Ms. Subhasri Sriram	Mr. Kapil Kapoor	Mr. Eric Michael Wetlaufer	Dr. Ashby Henry Benning Monk
Industry experience	√	√	√	√	√	√	√
Leadership and strategic planning	√	√	√	√	√	√	√
Financial expertise	√	√	√	√	√	√	√
Business operations	√	√	√	√	√	√	√
Information Technology & cyber security	√	√	√	√	√	√	√
Corporate Governance	√	√	√	√	√	√	√
Risk Management	√	√	√	√	√	√	√
Legal and Regulatory compliance	√	√	√	√	√	√	-

Role of Independent Directors:

Independent directors play a key role in the decision-making process of the board as they approve the overall strategy of the Company and oversee performance of the management. The independent directors are committed to acting in what they believe is in the best interest of the Company and its stakeholders. The independent directors bring to the Company a wide range of experience, knowledge and judgment as they draw on their varied proficiencies. Consequently, the independent directors bring in their external perspectives and past experiences by providing valuable insights which are unbiased and objective. Independent directors have committed and allocated sufficient time to perform their duties effectively.

There is no relationship between the directors inter-se.

Details of shares & instruments held by the directors:

Name	No. of equity shares held as on 31 March, 2023
Mr. Amit Vijay Rajpal	2,58,04,344
Mr. Kapil Kapoor	4,90,052
Mr. Tashwinder Harjap Singh	2,49,704

E. 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 ("MCA") or any other statutory authority. This certificate forms part of this Annual Report.

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 www.niyogin.com. All the board members and senior management personnel have affirmed compliance with the Code of Conduct for the year ended 31 March, 2023. 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 Director'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. Appointment of Directors:

The Company has a board approved policy on appointment of directors and members of senior management, based on which an existing director whose appointment is intended to be continued and a new director proposed to be appointed, is evaluated.

The Company recognises the importance of a diverse board which leverages different perspectives, knowledge, experience and expertise, which would help the Company retain its competitive advantage. Accordingly, the board through Nomination & Remuneration Committee has devised a policy on Board Diversity which provides a framework that sets the standards for a diversified board.

The said policies are available on the Company's website, www.niyogin.com

The Nomination and Remuneration Committee of directors recommends and the board approves the appointment/re-appointment of non-executive directors. The process for re-appointment of non-executive directors entails a detailed evaluation of the balance of skills, knowledge and experience of the existing directors. New directors are inducted after assessing skill requirements of the board and identifying areas of expertise which would be beneficial to the Company. The terms and conditions of appointment of independent directors, along with a sample letter of appointment have been placed on the Company's website www.niyogin.com

J. Familiarization Programme:

The Company on an ongoing basis endeavor to keep the board including independent directors updated on the business and regulatory environment and the overall operations of the Company. This enables the non-executive directors to make better informed decisions in the interest of the Company and its stakeholders.

An overview of the familiarisation programme during the year has been placed on the Company's website.

3. COMMITTEES OF THE BOARD:

To enable better and more focused attention on the affairs of the Company, the board delegates particular matters to committees of the board set up for the purpose. These committees prepare the groundwork for decision-making and report the same to the board at the subsequent meetings. There have been no instances wherein the board has not accepted the recommendations of any committee.

The composition and functioning of these board committees is in compliance with the applicable provisions of the Act, SEBI Listing Regulations and the corporate governance directions issued by Reserve Bank of India (RBI) as applicable.

Board Committees and their composition

Directors	Committees				
	Audit Committee	Stakeholders Relationship Committee	Nomination & Remuneration Committee	Risk Management Committee	Corporate Social Responsibility Committee
Mr. Amit Vijay Rajpal	M	C			C
Mr. Gaurav Makarand Patankar		M	M	M	
Mr. Tashwinder Harjap Singh					M
Ms. Subhasri Sriram	C		M	M	
Mr. Kapil Kapoor	M	M	C		
Mr. Eric Michael Wetlaufer	M			C	M
Dr. Ashby Henry Benning Monk		M		M	M

C: Chairperson M: Member

During the year under review, the following are the changes in the committees -
- Mr. Kapil Kapoor was appointed as a member of the Audit Committee w.e.f. 14 May, 2022
- Dr. Ashby Henry Benning Monk was appointed as a member of the Stakeholders Relationship Committee w.e.f. 14 May, 2022

The board determines the constitution of the committees and the terms of reference for committee members including their roles and responsibilities.

A. Audit Committee:

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, five (5) Audit Committee meetings were held on 14 May, 2022, 02 August, 2022, 22 August, 2022, 09 November, 2022 and 13 February, 2023. The gap between two consecutive meetings was less than 120 days.

Ms. Subhasri Sriram being the chairperson of the Committee was present at the 34th AGM to answer shareholder queries. The statutory auditors and secretarial auditors of the Company were also present at said AGM to answer shareholder queries.

The details of the attendance of the members of the Committee along with sitting fees paid are listed below:

Members	No. of meetings held during FY 2023 (5)		% of attendance	Sitting fees paid (₹)
	Entitled to attend*	Attended		
Ms. Subhasri Sriram	5	4	80%	1,00,000
Mr. Eric Michael Wetlaufer	5	5	100%	1,25,000
Mr. Amit Vijay Rajpal	5	5	100%	-
Mr. Kapil Kapoor	5	5	100%	1,25,000

**The maximum number of meetings that a director was eligible to attend.*

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

The key terms of reference of the committee includes reviewing the financial results prior to recommending the same to the board for its approval, periodical review of the internal audit reports, review of information system audit reports, appointment/re-appointment of the statutory auditors and fixing their remuneration, evaluation of internal financial controls and risk management systems approval for related party transactions in terms of the policy on Related Party Transactions of the Company and review the functioning of the Whistle Blower Policy. The Committee also reviews the financial performance of the unlisted subsidiaries of the Company.

B. Nomination and Remuneration Committee:

During the year under review, five (5) meetings of the Nomination and Remuneration Committee were held on 14 May, 2022, 02 August, 2022, 22 August, 2022, 09 November, 2022, and 13 February, 2023.

The details of the attendance of the members of the committee along with sitting fees paid are listed below:

Name	No. of meetings held during FY 2023 (5)		% of attendance	Sitting fees paid (₹)
	Entitled to attend*	Attended		
Mr. Kapil Kapoor	5	5	100%	1,25,000
Mr. Gaurav Makarand Patankar	5	5	100%	-
Ms. Subhasri Shriram	5	4	80%	1,00,000

**The maximum number of meetings that a director was eligible to attend.*

The key terms of reference of the committee inter alia includes reviewing and approving the remuneration payable to the executive directors, recommending payment of all forms of remuneration to senior management of the Company, administering the employee stock option schemes and formulating the criteria for evaluation of the Chairman, non-executive directors including independent directors, executive directors, the board as a whole.

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

Remuneration of Directors

Pecuniary relationship/transaction with non-executive directors

During FY 2023, 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 FY 2023, 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 is placed on the Company's website at www.niyogin.com

Details of remuneration of Directors:

The Non-Executive Directors shall be entitled to receive sitting fees for each meeting of the board and Committee 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/re-appointment, the CEO, CFO and the Whole-Time Director shall be paid such remuneration as may be mutually agreed between the official and the Company (which includes the Committee and the board of directors) 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 ensures that the relationship of remuneration and performance benchmark is clear.

Details of Remuneration paid to the executive director during the year ended 31 March, 2023:

Particulars	Mr. Tashwinder Harjap Singh
	Amount (in ₹)
Salary	1,05,79,200
Bonus	30,00,000
Perquisites	-
Commission	-
Provident Fund	8,20,800
Gross remuneration	1,44,00,000
#Number of Stock options granted under the applicable ESOP Schemes as on 31 March, 2023	43,81,530
Number of shares held as at 31 March, 2023	2,49,704

#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. Tashwinder Harjap Singh	10 November, 2020	34,39,416	64.05	Over a period of 5 years as per the vesting schedule	1 to 5 years from the date of respective vesting of options
	14 May, 2022	9,42,114	50.45	31 March, 2025	
	Total	**43,81,530**			

Service Contract, Severance Fees & Notice Period:

The terms of employment stipulate a notice period of 3 (three) months, for termination of appointment of the 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 attended by such directors.

Details of sitting fees paid for attending board and committee Meetings during the year ended 31 March, 2023 are given below:

Name	Sitting Fees		
	Board Meetings (₹)	**Committee Meetings (₹)**	**Total Amount (₹)**
Mr. Kapil Kapoor	2,50,000	3,00,000	5,50,000
Mr. Eric Michael Wetlaufer	2,50,000	2,50,000	5,00,000
Ms. Subhasri Sriram	2,00,000	3,00,000	5,00,000
Dr. Ashby Henry Benning Monk	2,00,000	1,50,000	3,50,000
Total	**9,00,000**	**10,00,000**	**19,00,000**

C. Stakeholders' Relationship Committee:

During the year under review, one (1) meeting of the Stakeholders' Relationship Committee was held on 02 August, 2022.

The details of the attendance of the members of the committee along with sitting fees paid are listed below:

Name of the Director	No. of meetings held during FY 2023 (1)		% of attendance	Sitting fees paid (₹)
	Entitled to attend*	**Attended**		
Mr. Amit Vijay Rajpal	1	1	100%	-
Mr. Kapil Kapoor	1	1	100%	25,000
Mr. Gaurav Makarand Patankar	1	1	100%	-
Dr. Ashby Henry Benning Monk	1	1	100%	25,000

**The maximum number of meetings that a director was eligible to attend.*

The key terms of reference of the committee inter alia includes reviewing mechanisms adopted by the Company for redressal of shareholders complaints and grievances, overseeing and monitoring activities undertaken by Link Intime India Private Limited, Registrar and Share Transfer Agent of the Company, review of measures taken for effective exercise of voting rights by shareholders.

Details of Investor Complaints:

The Company did not receive any investor complaints during the FY 2023.

Name, Designation and Address of Investor Grievance Redressal Officer:

Ms. Trivenika Avasthi
Investor Relations Officer
Niyogin Fintech Limited
Corporate Office: Neelkanth Corporate IT Park, 311/312,
3rd Floor, Kirol Road, Vidyavihar (w), Mumbai – 400086

Name, Designation and Address of Compliance Officer:

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

D. Risk Management Committee:

Composition, meetings and the attendance during the year:

During the year under review, four (4) meetings of the Risk Management Committee were held on 14 May, 2022, 02 August, 2022, 09 November, 2022 and 13 February, 2023.

The details of the attendance of the members of the committee along with sitting fees paid are listed below:

Name of the Director	No. of meetings held during FY 2022 (4)		% of attendance	Sitting fees paid (₹)
	Entitled to attend*	Attended		
Mr. Eric Michael Wetlaufer	4	4	100%	1,00,000
Mr. Kapil Kapoor	4	4	100%	1,00,000
Mr. Gaurav Makarand Patankar	4	4	100%	-
Ms. Subhasri Sriram	4	3	80%	75,000

**The maximum number of meetings that a director was eligible to attend*

The key terms of reference of the committee inter alia includes to ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company and to monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.

E. Corporate Social Responsibility Committee:

As per the provisions of Section 135 of the Act, the Company is not required to contribute funds for Corporate Social Responsibility (CSR) yet. 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 role, broad terms and reference of the committee includes to formulate, recommend to the board, a Corporate Social Responsibility Policy, recommend the amount of expenditure to be incurred on the CSR activities to the board and to monitor the CSR Policy of the Company, from time to time.

F. Meeting of the Independent Directors:

The independent directors met on 02 August, 2022, inter alia, to evaluate the performance of non-independent directors, board of directors as a whole including the evaluation of the Chairman and to evaluate the quality, quantity, content and timelines of flow of information between the management and the Board which is necessary for the Board to effectively and reasonably perform its duties.

All the independent directors were present at the meeting.

G. Asset Liability Management Committee

Pursuant to the RBI guidelines, the Company has in place an Asset Liability Management Committee. The role of the Committee is to oversee the implementation of the Asset Liability Management system and review its functionality periodically covering liquidity risk management, management of market risks, funding and capital planning, profit planning etc.

The Committee meets periodically and the Board is updated on the decisions of the Committee at their board meeting.

4. PARTICULARS OF SENIOR MANAGEMENT:

Name	Designation
Mr. Abhishek Thakkar	Chief Financial Officer
Mr. Raghvendra Somani	Chief Financial Officer (Interim)
Ms. Neha Agarwal	Company Secretary & Compliance Officer
Mr. Noorallah Charania	Chief Operating Officer
Mr. Pankaj Chaudhary	Chief Business Officer
Mr. Ravi Pratap Singh	Chief Technology Product Officer
Mr. Sonal Patni	Chief Technology Officer

Name	Designation
Ms. Trivenika Avasthi	Investor Relations Officer
Mr. Devanand Chaudhary	Head – Sales
Mr. Umesh Mohta	Head – Credit
Mr. Prashant Salvi	Head – Collections
Ms. Asawari Sathe	Head – HR
Ms. Salima Charania	Head – Marketing

Changes since the close of the previous financial year are as follows:

- *Mr. Abhishek Thakkar was appointed as the Chief Financial Officer of the Company with effect from close of business hours on 09 November, 2022.*
- *Mr. Raghvendra Somani resigned as the Chief Financial Officer (Interim) of the Company with effect from close of business hours on 09 November, 2022.*
- *Mr. Ravi Pratap Singh resigned as the Chief Technology Product Officer of the Company with effect from 09 October, 2022.*
- *Mr. Sonal Patni was appointed as the Chief Technology Officer of the Company with effect from 02 January, 2023.*
- *Ms. Trivenika Avasthi was appointed as the Investor Relations Officer of the Company with effect from 01 November, 2022.*
- *Mr. Umesh Mohta was appointed as Head – Credit with effect from 01 August, 2022.*

5. 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 2023, except as disclosed in the financial statements, to the extent applicable.

6. SUBSIDIARY COMPANIES:

The Company has three subsidiaries as on 31 March, 2023 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 2023, no Company became or ceased to be our subsidiary or joint venture Company. The Company does not have any associate Company.

Details of material subsidiary of the Company:

Name of the material subsidiary	Date and place of incorporation	Name of Statutory auditor	Date of appointment of statutory auditor
Iserveu Technology Private Limited	Date – 27/09/2016 Place – Bhubaneswar, Odisha	M/s Rawat & Associates, Chartered Accountants (FRN: 134109W)	27/07/2022

7. RELATED PARTY TRANSACTIONS:

All Related Party Transactions (RPTs) entered into by the Company during FY2023, 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 2023. 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 made suitable disclosures to the financial statements of the list of all related parties as per Section 188 of the Act, applicable accounting standards and the transactions entered into pursuant to Regulation 23 of the SEBI Listing Regulations.

Pursuant to applicability of certain amendments to Listing Regulations with effect from 01 April, 2023, amongst other changes, the said policy was amended to align it with all the applicable amendments. The updated policy is placed on the Company's website.

8. COMPLIANCES REGARDING INSIDER TRADING:

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015 ("SEBI PIT Regulations"), as amended, the Company has a board approved 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.

9. VIGIL MECHANISM POLICY/WHISTLE BLOWER POLICY:

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

During the year under review, 1 complaint was received under the whistle blower mechanism of the Company. The Whistle Blower Complaints Committee reviewed the complaint. As at 31 March, 2023, 1 complaint was pending. The complainant was adequately responded thereafter and no complaint is pending as on the date of this report.

10. 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-v3.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	succession-planning-policy-1.pdf (niyogin.com)
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/vigil-mechanism-policy.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	care_dignity_policy.pdf (niyogin.com)
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
Board Familiarisation Programme	niyogin_board_familiarisation_programme.pdf
Terms and conditions of appointment of Independent Director	terms-and-conditions-of-appointment-of-id.pdf (niyogin.com)

11. 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
2021-22	Wednesday, 14 September, 2022 at 4:00 p.m. IST onwards	Through video conferencing ("VC")/Other Audio-Visual Means ("OAVM")
2020-21	Friday, 17 September, 2021 at 4:30 p.m. IST onwards	Through video conferencing ("VC")/Other Audio-Visual Means ("OAVM")
2019-20	Thursday, 17 September, 2020 at 4:00 p.m. IST onwards	Through video conferencing ("VC")/Other Audio-Visual Means ("OAVM")

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

Financial Year	Subject Matter of Special Resolution
2021-22	-
2020-21	(1) Appointment of Mr. Noorallah 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)

(iii) Special resolutions passed through postal ballot

During the year under review, no special resolutions was passed through postal ballot.

12. 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 31 March, 2023.

(c) The Companies risk management framework is being reviewed at regular intervals and revised (as required under the applicable laws) 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) 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 Act.

(f) In the matter of scheme of amalgamation of Information Interface India Private Limited ("Transferor Company") with the Company ("Transferee Company") and their respective shareholders and creditors, under Section 230 to 232 and other applicable provisions of the Act ("Scheme"), The Hon'ble National Company Law Tribunal, Chennai bench, ("NCLT") has issued the Order on 20 July, 2022, corrigendum to which was pronounced on 27 July, 2022 had sanctioned the Scheme. The certified copy of the said Order was received on 12 August, 2022. The appointed date of the Scheme was 01 April, 2022 and the Scheme has become effective on 18 August, 2022 upon filing of the NCLT order by the Transferor and Transferee Companies with the Registrar of Companies, Chennai, Tamil Nadu. Further, in accordance with the Scheme, upon the Scheme becoming effective and consequent to amalgamation, the Company was required to issue and allot 3,44,35,567 fully paid-up equity share of ₹ 10/-each to the equity shareholders of the Transferor Company in proportion of their holding in the Transferor Company as on Record date i.e. 02 September, 2022 and the issued, subscribed and paid-up share capital of the Transferee Company be cancelled by 3,44,35,567 Equity Shares of face value ₹ 10/- each, held by the Transferor Company. Accordingly, the board of directors through circular resolution dated 08 September, 2022, had allotted 3,44,35,567 fully paid-up equity shares of ₹ I0/- each to the equity shareholders of the Transferor

Company and listed at BSE Limited on 14 October, 2022. Consequent to the above allotment and cancellation of equity shares, the issued, subscribed and paid-up capital of the Company remained the same.

(g) 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. The certificate forms part of this Annual Report.

(h) 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.

(i) The Company has not raised funds by issue of equity shares either on preferential basis or through Qualified Intuitional Placement during FY 2023. Therefore, there are no details to be disclosed as per Regulation 32(7A) of SEBI Listing Regulations.

(j) During FY 2023, 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.

(k) Further details about fees for all services paid by the Company and its subsidiaries on a consolidated basis, to the statutory auditor are available in the financial statements which forms part of this Annual Report.

13. 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 exchange where the securities of the Company are listed i.e. BSE Limited.

(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 (Standalone & Consolidated) Annual Accounts, 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 35th Annual General Meeting. For more details, please refer to Notice of Annual General Meeting, 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 2023, the Company sent documents, such as notice calling the annual general meeting, audited financial statements, Director's Report, Auditor's Report, 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.

14. 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.

15. GENERAL SHAREHOLDER INFORMATION:

a. As indicated in the Notice to our Shareholders, the 35th Annual General Meeting of the members of Niyogin Fintech Limited, will be held on Thursday, 14 September, 2023 at 4.00 p.m. IST through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM").

Annual General Meeting	35th Annual General Meeting
Financial Year	2022 – 2023
Time & Venue	4.00 p.m. (IST) on Thursday, 14 September, 2023 through video conferencing ("VC")/ Other Audio-Visual Means ("OAVM")
Date of Book Closure	Book closure start date: Friday, 08 September, 2023 Book closure end date: Thursday, 14 September, 2023
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
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 2023-24 (tentative and subject to change):

Particulars	Actual/Tentative Dates
Unaudited Financial Results for Quarter ended 30 June, 2023	09 August, 2023
Unaudited Financial Results for Quarter ended 30 September, 2023	November, 2023
Unaudited Financial Results for Quarter ended 31 December, 2023	February, 2024
Audited Financial Results for the financial year ended 31 March, 2024	May, 2024

c. Financial Year:

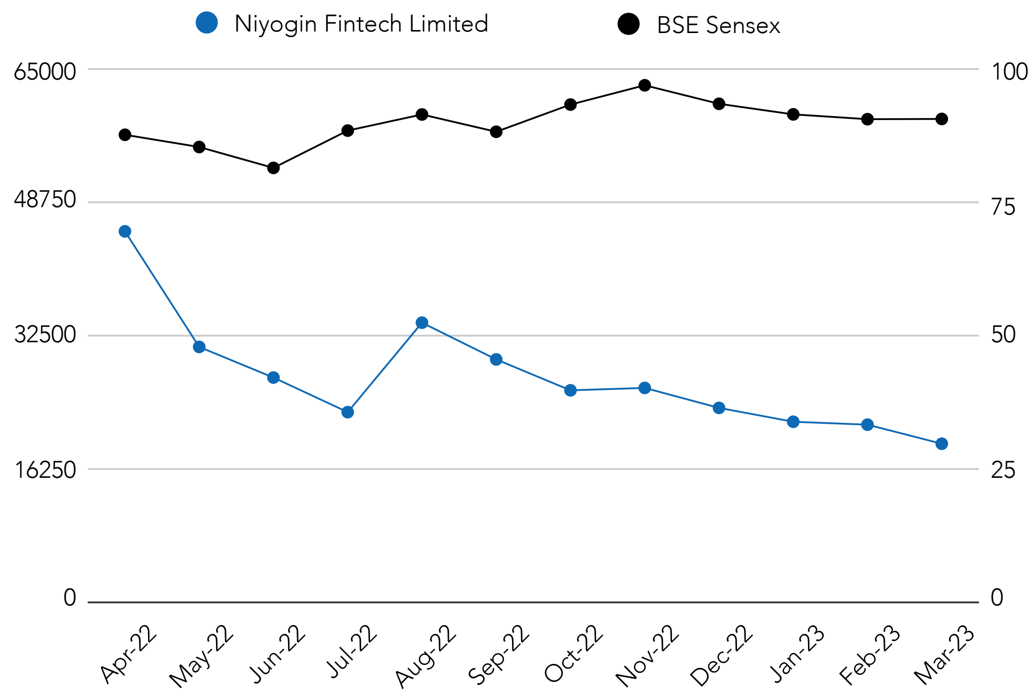
The Company follows the financial year starting from 01 April to 31 March each year.

d. Market Price Data - BSE:

Monthly highs and lows of equity shares of Niyogin Fintech Limited during FY 2023:

Month	High (in ₹)	Low (in ₹)	Niyogin - BSE Closing Price (in ₹)	BSE Sensex Closing
Apr-22	84.00	62.00	69.65	57,060.87
May-22	69.25	46.00	47.95	55,566.41
Jun-22	50.00	38.00	42.20	53,018.94
Jul-22	43.45	30.00	35.70	57,570.25
Aug-22	55.95	33.70	52.50	59,537.07
Sep-22	55.00	45.00	45.60	57,426.92
Oct-22	49.30	39.05	39.80	60,746.59
Nov-22	42.10	37.70	40.25	63,099.65
Dec-22	41.70	34.50	36.50	60,840.74
Jan-23	40.00	32.20	33.90	59,549.90
Feb-23	37.65	29.40	33.35	58,962.12
Mar-23	35.40	28.30	29.77	58,991.52

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 31 March, 2023:

SERIAL #	SHARES RANGE			NUMBER OF SHAREHOLDERS	% OF TOTAL SHAREHOLDERS	TOTAL SHARES FOR THE RANGE	% OF ISSUED CAPITAL
1	1	to	500	3569	74.4007	410038	0.4346
2	501	to	1000	418	8.7138	343384	0.3640
3	1001	to	2000	281	5.8578	433109	0.4591
4	2001	to	3000	135	2.8143	348230	0.3691
5	3001	to	4000	52	1.0840	188017	0.1993
6	4001	to	5000	60	1.2508	290929	0.3084
7	5001	to	10000	119	2.4807	876115	0.9287
8	10001	to	**********	163	3.3980	91449503	96.9368
Total				**4797**	**100.00**	**94339325**	**100.00**

h. Category of Shareholders as on 31 March, 2023:

Category	Total Securities	Total Holders	% Issued Capital
Promoter (Individual)	11597987	2	12.2939
Clearing Members	2462	3	0.0026
Other Bodies Corporate	3465772	36	3.6737
Foreign Company	20208625	2	21.4212
Foreign Promoters	25804344	1	27.3527
Hindu Undivided Family	343359	107	0.3640
Non-Resident Indians	265138	47	0.2810
Non-Resident (Non Repatriable)	3492858	34	3.7024
Public	15673422	4469	16.6139
Foreign Portfolio Investors (Corporate)	13402064	5	14.2062
Body Corporate - Ltd Liability Partnership	83294	7	0.0883
TOTAL:	**94339325**	**4797**	**100.00**

i. Dematerialization of shares:

As on 31 March, 2023, 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	6,21,15,441	65.84
CDSL	3,21,70,084	34.10
Physical	53,800	0.06
Total	**9,43, 39,325**	**100.00**

j. Disclosure in relation to demat suspense escrow account or unclaimed suspense escrow 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- 62514646/044 47210437
E-mail	niyogin.compliance@niyogin.in

l. 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.

16. NON-MANDATORY REQUIREMENTS AS MENTIONED IN PART E OF SCHEDULE II:

Non-Executive Chairman's Office:

The Chairman of the Company is a Non-Executive Chairman.

Shareholders rights:

The Quarterly, Half Yearly and Annual Financial Results of the Company are published in the newspaper and also posted on the Company's website. The complete Annual Report is sent to each and every shareholder of the Company.

Audit Qualifications:

There are no Audit qualifications in the Company's financial statement for the year under reference.

Separate post for Chairman & CEO:

The Company has appointed separate persons to the post of Chairman and Chief Executive Officer.

Reporting of internal auditor:

The internal auditor reports directly to the Audit Committee.

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

To
The Members of
Niyogin Fintech Limited

I, Tashwinder Singh, Managing Director and Chief Executive Officer of Niyogin Fintech Limited hereby declare that all the members of the Board of Directors and the Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the year ended March 31, 2023.

Tashwinder Singh
MD & CEO
PAN: AGPPS8049C

Place: Mumbai
Date: May 02, 2023

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 (Standalone and Consolidated) and the Cash Flow Statement for the year ended March 31, 2023 and that to the best of our knowledge and belief:

   1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit committee:

   1) that there are no significant changes in internal control over financial reporting during the year;

   2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   3) that there are no instances of significant fraud of which we have become aware.

Tashwinder Singh
MD & CEO
PAN: AGPPS8049C

Abhishek Thakkar
Chief Financial Officer
PAN: AFOPT4169A

Place: Mumbai
Date: May 11, 2023

CERTIFICATE PURSUANT TO REGULATION 33(2)(A) OF SEBI (LISTING REGULATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,
Board of Directors
Niyogin Fintech Limited

Dear Sir/Ma'am,

We, the undersigned in our capacity as the Chief Executive Officer & Chief Financial Officer of the Company hereby certify to the best of our knowledge and belief that:

1. We have reviewed the Financial Results (Standalone and Consolidated) for the financial year ended on March 31, 2023 and that to the best of our knowledge and belief:

   (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   (b) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

For **Niyogin Fintech Limited**

Tashwinder Singh
MD & CEO
PAN: AGPPS8049C

Abhishek Thakkar
Chief Financial Officer
PAN: AFOPT4169A

Place: Mumbai
Date: May 11, 2023

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, 2023**, as stipulated in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the company for ensuring compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we hereby certify that the Company has complied with the conditions of Corporate Governance to the extent applicable, as stipulated in the provisions specified in chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Listing Agreement of the said Company with stock exchange.

We further state that such compliance is neither any assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

This certificate is issued solely for the purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose.

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

Mitesh Shah
Proprietor
FCS No.: 10070
C. P. No.: 12891
Peer Review Certificate No.: 1730/2022
UDIN: F010070E000760921

Date: 09.08.2023
Place: Mumbai

Certificate of Non-Disqualification of Directors

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

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

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **NIYOGIN FINTECH LIMITED** having CIN L65910TN1988PLC131102 and having registered office at MIG 944, Ground Floor, TNHB Colony, 1st Main Road, Velachery Chennai, Tamil Nadu-600042 and its corporate office at Neelkanth Corporate IT Park, 311/312 3rd Floor, Kirol Road, Vidyavihar (W), Mumbai-400086 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10 (i) of the Securities 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, 2023 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 Michael 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

Mitesh Shah
Proprietor
FCS No.: 10070
C. P. No.: 12891
Peer Review Certificate No. 1730/2022
UDIN: F010070E000291538

Date: 11.05.2023
Place: Mumbai

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 02 August, 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 2022-23.

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

Mitesh Shah
Proprietor
FCS No.: 10070
C. P. No.: 12891
Peer Review Certificate No. 1730/2022
UDIN: F010070E000291582

Date: 11.05.2023
Place: Mumbai

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

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

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

Date: 11.05.2023
Place: Mumbai

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, 2023, 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, 2023, of its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone Financial Statements.

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 ALLOWANCE FOR EXPECTED CREDIT LOSS (ECL) ON LOANS

Charge to the Statement of Profit and Loss for the year ended 31 March, 2023 – ₹ 167.50 lakhs.

Total ECL Provision as at 31 March, 2023 - ₹ 713.37 lakhs (including management overlay of ₹ 225.72 lakhs).

Refer accounting policies in Note 3.6 to the Standalone Financial Statements.

Key Audit Matter	How the key audit matter was addressed in our audit
Under Ind AS 109, allowance for impairment loss on loans is determined using Expected Credit Loss (ECL) estimation model. This involves a high degree of estimation uncertainty on account of significant management judgement in application of measurement principles in following areas: • Correct construction of the three-stage impairment model • Selection and input of forward-looking information based on various qualitative and quantitative factors • Assessment of credit characteristics of the loan portfolio • Determination of Probabilities of Default ("PD") and Loss Given Default ("LGD") based on historical trends. • Estimation of economic scenarios and assignment of probability weights • Adjustments to model ECL to address emerging trends This process requires analysis of large volumes of data. The completeness and accuracy of data, and implementation of related internal controls, can significantly impact reliability of the modelled impairment provisions. The disclosures (including disclosures prescribed by RBI) regarding the Company's application of Ind AS 109 are the key to explaining the judgements and material inputs to the ECL results. The classification and measurement of loans and measurement of impairment loss allowance is as a key audit matter in view of its inherent complexity, management judgement and estimates involved and significance to the financial statements, of the affected account balances and related disclosures.	Board approved ECL policy was examined in view of characteristics of loans disbursed during the year. Its compliance with principles of Ind AS 109 was assessed. We performed 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. Evaluated management's controls over collation of relevant information used for determining estimates for management overlays. We tested design and operating effectiveness of key controls around data extraction and validation. We discussed with the management, the methodologies used for ECL estimation for various kinds of loans, evaluated the appropriateness thereof and reasonableness of assumptions used therein. We verified the methodology of the computation of staging of loans, estimation of probability of default, its calibration, and estimation of loss given default. We examined adjustments to output of ECL model and its consistency with documented rationale. We assessed whether the disclosures on key judgements, assumptions, and quantitative data with respect to impairment of loans are appropriate and sufficient. Performed substantive procedures for testing the ECL Model and computation of ECL amount included and not limited to the following: • Testing system generated reports on ageing and defaults with underlying transactions, on sample basis • Testing the process of staging of loan assets basis their days past due and other loss indicators, on sample basis. • Testing computation of underlying factors of PD and LGD based on historical data. • Performance of cut-off procedures to ensure the completeness of the data used. Reconciliation of total financial assets considered for ECL estimation with the books of accounts. • Review of assessment performed for forward looking macro-economic factors used in estimating management overlay. • Reperforming of the formulas to check mathematical accuracy of the computation of ECL.

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.

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, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March, 2023 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

Sangeeta Gupta
Partner
Membership Number: 064225
UDIN: 23064225BGZHGK9769
Mumbai
11 May, 2023

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF NIYOGIN FINTECH LIMITED FOR THE YEAR ENDED 31 MARCH, 2023

[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, 2023 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 crores, 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 40 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 40 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, 2023 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, 2023 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. There has been no resignation of the statutory auditors during the year and accordingly this clause is not applicable/paragraph 3(xviii) of the Order is not applicable.

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 44 B 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

Sangeeta Gupta
Partner
Membership Number: 064225
UDIN: 23064225BGZHGK9769
Mumbai
11 May, 2023

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, 2023

[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, 2023 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, 2023, 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

Sangeeta Gupta
Partner
Membership Number: 064225
UDIN: 23064225BGZHGK9769
Mumbai
11 May, 2023

Standalone Balance Sheet

As at 31 March, 2023

(₹ in lakhs)

	Particulars	Note	As at 31 March, 2023	As at 31 March, 2022
	ASSETS			
1	**Financial assets**			
(a)	Cash and cash equivalents	4	5,577.17	2,442.07
(b)	Bank balance other than cash and cash equivalents above	5	54.08	20.20
(c)	Receivables	6		
	(i) Trade receivables		30.89	21.21
	(ii) Other receivables		782.30	82.19
(d)	Loans	7	7,380.11	5,776.98
(e)	Investments	8	15,073.51	20,547.86
(f)	Other financial assets	9	90.91	73.97
	Total financial assets		**28,988.97**	**28,964.48**
2	**Non-financial Assets**			
(a)	Current tax assets	10	229.73	238.15
(b)	Right of use asset		9.12	50.23
(c)	Property, plant and equipment	11	43.55	22.37
(d)	Intangible assets	11	0.49	2.61
(e)	Other non-financial assets	12	412.91	357.66
	Total non-financial assets		**695.80**	**671.02**
	TOTAL ASSETS		**29,684.77**	**29,635.50**
	LIABILITIES AND EQUITY			
	LIABILITIES			
1	**Financial liabilities**			
(a)	Payables			
	(I)Trade payables	13		
	i) total outstanding dues of micro enterprises and small enterprises		280.05	74.37
	ii) total outstanding dues of creditors other than micro enterprises and small enterprises		59.06	86.73
(b)	Other financial liabilities	14	171.60	100.19
	Total financial liabilities		**510.71**	**261.29**
2	**Non-financial liabilities**			
(a)	Provisions	15	414.84	476.95
(b)	Other non-financial liabilities	16	41.09	25.40
	Total non-financial liabilities		**455.93**	**502.35**
3	**EQUITY**			
(a)	Equity share capital	17	9,433.93	9,421.15
(b)	Other equity	18	19,284.20	19,450.71
	Total equity		**28,718.13**	**28,871.86**
	TOTAL LIABILITIES AND EQUITY		**29,684.77**	**29,635.50**

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

For and on behalf of the Board of Directors of
Niyogin Fintech Limited
CIN: L65910TN1988PLC131102

Sangeeta Gupta
Partner
Membership No: 064225
Mumbai
11 May, 2023

Amit Rajpal
Chairman & Non-Executive Director
DIN: 07557866
London

Tashwinder Singh
Managing Director & Chief Executive Officer
DIN: 06572282
Mumbai

Abhishek Thakkar
Chief Financial Officer
Mumbai
11 May, 2023

Neha Agarwal
Company Secretary & Compliance Officer
Membership No: A41425
Mumbai

Standalone Statement of Profit and Loss

For the year ended 31 March, 2023

(₹ in lakhs)

	Particulars	Note	Year ended 31 March, 2023	Year ended 31 March, 2022
	Revenue from operations			
(i)	Interest income	19	2,181.58	2,116.23
(ii)	Fees and Commission income	20	194.42	48.90
(iii)	Net gain on fair value changes		-	-
(iv)	Others	21	29.00	26.19
(I)	**Total revenue from operations**		**2,405.00**	**2,191.32**
(II)	Other income	22	226.63	247.86
(III)	**Total income**		**2,631.63**	**2,439.18**
	Expenses			
(i)	Finance costs	23	5.85	13.98
(ii)	Fees and Commission expenses	24	683.05	225.85
(iii)	Impairment on financial instruments	25	86.71	74.45
(iv)	Employee benefits expenses	26	1,744.99	1,778.59
(v)	Depreciation and Amortization	27	46.84	70.98
(vi)	Others expenses	28	701.03	695.51
(IV)	**Total expenses**		**3,268.47**	**2,859.36**
(V)	**Profit/(Loss) before tax (IV-III)**		**(636.84)**	**(420.18)**
(VI)	**Tax expense:**			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
	Total tax expense		-	-
	Loss for the year (V-VI)		**(636.84)**	**(420.18)**
(VII)	**Other comprehensive income**			
	(i) Items that will not be reclassified to profit or loss			
	a) Re-measurement of defined benefit plan		4.61	6.21
	b) Income tax relating to items that will not be reclassified to profit or loss		-	-
	Other comprehensive income		**4.61**	**6.21**
(VIII)	**Total comprehensive loss for the year**		**(632.23)**	**(413.97)**
(IX)	**Earnings per equity share**			
	Basic (₹)		(0.68)	(0.44)
	Diluted (₹)		(0.68)	(0.44)

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

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Partner
Membership No: 064225
Mumbai
11 May, 2023

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Standalone Statement of Cash Flows

For year ended 31 March, 2023

(₹ in lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
CASH FLOW FROM OPERATING ACTIVITIES:		
Loss before tax:	**(636.84)**	**(420.18)**
Adjustments:		
Interest Income on Loans	(1,493.16)	(822.24)
Interest on Investments	(520.40)	(1,060.77)
Interest on deposits with banks	(165.66)	(231.01)
Depreciation, amortisation and impairment	46.84	70.98
Impairment on financial instruments	86.71	74.45
Employee share based payments	463.27	526.90
Interest expense on lease liability	5.85	13.98
Interest income on security deposit	(2.36)	(2.22)
Operating profit/(loss) before working capital changes	**(2,215.75)**	**(1,850.11)**
Adjustments for (increase)/decrease in operating assets:		
Other receivables	(709.79)	(75.84)
Loans	(1,934.95)	(1,094.00)
Other financial assets	(14.58)	2.31
Other non-financial assets	(46.83)	(142.17)
Adjustments for increase/(decrease) in operating liabilities		
Trade payables	177.64	79.61
Other financial liabilities	145.00	(3,030.77)
Provisions	(57.50)	218.86
Other non-financial liabilities	15.69	(3.60)
Net cash generated/(used) in operating activities	**(4,641.07)**	**(5,895.71)**
Cash inflow from interest income on loans	1,580.84	623.48
Net cash used in operating activities	**(3,060.23)**	**(5,272.23)**
CASH FLOW FROM INVESTING ACTIVITIES:		
Proceeds from sale of investment	11,387.95	19,820.00
Proceeds from/(Investment in) of Fixed Deposits (net)	(34.25)	3,028.34
Purchase of property, plant and equipments	(34.77)	(20.93)
Purchase of investments	(5,688.55)	(20,705.29)
Income from Investment/fixed deposits	619.18	959.32
Net cash generated from investing activities	**6,249.56**	**3,081.44**
CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from issue of shares	12.78	71.00
Proceeds from securities premium	2.45	33.71
Payment of lease liability	(69.46)	(86.34)
Net cash used in financing activities	**(54.23)**	**18.37**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**3,135.10**	**(2,172.42)**
Add: Cash and cash equivalents at the beginning of the year	2,442.07	4,614.49
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**5,577.17**	**2,442.07**

(₹ in lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Components of Cash and Cash Equivalents		
- Cash on hand	-	-
- Balance with bank in current account	5,577.17	2,442.07
Total	**5,577.17**	**2,442.07**

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'.

See accompanying notes forming part of the Standalone Financial Statements

As per our report of even date.

For **Pijush Gupta & Co**
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Firm's Registration No: 309015E

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Membership No: A41425
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Standalone Statement of Changes in Equity

For the year ended 31 March, 2023

A. EQUITY SHARE CAPITAL

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	Number	₹ in lakhs	Number	₹ in lakhs
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year	**9,42,11,470**	**9,421.15**	**9,35,01,466**	**9,350.15**
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	1,27,855	12.79	7,10,004	71.00
- against acquisition of subsidiary	-	-	-	-
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	**9,43,39,325**	**9,433.93**	**9,42,11,470**	**9,421.15**

B. OTHER EQUITY

(₹ in lakhs)

Particulars	Reserves and Surplus					
	Securities Premium	Retained Earnings	Special reserve	Share based options outstanding account	General Reserves	Total
Balance as at 31 March, 2022	**23,251.91**	**(4,927.42)**	**1.89**	**1,124.33**	**-**	**19,450.71**
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Restated balance as at 31 March, 2022	**23,251.91**	**(4,927.42)**	**1.89**	**1,124.33**	**-**	**19,450.71**
Profit/Loss for the year	-	(636.84)	-	-	-	(636.84)
Total Comprehensive Income for the current year	-	4.61	-	-	-	4.61
Securities premium proceeds received on issue of equity shares	2.45	-	-	-	-	2.45
Share issue expenses	-	-	-	-	-	-
Lapsed Employee stock options	-	-	-	(19.05)	19.05	-
Employee stock option	-	-	-	463.27	-	463.27
Balance as at 31 March, 2023	**23,254.36**	**(5,559.65)**	**1.89**	**1,568.55**	**19.05**	**19,284.20**

(₹ in lakhs)

Particulars	Reserves and Surplus				
	Securities Premium	Retained Earnings	Special reserve	Share based options outstanding account	Total
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**

See accompanying notes forming part of the Standalone Financial Statements

As per our report of even date.

For **Pijush Gupta & Co**
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11 May, 2023

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Membership No: A41425
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Notes Forming part of the Standalone Financial Statements

For the year ended 31 March, 2023

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.

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 financial statements have been prepared on a historical cost basis except for certain financial instruments - measured at fair value at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for services.

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, 2023 and 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 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

Other interest income

Interest income on security deposits and FD is recognised on a time proportionate basis.

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

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 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.

Employee Stock Option Plans

Employee stock options have time and performance based vesting conditions. The fair value determined at the grant date of the options is expensed over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of options expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the employee stock options plan reserve.

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

(₹ in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Cash on hand	-	-
Balance with banks		
- In current accounts	96.47	1,450.39
- In fixed deposits (with original maturity of 3 months or less)	5,480.70	991.68
Total	**5,577.17**	**2,442.07**

5. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS ABOVE

(₹ in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Fixed deposits (with original maturity of more than 3 months)	54.09	20.20
(Less): Impairment loss allowance	(0.01)	-
Total	**54.08**	**20.20**

6. RECEIVABLES

(₹ in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Trade receivables	39.10	21.42
Other receivables	782.30	82.19
Total	**821.40**	**103.61**
Secured - Considered good	-	-
Unsecured - Considered good	821.40	103.61
Receivables which have significant increase in Credit Risk	-	-
Receivables - credit impaired	-	-
Total - Gross	**821.40**	**103.61**
(Less): Impairment loss allowance	(8.21)	(0.21)
Total - Net	**813.19**	**103.40**

a) Trade receivables ageing

(₹ 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, 2023								
(i) Undisputed Trade receivables – considered good	-	-	31.99	7.11	-	-	-	39.10
(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	**-**	**-**	**31.99**	**7.11**	**-**	**-**	**-**	**39.10**

(₹ 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	-	-	21.42	-	-	-	-	21.42
(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	**-**	**-**	**21.42**	**-**	**-**	**-**	**-**	**21.42**

7. LOANS

(₹ in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Loans at amortised cost		
Term Loans	8,093.48	6,491.07
Others	-	-
Total (A) - Gross	**8,093.48**	**6,491.07**
(Less): Impairment loss allowance	(713.37)	(714.09)
Total (A) - Net	**7,380.11**	**5,776.98**
Secured by tangible assets	-	243.08
Secured by intangible assets	-	-
Covered by bank/government guarantees	-	-
Unsecured	8,093.48	6,247.99
Total (B) - Gross	**8,093.48**	**6,491.07**
(Less): Impairment loss allowance (Refer note no. 25)	(713.37)	(714.09)
Total (B) - Net	**7,380.11**	**5,776.98**
Loans in India		
- Public sector	-	-
- Others	8,093.48	6,491.07
Loans within India - Gross	**8,093.48**	**6,491.07**
(Less): Impairment loss allowance (Refer note no. 25)	(713.37)	(714.09)
Loans within India -Net - (C)(i)	**7,380.11**	**5,776.98**
Loans Outside India (C)(ii)	-	-
Total (C) - Gross	**8,093.48**	**6,491.07**
(Less): Impairment loss allowance (Refer note no. 25)	(713.37)	(714.09)
Total (C) - Net	**7,380.11**	**5,776.98**

7. LOANS (Contd.)

(₹ in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Loans at fair value through profit and loss		
Loans	-	-
Total (D)	**-**	**-**
Grand total - Gross [(A) + (D)]	**8,093.48**	**6,491.07**
Grand total - Net [(C) + (D)]	**7,380.11**	**5,776.98**

7.1 An analysis of changes in the gross carrying amount and the corresponding ECL allowances

(₹ in lakhs)

	As at 31 March, 2023				As at 31 March, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**5,614.58**	**124.20**	**752.29**	**6,491.07**	**4,727.12**	**407.01**	**462.05**	**5,596.18**
Assets derecognised or repaid (excluding write offs)	(5,696.30)	(471.90)	(1,416.77)	**(7,584.97)**	(3,766.79)	(116.23)	(91.24)	**(3,974.26)**
Transfers from Stage 1	(1,121.46)	255.42	866.04	**-**	(524.36)	56.73	467.63	**-**
Transfers from Stage 2	8.75	(99.07)	90.32	**-**	14.49	(246.42)	231.93	**-**
Transfers from Stage 3	7.21	-	(7.21)	**-**	-	-	-	**-**
Amounts written off	-	-	(236.83)	**(236.83)**	-	-	(373.84)	**(373.84)**
New assets originated*	8,728.37	430.26	265.58	**9,424.21**	5,164.12	23.11	55.76	**5,242.99**
Gross carrying amount closing balance	**7,541.15**	**238.91**	**313.42**	**8,093.48**	**5,614.58**	**124.20**	**752.29**	**6,491.07**

* 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:

(₹ in lakhs)

	As at 31 March, 2023				As at 31 March, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**248.01**	**20.25**	**445.83**	**714.09**	**398.12**	**266.14**	**373.46**	**1,037.72**
Addition during the year	127.87	86.57	135.83	**350.27**	13.07	-	499.61	**512.68**
Reversal during the year	(54.58)	(7.97)	(288.44)	**(350.99)**	(163.18)	(245.89)	(427.24)	**(836.31)**
ECL allowance - closing balance	**321.30**	**98.85**	**293.22**	**713.37**	**248.01**	**20.25**	**445.83**	**714.09**

8. INVESTMENTS

(₹ in lakhs)

	As at 31 March, 2023				As at 31 March, 2022			
	At cost	At amortised cost	At fair value through profit and loss	Total	At cost	At amortised cost	At fair value through profit and loss	Total
As at 31 March, 2023								
Investment in Non Convertible Debentures (NCDs)	-	495.64	-	**495.64**	-	5,310.05	-	**5,310.05**
Investment in pass through certificates (PTC)	-	-	-	**-**	-	926.98	-	**926.98**
Investment in Subsidiary **	14,577.88	-	-	**14,577.88**	14,468.26	-	-	**14,468.26**
Total (A) - Gross	**14,577.88**	**495.64**	**-**	**15,073.52**	**14,468.26**	**6,237.03**	**-**	**20,705.29**
Investments outside India	-	-	-	**-**	-	-	-	**-**
Investments in India	14,577.88	495.64	-	**15,073.52**	14,468.26	6,237.03	-	**20,705.29**
Total (B) - Gross	**14,577.88**	**495.64**	**-**	**15,073.52**	**14,468.26**	**6,237.03**	**-**	**20,705.29**
Less: Allowance for impairment loss	-	(0.01)	-	**(0.01)**	-	(157.43)	-	**(157.43)**
Total (B) - Net	**14,577.88**	**495.63**	**-**	**15,073.51**	**14,468.26**	**6,079.60**	**-**	**20,547.86**

** 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

(₹ in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Security deposits	38.79	37.38
Advances to Employees	15.97	-
Accrued Income	36.15	36.59
Total	**90.91**	**73.97**

10. CURRENT TAX ASSETS

(₹ in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Tax deducted at source	229.73	238.15
Less: Provision for tax	-	-
Total	**229.73**	**238.15**

11. PROPERTY, PLANT AND EQUIPMENT & INTANGIBLE ASSETS

(₹ in lakhs)

Particulars	Property, Plant and Equipment					Intangible assets	
	Leasehold improvements	Furniture and fixtures	Office equipments	Computer equipments	Total	Computer software	Total
Gross Block							
As at 31 March, 2021	**0.30**	**3.04**	**10.30**	**53.06**	**66.70**	**723.17**	**723.17**
Additions	-	-	-	20.93	**20.93**	-	**-**
Deletions/ Adjustments	-	-	-	-	**-**	-	**-**
As at 31 March, 2022	**0.30**	**3.04**	**10.30**	**73.99**	**87.63**	**723.17**	**723.17**
Additions	-	-	-	34.76	**34.76**	-	**-**
Deletions/ Adjustments	-	-	-	-	**-**	-	**-**
As at 31 March, 2023	**0.30**	**3.04**	**10.30**	**108.75**	**122.39**	**723.17**	**723.17**
Accumulated depreciation and impairment losses							
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**	**65.26**	**720.56**	**720.56**
Charge for the year	-	0.31	1.12	12.15	**13.58**	2.12	**2.12**
Deletions/ Adjustments	-	-	-	-	**-**	-	**-**
As at 31 March, 2023	**0.30**	**1.56**	**10.13**	**66.85**	**78.84**	**722.68**	**722.68**
Net carrying amount as at 31 March, 2022	**-**	**1.79**	**1.29**	**19.29**	**22.37**	**2.61**	**2.61**
Net carrying amount as at 31 March, 2023	**-**	**1.48**	**0.17**	**41.90**	**43.55**	**0.49**	**0.49**

12. OTHER NON FINANCIAL ASSETS

(₹ in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Prepaid expenses	27.61	24.60
Duties and taxes	384.44	332.20
Other Assets	0.86	0.86
Total	**412.91**	**357.66**

13. TRADE PAYABLES

(₹ in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
a) total outstanding dues of micro enterprises and small enterprises	280.05	74.37
b) total outstanding dues of creditors other than micro enterprises and small enterprises	59.06	86.73
Total	**339.11**	**161.10**

13 a) Trade Payables ageing

(₹ 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, 2023							
MSME	-	-	232.84	47.20	-	-	280.04
Others	-	-	17.57	1.86	32.05	7.59	59.07
Disputed dues – MSME	-	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-	-
Total	**-**	**-**	**250.41**	**49.06**	**32.05**	**7.59**	**339.11**

(₹ 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	-	-	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**

14. OTHER FINANCIAL LIABILITIES

(₹ in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Lease liability	20.87	94.46
Payable to borrowers	150.73	5.73
Total	**171.60**	**100.19**

15. PROVISIONS

(₹ in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Provisions for employee benefits		
Gratuity	41.41	45.04
Bonus	115.00	126.00
Provision for expenses	258.43	305.91
Total	**414.84**	**476.95**

16. OTHER NON FINANCIAL LIABILITIES

(₹ in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Statutory dues payable	28.59	25.40
Revenue received in advance	12.50	-
Total	**41.09**	**25.40**

17. EQUITY

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	Number	₹ in lakhs	Number	₹ in lakhs
Authorised shares				
10,40,50,000 Equity Shares of ₹ 10 each (As at 31 March, 2022:10,40,00,000 Equity Shares of ₹ 10 each)	10,40,50,000	10,405.00	10,40,00,000	10,400.00
90,00,000 Preference Shares of ₹ 10 each (As at 31 March, 2022: 90,00,000 Preference Shares of ₹ 10 each)	90,00,000	900.00	90,00,000	900.00
Issued, subscribed & fully paid-up shares				
9,43,39,325 Equity Shares of ₹ 10 each (As at 31 March, 2022: 9,42,11,470 Equity Shares of ₹ 10 each)	9,43,39,325	9,433.93	9,42,11,470	9,421.15
Total	**9,43,39,325**	**9,433.93**	**9,42,11,470**	**9,421.15**

a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year.

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	Number	₹ in lakhs	Number	₹ in lakhs
Outstanding at the beginning of the year	9,42,11,470	9,421.15	9,35,01,466	9,350.15
Issued during the year	1,27,855	12.78	7,10,004	71.00
Outstanding at the end of the year	**9,43,39,325**	**9,433.93**	**9,42,11,470**	**9,421.15**

* Refer Note 49 for Business Combination

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, 2023, the amount of per share dividend recognised as distributions to Equity Shareholders was Nil (31 March, 2022 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:

Class of shares/Name of shareholder	As at 31 March, 2023		As at 31 March, 2022	
	Number	%	Number	%
Equity shares				
Information Interface India Private Limited	-	0.00%	3,44,35,567	36.55%
Amit Vijay Rajpal	2,58,04,344	27.35%	-	0.00%
Jayashree M Patankar	72,67,954	7.70%	-	0.00%
WF Asian Reconnaissance Fund Limited	1,21,69,500	12.90%	1,21,69,500	12.92%
Strategic India Equity Fund	80,39,125	8.52%	95,69,125	10.16%
Vikasa India EIF I Fund	56,60,715	6.00%	56,60,715	6.01%
Carmignac Portfolio	51,87,831	5.50%	56,50,000	6.00%
	6,41,29,469	**67.98%**	**6,74,84,907**	**71.63%**

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, 2023	Makarand Ram Patankar	43,30,032	4.59	4.59
	Jayashree M Patankar	72,67,954	7.70	7.70
	Amit Rajpal	2,58,04,344	27.35	25.36
	Information Interface India Private Limited	-	-	(36.55)
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	-

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.

18. OTHER EQUITY

(₹ in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Securities premium account	23,254.36	23,251.91
Retained earnings	(5,559.65)	(4,927.42)
Employee stock option reserve	1,568.55	1,124.33
Special Reserve under section 45 IC of RBI Act, 1934	1.89	1.89
General Reserve	19.05	-
Total	**19,284.20**	**19,450.71**

(₹ in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Securities premium account		
Opening balance	23,251.91	22,993.53
Add: Changes during the year	2.45	258.38
Closing balance	**23,254.36**	**23,251.91**
Retained earnings		
Opening balance	(4,927.42)	(4,513.45)
Add: Profit/(Loss) for the year	(636.84)	(420.18)
Add: Other comprehensive income for the year	4.61	6.21
Less: Transfer to Special Reserve under section 45 IC of RBI Act, 1934	-	-
Closing balance	**(5,559.65)**	**(4,927.42)**
Employee stock option reserve		
Opening balance	1,124.33	822.09
Add: Charge during the year	444.22	302.24
Closing balance	**1,568.55**	**1,124.33**
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**
General Reserve		
Opening balance	-	-
Add/(Less): Addition on account of lapse of vested ESOPs	19.05	-
Closing balance	**19.05**	**-**
Total	**19,284.20**	**19,450.71**

Nature and purpose of the reserve

a) Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

b) Retained earnings

Retained earnings represents the deficit in profit and loss account.

The Company recognises change on account of remeasurement of the net defined benefit liability/(asset) as part of retained earnings with separate disclosure, which comprises of actuarial gains and losses.

c) Employee stock option reserve

The share options outstanding account reserve is used to recognise the grant date fair value of options issued to employees under the Company's ESOP 2018 plan. Please refer note 30 for the details of the plan.

d) Special Reserve under section 45 IC of RBI Act, 1934

Special reserve is created as per the requirement of RBI at the rate of 20% of the profit after tax for the year.

e) General Reserve

Represents appropriation of funds from retained earnings

19. INTEREST INCOME

(₹ in lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
On financial assets measured at amortised costs:		
Interest on loans	1,493.16	822.24
Interest on Investments	520.40	1,060.77
Interest on deposits with banks	165.66	231.01
Interest income on security deposit	2.36	2.22
Total	**2,181.58**	**2,116.24**

20. FEES AND COMMISSION INCOME

(₹ in lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Processing fees on loan	35.75	-
Commission Income	158.67	48.90
Total	**194.42**	**48.90**

21. OTHERS

(₹ in lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Bounce charges	5.86	1.93
Penal charges	2.30	3.42
Foreclosure charges	8.42	4.21
Documentation charges	12.42	16.63
Total	**29.00**	**26.19**

22. OTHER INCOME

(₹ in lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Provision write back	105.38	-
Sale of service	-	25.33
Bad debt recovery	82.22	204.01
Interest on Income Tax refund	16.15	8.94
Other Income	22.88	9.59
Total	**226.63**	**247.87**

23. FINANCE COST

(₹ in lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Interest expenses on lease liability	5.85	13.98
Total	**5.85**	**13.98**

24. FEES AND COMMISSION EXPENSES

(₹ in lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Fees and commission expenses	683.05	225.85
Total	**683.05**	**225.85**

25. IMPAIRMENT ON FINANCIAL INSTRUMENTS

On financial instruments measured at amortised cost:

(₹ in lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Loans	167.50	74.45
Investments	(80.79)	-
Total	**86.71**	**74.45**

26. EMPLOYEE BENEFIT EXPENSES

(₹ in lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Salaries	1,207.13	1,177.09
Contribution to provident fund	53.29	55.22
Employee stock option expense (Refer Note No.30 on ESOP)	463.27	526.90
Staff welfare expenses	1.97	0.90
Gratuity Expense	19.33	18.48
Total	**1,744.99**	**1,778.59**

27. DEPRECIATION AND AMORTIZATION

(₹ in lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Depreciation on Property, plant and equipment	13.58	10.01
Amortisation of Intangible assets	2.12	15.30
Amortisation of Right of use asset	31.14	45.67
Total	**46.84**	**70.98**

28. OTHER EXPENSES

(₹ in lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Legal and professional fees	158.14	159.39
Technology and software expenses	143.76	193.75
Business development expenses	73.42	23.49
Training and recruitment	31.89	16.27
Lease rent	9.38	8.80
Loan origination cost	45.68	32.07
Office and administrative expenses	24.01	20.40
Travelling and conveyance	74.00	46.61
Director sitting fees	19.00	21.50
Payments to auditors	25.37	16.90
Communication expenses	6.80	8.24
Printing and stationery expenses	1.11	1.09
Annual listing fees	4.91	4.91
Repairs and maintenance	-	0.32
Advertisement and publicity	3.46	2.28
Miscellaneous expenses	3.46	0.93
Collection expenses	48.22	122.94
Insurance expenses	28.42	15.63
Total	**701.03**	**695.52**

Breakup of Auditors' remuneration

(₹ in lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Statutory Audit	10.00	10.00
Limited review	6.00	3.00
Tax audit	2.00	2.00
Other Services	3.50	0.50
Out of pocket expenses (including taxes)	3.87	1.40
Total	**25.37**	**16.90**

29. EARNINGS PER SHARE (EPS)

Particulars		Year ended 31 March, 2023	Year ended 31 March, 2022
a)	**The basic earnings per share has been calculated based on the following:**		
	Net profit after tax available for equity shareholders (₹ in lakhs)	(636.84)	(420.18)
	Weighted average number of equity shares	9,43,10,244	9,44,71,267
b)	**The reconciliation between the basic and the diluted earnings per share is as follows:**		
	Basic earnings per share (₹)	(0.68)	(0.44)
	Effect of dilution		
	Diluted earnings per share (₹)	(0.68)	(0.44)
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	9,43,10,244	9,44,71,267
	Dilution (no. of shares)	1,40,563	12,11,062
	On shares exercised during the period	98,774	2,59,797
	Contingent consideration	-	-
	Weighted average number of shares for computation of Diluted EPS	9,45,49,581	9,59,42,125

30. EMPLOYEE SHARE BASED PAYMENTS

a) Employee stock option scheme (equity settled)

The Company approved the grant of equity share options under NFL-Employee Stock Option Plan 2018 in July 2018 ('Plan 2018'), Niyogin Employee Stock Option Plan 2019 in December 2019 ('Plan 2019'), Niyogin Employees Stock Option Plan 2020 in October 2020 ('Plan 2020').

Under the terms of each of these Plans, the Company may issue to its employees and Directors, Equity Stock Options ('ESOPs') each of which is convertible into one equity share. Under Plan 2019, the Company may issue to the employees and Directors of the subsidiaries, Equity Stock Options ('ESOPs') each of which is convertible into one equity share. All the plans were framed in accordance with the SEBI Regulations as applicable at the time of approval as amended from time to time. The accounting for the stock options has been in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 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, 2023 and 31 March, 2022 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-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	64.50	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	51.70	10.00
XII	Plan 2018	6,37,500	14-May-22	50.45	50.45
XIII	Plan 2018	50,000	09-Nov-22	8.69	46.45
XIV	Plan 2018	1,25,000	09-Nov-22	11.32	39.80
XV	Plan 2018	2,00,000	13-Feb-23	7.26	37.00
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
II	Plan 2020	9,42,114	14-May-22	23.93	50.45

Set out below is a summary of options granted under the plan:

Particulars	Year ended 31 March, 2023		Year ended 31 March, 2022	
	Average exercise price	Number of options	Average exercise price	Number of options
Outstanding at the beginning of the year	59.04	50,83,180	50.93	49,24,686
Granted during the year	48.29	19,54,614	57.86	13,20,000
Exercised during the year	11.91	(1,27,855)	14.75	(7,10,004)
Forfeited during the year	-	-	-	-
Lapsed during the year	51.39	(8,06,385)	36.82	(4,51,502)
Outstanding at the end of the year	**57.59**	**61,03,554**	**59.04**	**50,83,180**
Exercisable at the end of the year	58.68	16,97,423	55.75	6,29,456

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	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%	64.50	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%	51.70	15-Mar-22
XII - 2018	58.22%	3.00	7.01%	50.45	14-May-22
XIII - 2018	29.15%	3.10	7.11%	8.69	09-Nov-22
XIV - 2018	29.15%	3.10	7.11%	11.32	09-Nov-22
XV - 2018	29.08%	3.10	7.15%	7.26	13-Feb-23
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
II-2020	61.96%	3.00	7.38%	23.93	14-May-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.

During the year, the Company has changed the base for calculation of volatility as the equity shares of the Company are not traded frequently and hence BSE S&P Financial Services Index is considered as the surrogate proxy for calculation of expected volatility for XIII, XIV and XV.

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:

(₹ in lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Employee stock option scheme (equity settled)	463.27	526.90
Total	**463.27**	**526.90**

31. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(A) Contingent liabilities

There are no contingent liabilities as at 31 March, 2023:Nil (As at 31 March, 2022: Nil).

(B) Commitments

I) Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31 March, 2023:Nil (As at 31 March, 2022: Nil).

32. LEASES

Disclosures as required under Ind AS 116 - Leases

a) On adoption of Ind AS 116, the Company has recognized lease liabilities for all leases which were previously classified as operating leases under earlier GAAP. Ind AS 116 does not provide classification of leases into operating and finance lease for the lessee accounting. The lease liability is measured at present value of the lease payments. Lease liabilities is disclosed under the "Other financial liabilities".

(₹ in lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Interest expense on lease liability	5.85	13.98
Total	**5.85**	**13.98**

b) The Company has recognised Right of use (ROU) assets corresponding to the lease liabilities as per the requirements of Ind AS 116. The ROU assets are amortized at SLM basis over the lease term. Reconciliation of Carrying amount of Right of use asset for a lessee as per Ind AS 116:

Particulars	Amount in ₹ lakhs
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**
(+) Recognition of Right of use asset during the year	-
(+) Modification (Gain)/Loss during the year	(9.97)
(-) Derecognition of Right of use asset during the year	-
(-) Amortisation of Right of use asset	31.14
As at 31 March, 2023	**9.12**

c) Short term lease: A lease that at the commencement date, has a lease term of 12 months or less.

(₹ in lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Short term lease expense reognised in Profit and Loss	9.38	8.80
Total	**9.38**	**8.80**

d) Short term lease commitment

(₹ in lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
For a period of one year from Balance sheet date	7.25	-
Total	**7.25**	**-**

33. CORPORATE SOCIAL RESPONSIBILITY ('CSR') EXPENSES

Provisions of Section 135 of the Act are not applicable to the Company.

34. SEGMENT REPORTING

Operating segment are components of the Company whose operating results are regularly reviewed by the Chief Operating Decision Maker ('CODM') to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Company is engaged primarily on the business of "Financing" only, taking into account the risks and returns, the organization structure and the internal reporting systems. All the operations of the Company are in India. All non-current assets of the Company are located in India. Accordingly, there are no separate reportable segments as per Ind AS 108 – "Operating segments".

35. RELATED PARTY DISCLOSURES

(a) Related party disclosures as required by Ind AS 24 - Related Party Disclosures.

List of related parties and relationships:

Sr. No.	Nature of relationship	
1	**Subsidiaries**	
	Iserveu Technology Private Limited	
	Investdirect Capital Services Private Limited	
	MoneyMap Investment Advisors Private Limited	
2	**Key management personnel**	
	Amit Rajpal (Non Executive Chairman)	
	Tashwinder Singh (CEO & Managing Director)	
	Gaurav Patankar (Director)	
	Kapil Kapoor (Director)	
	Eric Wetlaufer (Director)	
	Subhasri Sriram (Director)	
	Ashby Monk (Director)	
	Raghvendra Somani (Inetrim - Chief Financial Officer)	upto - 9 November, 2022
	Abhishek Thakkar (Chief Financial Officer)	w.e.f - 9 November, 2022
	Neha Agarwal (Company Secretary)	

(₹ in lakhs)

Particulars	Year ended 31 March, 2023			Year ended 31 March, 2022		
	Compensation	ESOP	Total	Compensation	ESOP	Total
Salary/Bonus						
Noorallah Charania	-	-	**-**	47.39	18.35	**65.74**
Tashwinder Singh	144.00	225.45	**369.45**	100.00	-	**100.00**
Rumit Dugar	-	-	**-**	91.37	73.40	**164.77**
Raghvendra Somani	41.83	-	**41.83**	2.00	-	**2.00**
Abhishek Thakkar	26.76	4.35	**31.11**	-	-	**-**
Neha Agarwal	18.97	12.61	**31.58**	13.94	7.34	**21.28**
Sitting fees						
Kapil Kapoor	5.50	-	**5.50**	6.00	-	**6.00**
Sutapa Banerjee	-	-	**-**	4.25	-	**4.25**
Eric Wetlaufer	5.00	-	**5.00**	4.75	-	**4.75**
Subhasri Sriram	5.00	-	**5.00**	6.00	-	**6.00**
Ashby Monk	3.50	-	**3.50**	0.50	-	**0.50**

(₹ in lakhs)

Transaction other than those with KMP	Year ended 31 March, 2023		
	Subsidiary	Entity having Significant Influence	Total
Sourcing commission paid	51.54	-	51.54
Interest on preference shares received	109.62	-	109.62
Repayment of loan	(686.48)	-	(686.48)
First loss default guarantee	371.62	-	371.62

(₹ 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**

Balances outstanding from related parties are as follows:

(₹ in lakhs)

Particulars	Year ended 31 March, 2023			
	Key Managerial Personnel	Subsidiary	Entity having Significant Influence	Total
Sourcing commission payable	-	73.78	-	**73.78**
First loss default guarantee receivable	-	384.99	-	**384.99**
Investment in equity shares	-	9,268.38	-	**9,268.38**
Investment in redeemable preference shares	-	5,109.50	-	**5,109.50**
Investment in compulsory convertible preference shares	-	200.00	-	**200.00**
Sitting fees payable	1.23	-	-	**1.23**

(₹ in lakhs)

Particulars	Year ended 31 March, 2022			
	Key Managerial Personnel	Subsidiary	Entity having Significant Influence	Total
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**

36. LOANS AND ADVANCES IN THE NATURE OF LOANS TO COMPANIES IN WHICH DIRECTORS ARE INTERESTED AS UNDER:

(₹ in lakhs)

Sr. No.	Name	As at 31 March, 2023	Maximum balance outstanding during the year ended 31 March, 2023	As at 31 March, 2022	Maximum balance outstanding during the year ended 31 March, 2022
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:

(₹ in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Principal amount payable to suppliers as at year-end	280.05	74.37
Interest due thereon as at year end	-	-

37. (Contd.)

(₹ in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
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 1 September, 2016 (the "Notification").

38.1 Loans and advances availed by the NBFCs Inclusive of interest accrued thereon but not paid

(₹ in lakhs)

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
Liabilities side:	-	-	-	-
(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):

(₹ in lakhs)

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
(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	-	-	-	-

38.3 Break-up of loans and advances including bills receivables [other than those included in (4) below]:

(₹ in lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
	Amount outstanding	Amount outstanding
(a) Secured	-	232.14
(b) Unsecured	7,380.11	5,544.84

38.4 Break up of leased assets and stock on hire and other assets counting towards asset financing activities

(₹ in lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
	Amount outstanding	Amount outstanding
(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:

(₹ in lakhs)

Particulars	Year ended 31 March, 2023 Amount outstanding	Year ended 31 March, 2022 Amount outstanding
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	495.63	6,237.03
(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	9,268.38
(b)Preference	5,309.50	5,199.88
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government securities	-	-
(v) Others	-	-

38.6 Category

(₹ in lakhs)

Particulars	Amount net of provisions					
	Year ended 31 March, 2023			Year ended 31 March, 2022		
	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	**-**	**7,380.11**	**7,380.11**	**232.14**	**5,544.84**	**5,776.98**

38.7 Category

(₹ in lakhs)

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	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)	14,577.88	14,577.88	14,468.26	14,468.26
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties	495.63	495.63	6,079.60	6,079.60
Total	**15,073.51**	**15,073.51**	**20,547.86**	**20,547.86**

** As per Ind AS issued by MCA (refer note 3 below)

Note: Subsidiary company has been carried at cost.

38.8 Other Information

(₹ in lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
	Amount outstanding	Amount outstanding
(i) Gross non-performing assets		
(a) Related parties	-	-
(b) Other than related parties*	313.42	752.29

38.8 Other Information (Contd.)

(₹ in lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
	Amount outstanding	Amount outstanding
(ii) Net non-performing assets	-	-
(a) Related parties	-	-
(b) Other than related parties*	20.20	306.46
(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 2023.

40. DISCLOSURE AS REQUIRED BY RBI CIRCULAR DOR (NBFC).CC.PD NO.109/22.10.106/2019 20 DATED 13 MARCH, 2020

(₹ 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	7,541.15	321.30	7,219.85	30.16	291.14
	Stage 2	238.91	98.85	140.06	0.96	97.89
Subtotal		**7,780.06**	**420.15**	**7,359.91**	**31.12**	**389.03**
Non-Performing Assets (NPA)						
Substandard	Stage 3	313.42	293.22	20.20	31.34	261.88
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		**313.42**	**293.22**	**20.20**	**31.34**	**261.88**

40. DISCLOSURE AS REQUIRED BY RBI CIRCULAR DOR(NBFC).CC.PD NO.109/22.10.106/2019 20 DATED 13 MARCH, 2020 (Contd.)

(₹ 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
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**	**7,541.15**	**321.30**	**7,219.85**	**30.16**	**291.14**
	Stage 2	**238.91**	**98.85**	**140.06**	**0.96**	**97.89**
	Stage 3	**313.42**	**293.22**	**20.20**	**31.34**	**261.88**
	Total	**8,093.48**	**713.37**	**7,380.11**	**62.46**	**650.91**

*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 ₹ 53.29 lakhs (31 March, 2022: ₹ 55.22 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:

(₹ in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
i. Reconciliation of opening and closing balances of defined benefit obligation		
Present value of defined benefit obligations at the beginning of the year	45.04	32.78
Current service cost	16.80	16.25
Past service cost	-	-
Interest cost	2.53	2.23
Acquisition adjustment	-	-
Benefit paid	(18.36)	-
Change in demographic assumptions		
Change in financial assumptions	(1.55)	(0.79)
Experience variance (i.e. Actual experience vs assumptions)	(3.05)	(5.43)
Present value of defined benefit obligations at the end of the year	**41.41**	**45.04**
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	**41.41**	**45.04**
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	**(41.41)**	**(45.04)**
iv. Expense recognised during the Year		
Current service cost	16.80	16.25
Interest cost	2.53	2.23
Past service cost	-	-
Expenses recognised in the statement of profit and loss	**19.33**	**18.48**
v. Other comprehensive income		
Due to change in financial assumptions	(1.55)	(0.79)
Due to change in demographic assumption	-	-
Due to experience adjustments	(3.05)	(5.43)
Components of defined benefit costs recognised in other comprehensive income	**(4.60)**	**(6.22)**

vi. Amount recognized in balance sheet

(₹ in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Present value of unfunded defined benefit obligation	41.41	45.04
Net defined benefit liability recognised in Balance Sheet	41.41	45.04

vii. Principal actuarial assumptions

Particulars	As at 31 March, 2023	As at 31 March, 2022
Discount rate (per annum)	7.45%	7.10%
Annual increase in salary cost	7.00%	7.00%
Withdrawal rates per annum	0.00%	0.00%
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, 2023		For the year ended 31 March, 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (-/+ 0.5%)	7.95%	6.95%	7.60%	6.60%
(% change compared to base due to sensitivity)	(5.10%)	5.52%	(5.54%)	6.01%
Salary growth rate (-/+ 0.5%)	7.50%	6.50%	7.50%	6.50%
(% change compared to base due to sensitivity)	5.52%	(5.15%)	5.99%	(5.57%)

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 10.61 years.

(₹ in lakhs)

Particulars	Cash flows (₹)	Distribution (%)
Expected cash flows over the next (valued on undiscounted basis):		
1st Following Year	0.90	0.83%
2nd Following year	2.00	1.85%
3rd Following Year	1.82	1.68%
4th Following Year	2.16	2.00%
5th Following Year	10.39	9.62%
6th Following Year	1.96	1.81%
7th Following Year	1.86	1.72%
8th Following Year	1.79	1.66%
9th Following Year	1.62	1.50%
Sum of years 10 and above	83.57	77.33%

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

(₹ in lakhs)

As at 31 March, 2023	Mandatorily at FVTPL	At cost	Amortised cost	Total carrying amount
ASSETS				
Cash and cash equivalents	-	-	5,577.17	5,577.17
Bank balance other than cash and cash equivalents	-	-	54.08	54.08
Loans and advances to customers	-	-	7,380.11	7,380.11
Investment securities				
Measured at fair value	-	-	-	-
Measured at cost	-	14,577.88	-	14,577.88
Measured at amortised cost	-	-	495.63	495.63
Receivables	-	-	813.19	813.19
Other financial assets	-	-	90.91	90.91
Total Financial assets	**-**	**14,577.88**	**14,411.09**	**28,988.97**
LIABILITIES				
Trade Payables	-	-	339.11	339.11
Other financial liabilities	-	-	171.60	171.60
Total Financial liabilities	**-**	**-**	**510.71**	**510.71**

(₹ 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	-	-	73.97	73.97
Total Financial assets	**-**	**14,468.26**	**14,496.22**	**28,964.48**
LIABILITIES				
Trade Payables	-	-	161.10	161.10
Other financial liabilities	-	-	100.19	100.19
Total Financial liabilities	**-**	**-**	**261.29**	**261.29**

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:

(₹ in lakhs)

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Asset				
Investments				
- Bonds and Debentures	-	495.63	-	6,079.60
- Mutual Funds	-	-	-	-
Receivables	-	813.19	-	103.40
Loans	-	7,380.11	-	5,776.98
Cash And Cash Equivalents	-	5,577.17	-	2,442.07
Bank balance other than cash and cash equivalents	-	54.08	-	20.20
Other Financial Assets	-	90.91	-	73.97
Total Financial Assets	**-**	**14,411.09**	**-**	**14,496.22**
Financial Liability				
Trade Payables	-	339.11	-	161.10
Other Financial Liabilities	-	171.60	-	100.19
Total Financial Liabilities	**-**	**510.71**	**-**	**261.29**

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, 2023

(₹ in lakhs)

	Carrying amount	Fair value measurements using			
		Level 1	Level 2	Level 3	Total
Financial assets					
Investments					
- Bonds and Debentures	495.63	-	495.63	-	495.63
- Mutual Funds	-	-	-	-	-
Loans and advances	7,380.11	-	7,737.67	-	7,737.67
Receivables	813.19	-	-	-	-
Cash And Cash Equivalents	5,577.17	-	-	-	-
Bank balance other than cash and cash equivalents	54.08	-	-	-	-
Security Deposits	38.79	-	38.79	-	38.79
Other Financial assets	52.12	-	-	-	-
Total Financial Asset	**14,411.09**	**-**	**8,272.09**	**-**	**8,272.09**
Financial Liabilities					
Trade Payables	339.11	-	-	-	-
Lease Liability	20.87	-	20.87	-	20.87
Other financial liabilities	150.73	-	-	-	-
Total Financial Liabilities	**510.71**	**-**	**20.87**	**-**	**20.87**

As at 31 March, 2022

(₹ in lakhs)

	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	36.59	-	-	-	-
Total Financial Asset	**14,496.22**	**-**	**12,454.64**	**-**	**12,454.64**
Financial Liabilities					
Trade Payables	161.10	-	-	-	-
Lease Liability	94.46	-	94.46	-	94.46
Other financial liabilities	5.73	-	-	5.73	5.73
Total Financial Liabilities	**261.29**	**-**	**94.46**	**5.73**	**100.19**

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:

(₹ in lakhs)

Particulars	Amount
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%. For the First loss default guarantee (FLDG) portfolio, loans are classified in three stages - Upto 30 days, Upto 90 days and Default). PD % is calculated for each stage and is determined using available historical observations.	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, 2023

(₹ 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	495.64	0.00%	0.01	495.63
	- FD	54.09	0.02%	0.01	54.08
	Loans at amortised cost	7,541.15	4.26%	321.30	7,219.85
Loss allowance measured at life-time expected credit losses, not credit impaired	Investments at amortised cost				
	- NCD/PTC	-	-	-	-
	- FD	-	-	-	-
	Loans at amortised cost	238.91	41.38%	98.85	140.06
Loss allowance measured at life-time expected credit losses, credit impaired	Investments at amortised cost				
	- NCD/PTC	-	-	-	-
	- FD	-	-	-	-
	Loans at amortised cost	313.42	93.55%	293.22	20.20

Year ended 31 March, 2022

(₹ 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	0.00%	-	20.20
	Loans at amortised cost	5,614.58	4.42%	248.01	5,366.57
Loss allowance measured at life-time expected credit losses, not credit impaired	Investments at amortised cost				
	- NCD/PTC	-	-	-	-
	- FD	-	-	-	-
	Loans at amortised cost	124.20	16.30%	20.25	103.95
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

Investments in NCD, PTC 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.

(₹ in lakhs)

	Exposure	External benchmarks used
Loans at amortised cost	8,093.48	65%

The Company assesses whether the credit risk on a financial asset has increased significantly on an individual and collective basis. In determining whether the credit risk on a financial asset has increased significantly, the Company considers the change in the risk of a default occurring since initial recognition. The default definition used for such assessment is consistent with that used for internal credit risk management purposes.

The Company considers defaulted assets as those which are contractually past due 90 days, other than those assets where there is empirical evidence to the contrary. Financial assets which are contractually past due 30 days are classified under Stage 2 - life time ECL, not credit impaired, barring those where there is empirical evidence to the contrary. An asset can move into and out of the lifetime expected credit losses category (Stage 2 and 3) based on a predefined pattern obtained from the historical default rates or delinquency status of account across various internal rating grades, products or sectors. Credit exposures transition back from stage 2 to stage 1 when the credit quality of the credit facility shows significant improvement. Primarily, when factors that previously triggered an exposure moving to Stage 2 no longer meet, such exposures move back to Stage 1 and a 12-month ECL measured instead of Lifetime ECL. Credit exposures may transition from stage 3 to stage 2/ stage 1, if the exposures are current, no longer meet the definition of default/credit impaired and if the factors that previously triggered an exposure to move to stage 3 are no longer met.

The Company measures the amount of ECL on a financial instrument in a way that reflects an unbiased and probability-weighted amount. The Company considers its historical loss experience and adjusts the same for current observable data. The key inputs into the measurement of ECL are the probability of default, loss given default and exposure at default. These parameters are derived from the Company's internally developed statistical models and other historical data. In addition, the Company has used reasonable and supportable information on future economic conditions by using GDP as suitable macroeconomic factors. Since incorporating these forward looking information increases the judgment as to how the changes in these macroeconomic factor will affect ECL, the methodology and assumptions are reviewed regularly. The following table presents the key macroeconomic indicators used for the purposes of measurement of ECL in the periods presented.

Macro economic indicator	As at 31 March, 2023
GDP	8.20%

iii) Reconciliation of loss allowance provision

For loans

(₹ 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, 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	(163.18)	(245.89)	499.61
Loss allowance on 31 March, 2022	**248.01**	**20.25**	**445.83**
Changes in loss allowances due to			
Assets originated or purchased	127.87	86.57	135.83
Write – offs	-	-	(236.83)
Addition/(Recoveries) for assets originated in Previous years	(54.58)	(7.97)	(51.61)
Loss allowance on 31 March, 2023	**321.30**	**98.85**	**293.22**

For investments and Bank balance other than Cash and Cash Equivalents

(₹ 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, 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**	**-**	**-**
Changes in loss allowances due to			
Assets originated or purchased	-	-	-
Addition/(Recoveries) for assets originated in Previous years	(157.41)	-	-
Loss allowance on 31 March, 2023	**0.02**	**-**	**-**

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.

(₹ in lakhs)

Particulars	As at 31 March, 2023			As at 31 March, 2022		
	Carrying amount	Within 12 months	After 12 months	Carrying amount	Within 12 months	After 12 months
Financial liabilities						
Trade payables	339.11	339.11	-	161.10	161.10	-
Other financial liabilities	171.60	171.60	-	100.19	75.89	24.30
Non Financial liabilities						
Provisions	414.84	374.33	40.51	476.95	431.91	45.04
Other non-financial liabilities	41.09	41.09	-	25.40	25.40	-
Financial assets						
Cash and cash equivalents	5,577.17	5,577.17	-	2,442.07	2,442.07	-
Bank balance other than cash and cash equivalents above	54.08	54.08	-	20.20	20.20	-
Receivables	813.19	813.19	-	103.40	103.40	-
Loans and advances to customers	7,380.11	5,707.53	1,672.58	5,776.98	3,670.23	2,106.75
Investment securities	15,073.51	495.63	14,577.88	20,547.86	6,079.60	14,468.26
Other financial assets	90.91	52.12	38.79	73.97	-	73.97
Non-financial Assets						
Income tax assets	229.73	229.73	-	238.15	238.15	-
Right of use asset	9.12	9.12	-	50.23	34.95	15.28
Property, plant and equipment	43.55	-	43.55	22.37	8.84	13.53
Intangible assets under development	-	-	-	-	-	-
Intangible assets	0.49	-	0.49	2.61	2.09	0.52
Other non-financial assets	412.91	412.91	-	357.66	357.66	-

b) Maturity Pattern

The table below summarises the maturity profile of the undiscounted cashflow of the Company's financial liabilities:

As at 31 March, 2023

(₹ in lakhs)

	Within 12 months	1-2 years	2-5 years	Total
Trade payables	339.11	-	-	339.11
Other financial liabilities				
- Lease liability	21.11	-	-	21.11
- Payable to borrowers	150.73	-	-	150.73

As at 31 March, 2022

(₹ in lakhs)

	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	-	-	-	-

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.

(₹ in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Financial assets		
Bank balance other than cash and cash equivalents above	-	-
Loans and advances to customers	1,672.58	2,106.75
Investment securities	14,577.88	14,468.26
Other financial assets	38.79	73.97
Financial liabilities		
Lease Liability	-	24.30

d) The following table sets out the components of the Company's liquidity reserves.

(₹ in lakhs)

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Cash And Cash Equivalents	5,577.17	5,577.17	2,442.07	2,442.07
Bank balance other than cash and cash equivalents	54.08	54.08	20.20	20.20
Total liquidity reserves	**5,631.25**	**5,631.25**	**2,462.27**	**2,462.27**

e) All the financial assets of the Company as at 31 March, 2023 and as at 31 March, 2022 are unencumbered.

f) Disclosures in terms of RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated 4 November, 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 ₹ lakhs and % of total deposits) –** Not Applicable

(iii) **Top 10 borrowings (amount in ₹ lakhs 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	95.81%
Other short-term liabilities, if any as a % of total assets	3.12%

(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 accout:

(₹ in lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Type of income		
Services charges	-	25.33
Bounce charges	5.86	1.93
Penal charges	2.30	3.42
Foreclosure charges	8.42	4.21
Documentation Charges	12.42	16.63
Commission Income	158.67	48.90
Processing fees	35.75	-
Total revenue from contracts with customers	**223.42**	**100.42**
Geographical markets		
India	223.42	100.42
Outside India	-	-

45. REVENUE FROM CONTRACTS WITH CUSTOMERS (Contd.)

Set out below is the disaggregation of the Company's revenue from contracts with customers and reconciliation to profit and loss accout:

(₹ in lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Total revenue from contracts with customers	**223.42**	**100.42**
Timing of revenue recognition		
Services transferred at a point in time	223.42	75.09
Services transferred over time	-	25.33
Total revenue from contracts with customers	**223.42**	**100.42**

46. There have been no events after the reporting date that require disclosure in these financial statements.

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. The ECL provision of ₹ 225.72 lakhs is retained by the company as at 31 March, 2023 towards management overlay on account of COVID-19.

48. OTHER ADDITIONAL INFORMATION

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 2022-2023.

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 required by Schedule III of the Companies Act, 2013

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022	% Variance
Capital Ratio*	140.53%	115.63%	22%
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. BUSINESS COMBINATION

During the current financial year, Scheme of Amalgamation of Information Interface India Private Limited ("Transferor Company") with the Company ("Transferee Company") and their respective shareholders and creditors, under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Scheme"), the Hon'ble National Company Law Tribunal, Chennai bench, ("NCLT") had issued the Order on 20 July, 2022, corrigendum to which was pronounced on 27 July, 2022. The certified copy of the said Order was received on 12 August, 2022.

The appointed date of the Scheme was 1 April, 2022 and the Scheme has become effective on 18 August, 2022 upon filing of the NCLT order by the Transferor and Transferee Companies with the Registrar of Companies, Chennai, Tamil Nadu.

Further, in accordance with the Scheme, upon the Scheme becoming effective and consequent to amalgamation, the Company was required to issue and allot 3,44,35,567 fully paid-up Equity Share of ₹ 10/- each to the equity shareholders of the Transferor Company in proportion of their holding in the Transferor Company as on Record Date i.e. 2 September, 2022 and the issued, subscribed and paid-up share capital of the Transferee Company be cancelled by 3,44,35,567 Equity Shares of face value ₹ 10/- each, held by the Transferor Company. Accordingly, the Board of Directors through Circular Resolution dated 8 September, 2022, had allotted 3,44,35,567 fully paid-up Equity Shares of ₹ 10/- each to the equity shareholders of the Transferor Company and listed at BSE Limited on 14 October, 2022. Consequent to the above allotment and cancellation of Equity Shares, the issued, subscribed and paid-up capital of the Company remained the same.

The NCLT order effect has been considered for the year ended 31 March, 2023 by transferring the carryings amount of all the assets and liabilities of the Transferor Company to the Transferee Company with effect from the Appointed Date of 1 April, 2022.

Details of the purchase consideration and the net assets acquired are as follows:

Particulars	Amounts in ₹ lakhs
Fixed Deposits	33.00
Cash and Cash equivalents	5.05
Other financial assets	4.93
Total (A)	**42.97**
Trade Payables	41.49
Provisions	1.49
Total (B)	**42.97**

50. 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
Mumbai
11 May, 2023

For and on behalf of the Board of Directors of
Niyogin Fintech Limited
CIN: L65910TN1988PLC131102

Amit Rajpal
Chairman & Non-Executive Director
DIN: 07557866
London

Tashwinder Singh
Managing Director & Chief Executive Officer
DIN: 06572282
Mumbai

Abhishek Thakkar
Chief Financial Officer
Mumbai
11 May, 2023

Neha Agarwal
Company Secretary & Compliance Officer
Membership No: A41425
Mumbai

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, 2023, 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, 2023, 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.

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 ALLOWANCE FOR EXPECTED CREDIT LOSS (ECL) ON LOANS

Charge to the Statement of Profit and Loss for the year ended 31 March, 2023 – ₹ 167.50 lakhs

Total ECL Provision as at 31 March, 2023 - ₹ 713.37 lakhs (including management overlay of ₹ 225.72 lakhs)

Refer accounting policies in Note 3.6 to the consolidated financial statements

Key Audit Matter	How the key audit matter was addressed in our audit
Under Ind AS 109, allowance for impairment loss on loans is determined using Expected Credit Loss (ECL) estimation model. This involves a high degree of estimation uncertainty on account of significant management judgement in application of measurement principles in following areas: • Correct construction of the three-stage impairment model • Selection and input of forward-looking information based on various qualitative and quantitative factors • Assessment of credit characteristics of the loan portfolio • Determination of Probabilities of Default ("PD") and Loss Given Default ("LGD") based on historical trends. • Estimation of economic scenarios and assignment of probability weights • Adjustments to model ECL to address emerging trends This process requires analysis of large volumes of data. The completeness and accuracy of data, and implementation of related internal controls, can significantly impact reliability of the modelled impairment provisions. The disclosures (including disclosures prescribed by RBI) regarding the Company's application of Ind AS 109 are the key to explaining the judgements and material inputs to the ECL results. The classification and measurement of loans and measurement of impairment loss allowance is as a key audit matter in view of its inherent complexity, management judgement and estimates involved and significance to the financial statements, of the affected account balances and related disclosures.	Board approved ECL policy was examined in view of characteristics of loans disbursed during the year. Its compliance with principles of Ind AS 109 was assessed. We performed 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. Evaluated management's controls over collation of relevant information used for determining estimates for management overlays. We tested design and operating effectiveness of key controls around data extraction and validation. We discussed with the management, the methodologies used for ECL estimation for various kinds of loans, evaluated the appropriateness thereof and reasonableness of assumptions used therein. We verified the methodology of the computation of staging of loans, estimation of probability of default, its calibration, and estimation of loss given default. We examined adjustments to output of ECL model and its consistency with documented rationale. We assessed whether the disclosures on key judgements, assumptions, and quantitative data with respect to impairment of loans are appropriate and sufficient. Performed substantive procedures for testing the ECL Model and computation of ECL amount included and not limited to the following: • Testing system generated reports on ageing and defaults with underlying transactions, on sample basis • Testing the process of staging of loan assets basis their days past due and other loss indicators, on sample basis. • Testing computation of underlying factors of PD and LGD based on historical data. • Performance of cut-off procedures to ensure the completeness of the data used. Reconciliation of total financial assets considered for ECL estimation with the books of accounts. • Review of assessment performed for forward looking macro-economic factors used in estimating management overlay. • Reperforming of the formulas to check mathematical accuracy of the computation of ECL.

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

We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of ₹ 10,116.61 lakhs as at 31 March, 2023, total revenues of ₹ 9,241.14 lakhs and net cash outflow amounting to ₹ 575.32 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.

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, 2023 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, 2023 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: 23064225BGZHGL1989
Mumbai
11 May, 2023

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF NIYOGIN FINTECH LIMITED FOR THE YEAR ENDED 31 MARCH, 2023

[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, and based on the CARO reports issued by us for the Company and based on our consideration of CARO reports issued by the respective auditors of the Company's such subsidiaries as referred to in OTHER MATTERS paragraph above, we report that there are no qualifications or adverse remarks in these CARO reports.

For **Pijush Gupta & Co**
Chartered Accountants
ICAI Firm Registration Number: 309015E

Sangeeta Gupta
Partner
Membership number: 064225
UDIN: 23064225BGZHGL1989
Mumbai
11 May, 2023

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, 2023.]

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, 2023, 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, 2023, 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

Sangeeta Gupta
Partner
Membership number: 064225
UDIN: 23064225BGZHGL1989
Mumbai
11 May, 2023

Consolidated Balance Sheet

As at 31 March, 2023

(₹ in lakhs)

Particulars	Note	As at 31 March, 2023	As at 31 March, 2022
ASSETS			
Financial assets			
Cash and cash equivalents	4	6,297.59	3,737.81
Bank balance other than cash and cash equivalents above	5	2,646.92	5,063.32
Receivables	6		
(i) Trade receivables		2,291.50	2,761.71
(ii) Other receivables		782.30	82.19
Loans	7	7,380.11	5,834.63
Investments	8	701.57	6,288.89
Other financial assets	9	1,626.42	1,453.15
Total financial assets		**21,726.41**	**25,221.70**
Non-financial Assets			
Inventories	10	518.29	191.81
Income tax assets	11	487.54	420.57
Deferred tax assets (Net)	18	11.28	-
Right of use asset		1,538.11	104.81
Property, plant and equipment	12	197.94	194.05
Capital work in progress		10.50	-
Intangible assets under development		9.88	-
Intangible assets	12	3,438.85	3,824.19
Goodwill		5,952.85	5,952.85
Other non-financial assets	13	576.62	389.13
Total non-financial assets		**12,741.86**	**11,077.41**
TOTAL ASSETS		**34,468.27**	**36,299.11**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables	14		
(I) Trade payables			
a) total outstanding dues of micro enterprises and small enterprises		214.15	74.37
b) total outstanding dues of creditors other than micro enterprises and small enterprises		215.54	391.67
Borrowings (other than debt securities)	15	7.00	29.10
Other financial liabilities	16	3,973.57	3,500.04
Total financial liabilites		**4,410.26**	**3,995.18**
Non-financial liabilities			
Provisions	17	1,215.60	948.49
Deferred tax liabilities	18	31.94	55.58
Other non-financial liabilities	19	99.29	183.08
Total non-financial liabilites		**1,346.83**	**1,187.15**
EQUITY			
Equity share capital	20	9,433.93	9,421.15
Other equity	21	17,821.88	19,167.55
Equity attributable to owners of Niyogin Fintech Limited		**27,255.81**	**28,588.70**
Non-controlling interests		**1,455.37**	**2,528.08**
Total Equity		**28,711.18**	**31,116.78**
TOTAL LIABILITIES AND EQUITY		**34,468.27**	**36,299.11**
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: L65910TN1988PLC131102

Sangeeta Gupta
Partner
Membership No: 064225
Mumbai
11 May, 2023

Amit Rajpal
Chairman & Non-Executive Director
DIN: 07557866
London

Tashwinder Singh
Managing Director & Chief Executive Officer
DIN: 06572282
Mumbai

Abhishek Thakkar
Chief Financial Officer
Mumbai
11 May, 2023

Neha Agarwal
Company Secretary & Compliance Officer
Membership No: A41425
Mumbai

Consolidated Statement of Profit and Loss

For the year ended 31 March, 2023

(₹ in lakhs)

	Particulars	Note	Year ended 31 March, 2023	Year ended 31 March, 2022
	Revenue from operations			
(i)	Interest income	22	2,253.01	2,087.92
(ii)	Fees and commission Income	23	6,875.55	4,219.82
(iii)	Sales of Products	24	856.45	3,196.66
(iv)	Net gain on fair value changes	25	11.66	8.71
(v)	Others	26	870.62	769.19
(I)	**Total revenue from operations**		**10,867.29**	**10,282.30**
(II)	**Other income**	**27**	**850.46**	**425.61**
(III)	**Total income**		**11,717.75**	**10,707.91**
	Expenses			
(i)	Finance costs	28	81.77	20.30
(ii)	Fees and commission Expenses	29	6,850.50	3,823.02
(iii)	Impairment on financial instruments	30	460.58	74.45
(iv)	Purchases of Stock in trade	31	1,175.50	3,034.53
(v)	Changes in Inventories	32	(326.48)	(99.99)
(vi)	Employee benefits expenses	33	3,537.42	2,900.71
(vii)	Depreciation and amortization	34	610.14	538.92
(viii)	Others expenses	35	2,141.05	1,188.69
(IV)	**Total expenses**		**14,530.48**	**11,480.63**
(V)	**Loss before tax**		**(2,812.73)**	**(772.72)**
(VI)	**Tax expense:**	11		
	(1) Current tax		-	46.67
	(2) Deferred tax		25.90	(59.34)
	Total tax expense		**25.90**	**(12.67)**
	Loss for the year		**(2,838.63)**	**(760.05)**
(VII)	**Other comprehensive income**			
	(i) Items that will not be reclassified to profit or loss			
	a) Re-measurement of defined benefit plan		15.45	8.52
	b) Income tax relating to items that will not be reclassified to profit or loss		(2.82)	-
	Other comprehensive income		**12.63**	**8.52**
(VIII)	**Total comprehensive loss for the year**		**(2,826.00)**	**(751.53)**
	Profit is attributable to:			
	Owners of Niyogin Fintech Limited		(1,765.92)	(592.90)
	Non-controlling interests		(1,072.71)	(167.15)
	Other comprehensive income is attributable to:			
	Owners of Niyogin Fintech Limited		12.63	8.52
	Non-controlling interests		-	-
	Total comprehensive loss is attributable to:			
	Owners of Niyogin Fintech Limited		**(1,753.29)**	**(584.38)**
	Non-controlling interests		**(1,072.71)**	**(167.15)**
(IX)	**Earnings per equity share**			
	Basic (₹)		(1.87)	(0.63)
	Diluted (₹)		(1.87)	(0.63)

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
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For and on behalf of the Board of Directors of
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Membership No: A41425
Mumbai

Consolidated Statement of Cash Flows

For the year ended 31 March, 2023

(₹ in lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
CASH FLOW FROM OPERATING ACTIVITIES:		
Loss before tax:	**(2,812.73)**	**(772.72)**
Adjustments:		
Interest income on loans	(1,498.85)	(780.88)
Interest on investments	(410.78)	(1,060.77)
Interest on deposits with banks	(335.96)	(243.65)
Depreciation and amortisation	610.14	538.92
Net gain on fair value changes	(11.66)	(8.71)
Employee share based payments	479.41	530.13
Impairment on financial instruments	460.58	74.45
Interest expense on lease liability	75.79	20.30
Interest expense on loan liability	5.99	-
Interest income on security deposit	(7.42)	(2.62)
Operating profit before working capital changes	**(3,445.49)**	**(1,705.55)**
Adjustments for (increase)/decrease in operating assets:		
Bank balance other than cash and cash equivalents above		
Trade receivables	(229.90)	(2,693.02)
Loans	(2,091.25)	(1,167.61)
Other financial assets	(165.85)	(495.83)
Inventories	(326.48)	(99.99)
Other non financial assets	(391.96)	(1,098.03)
Adjustments for increase/(decrease) in operating liabilities		
Trade payables	(33.91)	241.64
Other financial liabilities	(931.79)	(925.86)
Provisions	279.74	342.62
Other non financial liabilities	(83.79)	(15.27)
Net cash used in operating activities	**(7,420.68)**	**(7,616.92)**
Income tax paid net of refund		
Cash inflow from interest income on loans	1,584.04	623.48
Net cash used in operating activities	**(5,836.64)**	**(6,993.44)**
CASH FLOW FROM INVESTING ACTIVITIES:		
Sale of investment	11,263.08	4,793.38
Purchase of investment	(5,768.14)	-
Proceeds from maturity of fixed deposits	2,416.40	(1,667.37)
Purchase of property, plant and equipments	(59.97)	(173.05)
Purchase of intangible assets	(15.35)	(30.10)
Purchase of intangible assets under development	(20.38)	-
Income from Investment/fixed deposits	850.78	959.99
Net cash generated from investing activities	**8,666.42**	**3,882.85**

(₹ in lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
CASH FLOW FROM FINANCING ACTIVITIES:		
Proceed of issue of shares	12.78	71.00
Increase in securities premium	2.45	27.25
Repayment of lease liability	(257.14)	(82.49)
Increase in borrowing during the year (net)	(28.09)	20.31
Net cash generated from financing activities	**(270.00)**	**36.07**
NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES	**2,559.78**	**(3,074.52)**
Add: Cash and cash equivalents at beginning of the year	3,737.81	6,812.33
Cash and cash equivalents at end of the year	**6,297.59**	**3,737.81**

(₹ in lakhs)

Particulars	For the year ended	
	Year ended 31 March, 2023	Year ended 31 March, 2022
Components of Cash and Cash Equivalents		
Particulars		
Cash and cash equivalents at the end of the year		
- Cash on hand	0.22	0.47
- Balance with bank in current account	6,297.37	3,737.34
Total	**6,297.59**	**3,737.81**

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

Sangeeta Gupta
Partner
Membership No: 064225
Mumbai
11 May, 2023

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Chief Financial Officer
Mumbai
11 May, 2023

Neha Agarwal
Company Secretary & Compliance Officer
Membership No: A41425
Mumbai

Consolidated Statement of Changes in Equity

For the year ended 31 March, 2023

A. EQUITY SHARE CAPITAL

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	Number	₹ in lakhs	Number	₹ in lakhs
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year	**9,42,11,470**	**9,421.15**	**9,35,01,466**	**9,350.15**
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	1,27,855	12.79	7,10,004	71.00
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	**9,43,39,325**	**9,433.93**	**9,42,11,470**	**9,421.15**

B. OTHER EQUITY

(₹ in lakhs)

Particulars	Reserves and Surplus					
	Securities Premium	Retained Earnings	Special reserve	Share based options outstanding account	General Reserves	Total
Balance as at 31 March, 2022	**23,251.91**	**(5,207.33)**	**1.89**	**1,121.08**	**-**	**19,167.55**
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Restated balance as at 31 March, 2022	**23,251.91**	**(5,207.33)**	**1.89**	**1,121.08**	**-**	**19,167.55**
Profit/Loss for the year	-	(1,765.92)	-	-	-	(1,765.92)
Total Comprehensive Income for the current year	-	12.63	-	-	-	12.63
Prior period adjustment	-	(77.46)	-	-	-	(77.46)
Securities premium proceeds received on issue of equity shares	2.45	-	-	-	-	2.45
Employee stock option (net)	-	-	-	463.59	-	463.59
Transfer to general reserve	-	-	-	-	19.05	19.05
Balance as at 31 March, 2023	**23,254.36**	**(7,038.08)**	**1.89**	**1,584.67**	**19.05**	**17,821.89**

Particulars	Reserves and Surplus				
	Securities Premium	Retained Earnings	Special reserve	Share based options outstanding account	Total
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
Employee stock option (net)	-	-	-	299.00	299.00
Balance as at 31 March, 2022	**23,251.91**	**(5,207.33)**	**1.89**	**1,121.08**	**19,167.55**

As per our report of even date.

For **Pijush Gupta & Co**
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Company Secretary & Compliance Officer
Membership No: A41425
Mumbai

Notes Forming part of the Consolidated Financial Statements

For the year ended 31 March, 2023

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	49.25%	14,140.25	22.43%	(636.84)	36.50%	4.61	22.37%	(632.23)
Subsidiary	50.75%	14,570.93	77.57%	(2,201.79)	63.50%	8.02	77.63%	(2,193.77)
Total	**100.00%**	**28,711.18**	**100.00%**	**(2,838.63)**	**100%**	**12.63**	**100.00%**	**(2,826.00)**

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 46.

ii) Effective interest rate ('EIR') method

The Group's EIR methodology, as explained in Note 3.1(A), recognises interest income/expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of loans given/taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behavior and life-cycle of the instruments, as well as expected changes to interest rates and other fee income/expense that are integral parts of the instrument.

iii) Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Group's expected credit loss ('ECL') calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

a) The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life time expected credit loss ('LTECL') basis.

b) Development of ECL models, including the various formulas and the choice of inputs.

c) Determination of associations between macroeconomic scenarios and economic inputs as gross domestic products, and the effect on probability of default ('PD'), exposure at default ('EAD') and loss given default ('LGD').

d) Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into ECL models.

iv) Provisions and other contingent liabilities

The Group operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations.

When the Group can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Group records a provision against the case. Where the outflow is considered to be probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Group takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

For further details on provisions and other contingencies refer note 3.16.

2.6 Presentation of the Consolidated Financial Statements

The Group presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented in Note 48.

Financial assets and financial liability are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

i) The normal course of business

ii) The event of default

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Recognition of interest income

A. EIR method

Under Ind AS 109, interest income is recorded using the effective interest rate method for all financial instruments measured at amortised cost and financial instrument measured at Fair Value through other comprehensive income ('FVOCI'). The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Group recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the financial instrument.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the statement of profit and loss.

B. Interest income

The Group calculates interest income by applying EIR to the gross carrying amount of financial assets other than credit impaired assets.

When a financial asset becomes credit impaired and is, therefore, regarded as 'stage 3', the Group calculates interest income on the net basis. If the financial asset cures and is no longer credit impaired, the Group reverts to calculating interest income on a gross basis.

3.2 Financial instrument - initial recognition

A. Date of recognition

Debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

B. Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments (Refer note 3.3(A)). Financial instruments are initially measured at their fair value (as defined in Note 3.8). Transaction costs are added to, or subtracted from this amount at initial recognition except in the case of financial assets and financial liabilities recorded at FVTPL. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in Statement of profit and loss.

C. Measurement categories of financial assets and liabilities

The Group classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

i) Amortised cost

ii) FVOCI

iii) FVTPL

3.3 Financial assets and liabilities

A. Financial assets

Business model assessment

The Group determines its business model at the level that best reflects how it manages Groups of financial assets to achieve its business objective.

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

a) How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Group's key management personnel.

b) The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.

c) The expected frequency, value and timing of sales are also important aspects of the Group's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Solely payments of principal and interest (SPPI) test

As a second step of its classification process, the Group assesses the contractual terms of financial to identify whether they meet SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Accordingly, financial assets are measured as follows:

i) Financial assets carried at amortised cost ('AC')

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii) Financial assets measured at FVOCI

A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii) Financial assets measured at FVTPL

A financial asset which is not classified in any of the above categories are measured at FVTPL.

B. Financial liability

i) Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method.

3.4 Reclassification of financial assets and liabilities

The Group does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Group did not reclassify any of its financial assets or liabilities in the year ended 31 March, 2023.

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.

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.

Employee Stock Option Plans

Employee stock options have time and performance based vesting conditions. The fair value determined at the grant date of the options is expensed over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of options expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the employee stock options plan reserve.

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

(₹ in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Cash on hand	0.22	0.47
Balance with banks		
- In current accounts	816.67	2,745.66
- In fixed deposits (with original maturity of less than 3 months)	5,480.70	991.68
Total	**6,297.59**	**3,737.81**

5. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS ABOVE

(₹ in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Fixed deposits (with original maturity of more than 3 months)	2,646.93	5,063.32
Less: Allowance for impairment loss	(0.01)	-
Total	**2,646.92**	**5,063.32**

6. RECEIVABLES

(₹ in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
a) Trade receivables	2,299.71	2,761.92
b) Other receivables	782.30	82.19
Total	**3,082.01**	**2,844.11**
Secured - Considered good	-	-
Unsecured - Considered good	3,082.01	2,844.11
Receivables which have significant increase in Credit Risk	-	-
Receivables - credit impaired	-	-
Total - Gross	**3,082.01**	**2,844.11**
(Less): Impairment loss allowance	(8.21)	(0.21)
Total - Net	**3,073.80**	**2,843.90**

6.1 Trade receivables ageing

(₹ 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, 2023								
(i) Undisputed Trade receivables – considered good	-	-	1,697.78	251.88	350.05	-	-	2,299.71
(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	**-**	**-**	**1,697.78**	**251.88**	**350.05**	**-**	**-**	**2,299.71**

(₹ 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	-	-	-	-	-	-	-	-
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-	-
Total	**-**	**-**	**1,636.25**	**1,045.02**	**72.08**	**8.57**	**-**	**2,761.92**

7. LOANS

(₹ in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Loans at amortised cost		
Term Loans	8,093.48	6,548.72
Total (A) - Gross	**8,093.48**	**6,548.72**
(Less): Impairment loss allowance (Refer note no. 30)	(713.37)	(714.09)
Total (B) - Net	**7,380.11**	**5,834.63**
Secured by tangible assets	-	243.08
Secured by intangible assets	-	-
Covered by bank/government guarantees	-	-
Unsecured	8,093.48	6,305.64
Total (C) - Gross	**8,093.48**	**6,548.72**
(Less): Impairment loss allowance (Refer note no. 30)	(713.37)	(714.09)
Total (D) - Net	**7,380.11**	**5,834.63**
Loans in India		
- Public sector	-	-
- Others	8,093.48	6,548.72
Loans within India - Gross	**8,093.48**	**6,548.72**
(Less): Impairment loss allowance (Refer note no. 30)	(713.37)	(714.09)
Loans within India -Net	**7,380.11**	**5,834.63**
Loans Outside India	**-**	**-**
Total (E) - Gross	**8,093.48**	**6,548.72**
(Less): Impairment loss allowance (Refer note no. 30)	(713.37)	(714.09)
Total (F) - Net	**7,380.11**	**5,834.63**
Loans at fair value through profit and loss		
Loans	-	-
Total (G)	**-**	**-**
Grand total - Gross [(A) + (G)]	**8,093.48**	**6,548.72**
Grand total - Net [(B) + (G)]	**7,380.11**	**5,834.63**

7.1 An analysis of changes in the gross carrying amount and the corresponding ECL allowances

(₹ in lakhs)

Particulars	As at 31 March, 2023			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**5,672.23**	**124.20**	**752.29**	**6,548.72**
Assets derecognised or repaid (excluding write offs)	(5,753.95)	(471.90)	(1,416.77)	**(7,642.62)**
Transfers from Stage 1	(1,121.46)	255.42	866.04	**-**
Transfers from Stage 2	8.75	(99.07)	90.32	**-**
Transfers from Stage 3	7.21	-	(7.21)	**-**
Amounts written off	-	-	(236.83)	**(236.83)**
New assets originated*	8,728.37	430.26	265.58	**9,424.21**
Gross carrying amount closing balance	**7,541.15**	**238.91**	**313.42**	**8,093.48**

* New assets originated are those assets which have either remained in stage 1 or have become stage 2 or 3 at the year end.

(₹ in lakhs)

Particulars	As at 31 March, 2022			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**4,752.52**	**407.00**	**462.05**	**5,621.57**
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	**5,672.23**	**124.20**	**752.29**	**6,548.72**

* 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:

(₹ in lakhs)

Particulars	As at 31 March, 2023			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**248.01**	**20.25**	**445.83**	**714.09**
Addition during the year	127.87	86.57	135.83	**350.27**
Reversal during the year	(54.58)	(7.97)	(288.44)	**(350.99)**
ECL allowance - closing balance	**321.30**	**98.85**	**293.22**	**713.37**

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	13.08	-	499.61	**512.69**
Reversal during the year	(163.19)	(245.89)	(427.24)	**(836.32)**
ECL allowance - closing balance	**248.01**	**20.25**	**445.83**	**714.09**

8. INVESTMENTS

(₹ in lakhs)

Particulars	At amortised cost	At fair value through profit and loss	Total
As at 31 March, 2023			
Investment in NCDs	495.64	63.88	**559.52**
Investment in Mutual funds	-	142.06	**142.06**
Total (A) - Gross	**495.64**	**205.94**	**701.58**
Less: Allowance for impairment loss	(0.01)	-	**(0.01)**
Total (A) - Net	**495.63**	**205.94**	**701.57**
Investments outside India	-	-	**-**
Investments in India	495.64	205.94	**701.58**
Total (B) - Gross	**495.64**	**205.94**	**701.58**
Less: Allowance for impairment loss	(0.01)	-	**(0.01)**
Total (B) - Net	**495.63**	**205.94**	**701.57**

(₹ 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 Mutual funds	-	209.29	209.29
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**

9. OTHER FINANCIAL ASSETS

(₹ in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Security deposits	213.92	54.71
Advances to Employees	60.94	-
Other Assets	1,351.56	1,398.44
Total	**1,626.42**	**1,453.15**

10. INVENTORIES

(₹ in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Stock In Trade	518.29	191.81
Total	**518.29**	**191.81**

11. CURRENT TAX ASSETS

(₹ in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Tax deducted at source	487.54	420.57
Less: Provision for tax	-	-
Total	**487.54**	**420.57**

12. PROPERTY, PLANT AND EQUIPMENT & INTANGIBLE ASSETS

(₹ in lakhs)

Particulars	Property, Plant and Equipment						Intangible assets							
	Leasehold improvement	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, 2021	**0.30**	**6.15**	**28.70**	**100.22**	**-**	**135.37**	**730.59**	**21.52**	**52.13**	**14.38**	**1,545.38**	**1,034.58**	**1,814.30**	**5,212.88**
Additions	-	0.49	2.01	98.74	70.15	171.39	12.37	7.90	12.63	-	-	-	-	32.90
Additions due to acquisition	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deletions/Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31 March, 2022	**0.30**	**6.64**	**30.71**	**198.96**	**70.15**	**306.76**	**742.96**	**29.42**	**64.76**	**14.38**	**1,545.38**	**1,034.58**	**1,814.30**	**5,245.78**
Additions	-	11.61	2.18	51.79	-	65.58	14.78	-	-	0.57	-	-	-	15.35
Additions due to acquisition	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deletions/Adjustments	-	1.81	-	3.81	-	5.62	-	-	-	-	-	-	-	-
As at 31 March, 2023	**0.30**	**16.44**	**32.89**	**246.94**	**70.15**	**366.72**	**757.74**	**29.42**	**64.76**	**14.95**	**1,545.38**	**1,034.58**	**1,814.30**	**5,261.13**
Accumulated depreciation and impairment losses														
As at 31 March, 2021	**0.30**	**1.62**	**9.33**	**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**	**112.71**	**720.26**	**7.59**	**26.01**	**7.43**	**628.70**	**31.58**	**-**	**1,421.58**
Charge for the year	-	1.17	5.49	41.13	8.28	56.07	10.36	1.35	5.73	2.89	309.08	71.29	-	400.70
Deletions/Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31 March, 2023	**0.30**	**3.40**	**18.71**	**132.98**	**13.39**	**168.78**	**730.62**	**8.94**	**31.74**	**10.32**	**937.78**	**102.87**	**-**	**1,822.28**
Net carrying amount as at 31 March, 2022	**-**	**4.41**	**17.49**	**107.11**	**65.04**	**194.05**	**22.70**	**21.83**	**38.74**	**6.95**	**916.68**	**1,003.00**	**1,814.30**	**3,824.19**
Net carrying amount as at 31 March, 2023	**-**	**13.04**	**14.18**	**113.96**	**56.76**	**197.94**	**27.12**	**20.48**	**33.02**	**4.63**	**607.60**	**931.71**	**1,814.30**	**3,438.85**

13. OTHER NON FINANCIAL ASSETS

(₹ in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Prepaid expenses	133.75	41.17
Duties and taxes	422.84	332.20
Advance against salary	19.17	0.20
Other assets	0.86	15.56
Total	**576.62**	**389.13**

14. TRADE PAYABLES

(₹ in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
a) Total outstanding dues of micro enterprises and small enterprises	214.15	74.37
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	215.54	391.67
Total	**429.69**	**466.04**

14.1 Trade Payables ageing

(₹ in lakhs)

Particulars	Unbilled	Not Due for payment	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2023							
MSME	-	-	166.95	47.20	-	-	214.15
Others	-	-	163.26	12.64	32.05	7.59	215.54
Disputed dues – MSME	-	-	-	-	-	-	-
Disputed dues – Others	-	-	-	-	-	-	-
Total	**-**	**-**	**330.21**	**59.84**	**32.05**	**7.59**	**429.69**

(₹ in lakhs)

Particulars	Unbilled	Not Due for payment	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	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**

15. BORROWINGS (OTHER THAN DEBT SECURITIES)

(₹ in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Borrowings (other than debt securities)	7.00	29.10
Total	**7.00**	**29.10**

16. OTHER FINANCIAL LIABILITIES

(₹ in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Payable to borrowers	150.73	5.73
Lease liability	1,552.09	146.77
Loan from Directors	-	-
Loan from Others	52.60	740.61
Pending allotment	-	-
Contingent consideration	-	-
Other financial liabilities	2,218.16	2,606.93
Total	**3,973.57**	**3,500.04**

17. PROVISIONS

(₹ in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Provisions for employee benefits		
Gratuity	71.28	59.02
Bonus	115.00	126.00
Provision for expenses	1,029.32	763.47
Total	**1,215.60**	**948.49**

18. DEFERRED TAX LIABILITIES

(₹ in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Deferred tax liabilities	31.94	55.58
Total	**31.94**	**55.58**
Deferred tax assets	11.28	-
Total	**11.28**	**-**

19. OTHER NON FINANCIAL LIABILITIES

(₹ in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Statutory dues payable	86.79	183.08
Revenue received in advance	12.50	-
Total	**99.29**	**183.08**

20. EQUITY

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	Number	₹ in lakhs	Number	₹ in lakhs
Authorised shares				
10,40,50,000 Equity Shares of ₹ 10 each (As at 31 March, 2022:10,40,00,000 Equity Shares of ₹ 10 each)	10,40,50,000	10,405.00	10,40,00,000	10,400.00
90,00,000 Preference Shares of ₹ 10 each (As at 31 March, 2022: 90,00,000 Preference Shares of ₹ 10 each)	90,00,000	900.00	90,00,000	900.00
Issued, subscribed & fully paid-up shares				
9,43,39,325 Equity Shares of ₹ 10 each (As at 31 March, 2022: 9,42,11,470 Equity Shares of ₹ 10 each)	9,43,39,325	9,433.93	9,35,01,466	9,350.15
Total	**9,43,39,325**	**9,433.93**	**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, 2023		As at 31 March, 2022	
	Number	₹ in lakhs	Number	₹ in lakhs
Outstanding at the beginning of the year	9,42,11,470	9,421.15	9,35,01,466	9,350.15
Issued during the year	1,27,855	12.78	7,10,004	71.00
Outstanding at the end of the year	**9,43,39,325**	**9,433.93**	**9,42,11,470**	**9,421.15**

* Refer Note 52 for Business Combination

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, 2023, the amount of per share dividend recognised as distributions to Equity Shareholders was Nil (31 March, 2022: 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, 2023		As at 31 March, 2022	
	Number	%	Number	%
Equity shares				
Information Interface India Private Limited	-	0.00%	3,44,35,567.00	36.55%
Amit Vijay Rajpal	2,58,04,344.00	27.35%	-	0.00%
Jayashree M Patankar	72,67,954.00	7.70%	-	0.00%
WF Asian Reconnaissance Fund Limited	1,21,69,500.00	12.90%	1,21,69,500.00	12.92%
Strategic India Equity Fund	80,39,125.00	8.52%	95,69,125.00	10.16%
Vikasa India EIF I Fund	56,60,715.00	6.00%	56,60,715.00	6.01%
Carmignac Portfolio	51,87,831.00	5.50%	56,50,000.00	6.00%
	6,41,29,469.00	**67.98%**	**6,74,84,907.00**	**71.63%**

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, 2023	Makarand Ram Patankar	43,30,032	4.59	4.59
	Jayashree M Patankar	72,67,954	7.70	7.70
	Amit Rajpal	2,58,04,344	27.35	25.36
	Information Interface India Private Limited	-	-	(36.55)
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	-

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

(₹ in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Securities premium account	23,254.36	23,251.91
Retained earnings	(7,038.08)	(5,207.33)
Employee stock option reserve	1,584.67	1,121.08
Special Reserve under section 45 IC of RBI Act, 1934	1.89	1.89
General Reserve	19.05	-
TOTAL	**17,821.89**	**19,167.55**

(₹ in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Securities premium account		
Opening balance	23,251.91	22,993.53
Add/(Less): Changes during the year	2.45	258.38
Closing balance	**23,254.36**	**23,251.91**
Retained earnings		
Opening balance	(5,207.33)	(4,622.96)
Add: Loss for the year	(1,765.92)	(592.89)
Add: Other comprehensive income for the year	12.63	8.52
Less: Transfer to Special Reserve under section 45 IC of RBI Act, 1934	-	-
Prior period adjustmnet	(77.46)	-
Closing balance	**(7,038.08)**	**(5,207.33)**
Employee stock option reserve		
Opening balance	1,121.08	822.08
Add: Charge during the year	463.59	299.00
Closing balance	**1,584.67**	**1,121.08**
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**
General Reserve		
Opening balance	-	-
Add/(Less): Transfer to special reserve	19.05	-
Closing balance	**19.05**	**-**
Total	**17,821.89**	**19,167.55**

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.

e) General Reserve

Represents appropriation of funds from retained earnings.

22. INTEREST INCOME

(₹ in lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
On financial assets measured at amortised costs:		
Interest on loans	1,498.85	780.88
Interest on Investments	410.78	1,060.77
Interest on FD	335.96	243.65
Interst Income on security deposit	7.42	2.62
Total	**2,253.01**	**2,087.92**

23. FEES AND COMMISSION INCOME

(₹ in lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Processing fees on loan	35.75	-
Commission Income	6,839.79	4,219.82
Total	**6,875.54**	**4,219.82**

24. SALES OF PRODUCTS

(₹ in lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Device Sales	856.46	3,196.66
Total	**856.46**	**3,196.66**

25. NET GAIN/(LOSS) ON FAIR VALUE CHANGES

(₹ in lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Net gain/(loss) on financial instruments at FVTPL		
Gain on mutual fund investments	11.66	8.71
Total (A)	**11.66**	**8.71**

26. OTHER INCOME (REVENUE FROM OPERATIONS)

(₹ in lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Bounce charges	5.86	1.93
Penal charges	2.30	3.42
Foreclosure charges	8.42	4.21
Discount Received	5.18	1.45
Brokerage received	83.70	83.54

26. OTHER INCOME (REVENUE FROM OPERATIONS) (Contd.)

(₹ in lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Sale of subscription services	10.06	10.03
Sale of value added services for marketing	200.13	139.48
Documentation Charges	3.37	13.58
Sale AMC Services	66.06	31.40
Licensing Integration fees	485.56	480.15
Total	**870.63**	**769.19**

27. OTHER INCOME

(₹ in lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Bad debt recovery	82.22	204.01
Sales of services	-	25.33
Interest on Income Tax Refund	20.83	9.04
Marketing Fees	61.73	10.00
Provision write back	387.67	160.66
Other Income	93.65	16.23
Interest on Employee Advance	4.28	-
Service Income	186.59	-
Sponshorship Services	7.75	0.35
Net gain on Foregin Exchange	5.65	-
Rental Income	0.10	-
Total	**850.46**	**425.61**

28. FINANCE COST

(₹ in lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Interest expenses on loan liability	5.99	-
Interest expenses on lease liability	75.79	20.30
Total	**81.78**	**20.30**

29. FEES AND COMMISSION EXPENSES

(₹ in lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Commission expenses	6,850.50	3,823.02
Total	**6,850.50**	**3,823.02**

30. IMPAIRMENT ON FINANCIAL INSTRUMENTS

(₹ in lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
On financial instruments measured at amortised cost:		
Loans and receivables	541.37	74.45
Investment	(80.79)	-
Total	**460.58**	**74.45**

31. PURCHASES OF STOCK IN TRADE

(₹ in lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Purchases for Stock	1,175.50	3,034.53
Total	**1,175.50**	**3,034.53**

32. CHANGE IN INVENTORIES

(₹ in lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Opening stock	191.81	91.82
Less: Closing Stock	(518.29)	(191.81)
Total	**(326.48)**	**(99.99)**

33. EMPLOYEE BENEFIT EXPENSES

(₹ in lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Salaries	2,889.04	2,261.93
Contribution to provident fund	89.26	70.24
Employee stock option expense (Refer Note No.37 on ESOP)	479.41	530.13
Staff welfare expenses	44.49	9.95
Gratuity Expense	35.23	28.46
Total	**3,537.43**	**2,900.71**

34. DEPRECIATION AND AMORTIZATION

(₹ in lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Depreciation on property, plant and equipment	56.07	42.50
Amortisation of intangible assets	400.70	406.40
Amortisation of Right of use asset	153.37	90.02
Total	**610.14**	**538.92**

35. OTHER EXPENSES

(₹ in lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Legal and professional fees	296.82	247.29
Technology and software expenses	666.78	255.28
Commission and brokerage	35.11	18.42
Business development expenses	84.08	40.93
Training and recruitment	31.89	16.27
Lease rent	29.32	20.54
Loan origination cost	45.68	32.07
Office and administrative expenses	24.01	20.40
Travelling and conveyance	116.63	61.87
Director sitting fees	19.00	21.50
Payments to auditors	36.97	26.23
Communication expenses	67.21	52.43
Printing and stationery expenses	1.11	1.09
Annual listing fees	4.91	4.91
Repairs and maintenance	5.08	12.50
Advertisement and publicity	16.95	38.38
Miscellaneous expenses	127.05	100.84
Collection expenses	31.32	122.94
Insurance expenses	28.42	15.63
Bank Charges	99.60	79.17
Commitment Charges	373.11	-
Total	**2,141.05**	**1,188.69**
Breakup of Auditors' remuneration		
Statutory Audit	14.49	16.39
Limited review	11.57	3.95
Tax audit	2.00	2.00
Other Services	5.04	2.49
Out of pocket expenses (including taxes)	3.87	1.41
Total	**36.97**	**26.23**

36. EARNINGS PER SHARE (EPS)

Basic EPS is calculated in accordance with Ind AS 33 ‘Earnings per share’ by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares of the Company.

a) The basic earnings per share has been calculated based on the following:

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Net profit after tax available for equity shareholders (Amount in lakhs)	(1,765.92)	(592.90)
Weighted average number of equity shares	9,43,10,244	9,44,71,267

b) The reconciliation between the basic and the diluted earnings per share is as follows:

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Basic earnings per share (₹)	(1.87)	(0.63)
Diluted earnings per share (₹)	(1.87)	(0.63)

c) Weighted average number of equity shares is computed for the purpose of calculating diluted earning per share, after giving the dilutive impact of the outstanding stock options for the respective years.

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Weighted average number of shares for computation of Basic EPS	9,43,10,244	9,44,71,267
Dilution (no. of shares)	1,40,563	12,11,062
On shares exercised during the period	98,774	2,59,797
Contingent consideration	-	-
Weighted average number of shares for computation of Diluted EPS	9,45,49,581	9,59,42,125

37. 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 Regulations as applicable at the time of approval as amended from time to time. The accounting for the stock options has been in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 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, 2023 and 31 March, 2022, 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	64.50	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	51.70	10.00
XII	Plan 2018	6,37,500	14-May-22	50.45	50.45
XIII	Plan 2018	50,000	09-Nov-22	8.69	46.45
XIV	Plan 2018	1,25,000	09-Nov-22	11.32	39.80
XV	Plan 2018	2,00,000	13-Feb-23	7.26	37.00
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
II	Plan 2020	9,42,114	14-May-22	23.93	50.45

Set out below is a summary of options granted under the plan:

(₹ in lakhs)

Particulars	Year ended 31 March, 2023		Year ended 31 March, 2022	
	Weighted Average exercise price	Number of options	Weighted Average exercise price	Number of options
Outstanding at the beginning of the year	59.00	50,87,305	50.93	49,24,686
Granted during the year	48.29	19,54,614	57.71	13,24,125
Exercised during the year	11.91	(1,27,855)	14.75	(7,10,004)
Forfeited during the year	-	-	-	-
Lapsed during the year	51.39	(8,06,385)	36.82	(4,51,502)
Outstanding at the end of the year	**57.56**	**61,07,679**	**59.00**	**50,87,305**
Exercisable at the end of the year	58.68	16,97,423	55.75	6,29,456

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%	64.50	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%	51.70	15-Mar-22
XII - 2018	58.22%	3.00	7.01%	50.45	14-May-22
XIII - 2018	29.15%	3.10	7.11%	8.69	09-Nov-22
XIV - 2018	29.15%	3.10	7.11%	11.32	09-Nov-22
XV - 2018	29.08%	3.10	7.15%	7.26	13-Feb-23
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
II - 2020	61.96%	3.00	7.38%	23.93	14-May-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.

During the year, the Company has changed the base for calculation of volatility as the equity shares of the Company are not traded frequently and hence BSE S&P Financial Services Index is considered as the surrogate proxy for calculation of expected volatility for XIII, XIV and XV.

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:

(₹ in lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Employee stock option scheme (equity settled)	479.41	530.13
Total	**479.41**	**530.13**

38. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(A) Contingent liabilities

There are no contingent liabilities as at 31 March, 2023.

(B) Commitments

I) Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31 March, 2023: Nil (As at 31 March, 2022: Nil).

39. 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".

(₹ in lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Interest expense on lease liability	81.78	20.30
Total	**81.78**	**20.30**

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:

(₹ in lakhs)

Particulars	Amount
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**
(+) Recognition of Right of use asset during the year	1,596.65
(+) Modification of (Gain)/loss during the year	(9.97)
(-) Derecognition of Right of use asset during the year	-
(-) Amortisation of Right of use asset	153.37
As at 31 March, 2023	**1,538.12**

c) Low value lease assets

(₹ in lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
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.

(₹ in lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Short term lease expense reognised in P&L	29.32	20.54
Total	**29.32**	**20.54**

Short term lease commitment

(₹ in lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
For a period of one year from Balance sheet date	7.25	-
Total	**7.25**	**-**

e) Cash outflow on lease. (Refer Cash flow statement)

40. CORPORATE SOCIAL RESPONSIBILITY ('CSR') EXPENSES

Provisions of Section 135 of the Act are not applicable to the Group.

41. 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".

42. 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)	
	Tashwinder Singh (CEO & Managing Director)	
	Gaurav Patankar (Director)	
	Kapil Kapoor (Director)	
	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)	
	Raghvendra Somani (Intrim - Chief Financial Officer)	upto 09 November, 2022
	Abhishek Thakkar (Chief Financial Officer)	w.e.f 09 November, 2022
	Neha Agarwal (Company Secretary)	

Transactions with related parties are as follows:

(₹ in lakhs)

Transaction with KMP	Year ended 31 March, 2023			Year ended 31 March, 2022		
	Salary/ Bonus/ Sitting fees	ESOP	Total	Salary/ Bonus/ Sitting fees	ESOP	Total
Salary/Bonus						
Noorallah Charania	-	-	**-**	47.39	18.35	**65.74**
Tashwinder Singh	144.00	225.45	**369.45**	100.00	-	**100.00**
Rumit Dugar	-	-	**-**	91.37	73.40	**164.77**
Raghvendra Somani	41.83	-	**41.83**	2.00	-	**2.00**
Abhishek Thakkar	26.76	4.35	**31.11**	-	-	**-**
Neha Agarwal	18.97	12.61	**31.58**	13.94	7.34	**21.28**
Mohit Gang	49.86	-	**49.86**	49.86	225.45	**275.31**
Debiprasad Sarangi	20.70	-	**20.70**	12.76	-	**12.76**
Amit Tyagi	20.70	-	**20.70**	12.76	-	**12.76**
Sitting fees						
Kapil Kapoor	5.50	-	**5.50**	6.00	-	**6.00**
Sutapa Banerjee	-	-	**-**	4.25	-	**4.25**
Eric Wetlaufer	5.00	-	**5.00**	4.75	-	**4.75**
Subhasri Sriram	5.00	-	**5.00**	6.00		**6.00**
Ashby Monk	3.50	-	**3.50**	0.50	-	**0.50**

Transaction with other than those KMP	Year ended 31 March, 2023		
	Subsidiary	Entity having Significant Influence	Total
Other payments	-	-	**-**

Transaction with other than those KMP	Year ended 31 March, 2022		
	Subsidiary	Entity having Significant Influence	Total
Other payments	-	-	**-**

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:

Particulars	As at 31 March, 2023		
	Subsidiary	Entity having Significant Influence	Total
Other payments	-	1.23	**1.23**

Particulars	As at 31 March, 2022		
	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:

Sr. No.	Name	As at 31 March, 2023	Maximum balance outstanding during the year ended 31 March, 2023	As at 31 March, 2022	Maximum balance outstanding during the year ended 31 March, 2022
1		N.A	N.A	N.A	N.A

43. 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:

(₹ in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Principal amount payable to suppliers as at year-end	214.15	74.37
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.	-	-

44. 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 ₹ 89.26 lakhs (31 March, 2022: ₹ 70.24 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:

(₹ in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
i. Reconciliation of opening and closing balances of defined benefit obligation		
Present value of defined benefit obligations at the beginning of the year	59.02	36.78
Current service cost	32.00	25.97
Past service cost	-	-
Interest cost	3.23	2.48
Acquisition adjustment	-	-
Benefit paid	(18.37)	-
Change in demographic assumptions	-	-
Change in financial assumptions	(2.07)	(1.12)
Experience variance (i.e. Actual experience vs assumptions)	(13.38)	(5.09)
Other adjustments	10.85	-
Present value of defined benefit obligations at the end of the year	**71.28**	**59.02**
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	71.28	59.02
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	**(71.28)**	**(59.02)**

(b) Defined benefit plan: (Contd.)

The status of gratuity plan as required under Ind AS 19 is as under:

(₹ in lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
iv. Expenses recognised to the Statement of Profit & Loss		
Current service cost	32.00	25.97
Interest cost	3.23	2.48
Past service cost	-	-
Expenses recognised in the statement of profit and loss	**35.23**	**28.45**
v. Other comprehensive income		
Components of actuarial gain/losses on obligations:	(21.16)	(12.64)
Due to change in financial assumptions	(2.07)	(1.12)
Due to change in demographic assumption	-	-
Due to experience adjustments	(13.38)	(7.40)
Return on plan assets excluding amounts included in interest income	-	-
Closing amount Recognized in other comprehensive Income	**(36.61)**	**(21.16)**
vi. Amount recognized in balance sheet		
Present value of unfunded defined benefit obligation	71.28	59.02
Net defined benefit liability recognised in Balance Sheet	71.28	59.02

vii. Principal actuarial assumptions

Particulars	As at 31 March, 2023	As at 31 March, 2022
Discount rate (per annum)	7.45%	7.10%
Annual increase in salary cost	7.00%	7.00%
Withdrawal rates per annum	0.00%	0.00%
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, 2023		For the year ended 31 March, 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (-/+ 0.5%)	7.95%	6.95%	7.60%	6.60%
(% change compared to base due to sensitivity)	-5.10%	5.52%	-5.54%	6.01%
Salary growth rate (-/+ 0.5%)	7.50%	6.50%	7.50%	6.50%
(% change compared to base due to sensitivity)	5.52%	-5.15%	5.99%	-5.57%

(b) Defined benefit plan: (Contd.)

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 11.38 years.

(₹ in lakhs)

Particulars	Cash flows (₹)	Distribution (%)
Expected cash flows over the next (valued on undiscounted basis):		
1st Following Year	2.40	1.18%
2nd Following Year	3.71	1.82%
3rd Following Year	3.90	1.91%
4th Following Year	4.84	2.37%
5th Following Year	13.15	6.44%
6th Following Year	4.32	2.12%
7th Following Year	4.04	1.98%
8th Following Year	4.00	1.96%
9th Following Year	3.43	1.68%
Sum of years 10 and above	160.38	78.55%

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.

45. CLASSIFICATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(₹ in lakhs)

As at 31 March, 2023	Mandatorily at FVTPL	Amortised cost	Total carrying amount
Assets			
Cash and cash equivalents	-	6,297.59	6,297.59
Bank balance other than cash and cash equivalents	-	2,646.92	2,646.92
Loans and advances to customers	-	7,380.11	7,380.11
Investment securities			
Measured at fair value	205.94	-	205.94
Measured at amortised cost	-	495.63	495.63
Receivables	-	3,073.80	3,073.80
Other financial assets	-	1,626.42	1,626.42
Total Financial assets	**205.94**	**21,520.47**	**21,726.41**
Liabilities			
Trade Payables	-	429.69	429.69
Borrowings (other than debt securities)	-	7.00	7.00
Contract liabilities	-	-	-
Other financial liabilities	-	3,973.57	3,973.57
Total Financial liabilities	**-**	**4,410.26**	**4,410.26**

(₹ 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**
Liabilities			
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**

46. FAIR VALUE MEASUREMENT

Financial Instrument by Category

(₹ in lakhs)

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Asset				
Investments				
- Bonds and Debentures	-	495.63	-	6,079.60
- Mutual Funds	205.94	-	209.29	-
Receivables	-	3,073.80	-	2,843.90
Loans	-	7,380.11	-	5,834.63
Cash And Cash Equivalents	-	6,297.59	-	3,737.81
Bank balance other than cash and cash equivalents	-	2,646.92	-	5,063.32
Other Financial Assets	-	1,626.42	-	1,453.15
Total Financial Assets	**205.94**	**21,520.47**	**209.29**	**25,012.41**
Financial Liability				
Trade Payables	-	429.69	-	466.04
Borrowings (other than debt securities)	-	7.00	-	29.10
Contract liabilities	-	-	-	-
Other financial liabilities	-	3,973.57	-	3,500.04
Total Financial Liabilities	**-**	**4,410.26**	**-**	**3,995.18**

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, 2023

(₹ in lakhs)

	Carrying amount	Fair value measurements using			
		Level 1	Level 2	Level 3	Total
Financial assets*					
Investments					
- Bonds and Debentures	495.63	-	495.63	-	495.63
- Mutual Funds	205.94	205.94	-	-	205.94
Loans and advances**	7,380.11	-	7,737.67	-	7,737.67
Receivables	3,073.80	-	-	-	-
Cash And Cash Equivalents	6,297.59	-	-	-	-
Bank balance other than cash and cash equivalents	2,646.92	-	-	-	-
Security Deposits	213.92	-	213.92	-	213.92
Other Financial assets	1,351.56	-	-	-	-
Total Financial Asset	**21,665.47**	**205.94**	**8,447.22**	**-**	**8,653.16**
Financial Liabilities*					
Borrowings (other than debt securities)	7.00	-	-	-	-
Contract liabilities	-	-	-	-	-
Lease Liability	1,552.09	-	1,552.09	-	1,552.09
Other financial liabilities	2,368.89	-	-	-	-
Contingent Consideration	-	-	-	-	-
Total Financial Liabilities	**3,927.97**	**-**	**1,552.09**	**-**	**1,552.09**

As at 31 March, 2022

(₹ in lakhs)

	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

As at 31 March, 2022 (Contd.)

(₹ in lakhs)

	Carrying amount	Fair value measurements using			
		Level 1	Level 2	Level 3	Total
Contract liabilities	-	-	-	-	-
Lease Liability	146.77	-	146.77	-	146.77
Other financial liabilities	2,612.66	-	-	-	-
Contingent Consideration	-	-	-	-	-
Total Financial Liabilities	**3,254.57**	**-**	**175.87**	**-**	**175.87**

*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:

(₹ in lakhs)

Particulars	Amount
As at 31 March, 2021	**3,055.67**
(+) Initial recognition	(975.00)
Change 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.

47. 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 Credit ratings in case of investments held at amortized cost	Diversification of Group'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.

47. FINANCIAL RISK MANAGEMENT (CONTD.)

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 counter party 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 counter parties 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%. For the First loss default guarantee (FLDG) portfolio, loans are classified in three stages - Upto 30 days, Upto 90 days and Default). PD % is calculated for each stage and is determined using available historical observations.	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, 2023

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	495.64	0.00%	0.01	495.63
	- FD	2,646.93	0.00%	0.01	2,646.92
	Loans at amortised cost	7,541.15	4.26%	321.30	7,219.85
Loss allowance measured at life-time expected credit losses, not credit impaired	Investments at amortised cost				
	- NCD/PTC	-	-	-	-
	- FD	-	-	-	-
	Loans at amortised cost	238.91	41.38%	98.85	140.06
Loss allowance measured at life-time expected credit losses, credit impaired	Investments at amortised cost				
	- NCD/PTC	-	-	-	-
	- FD	-	-	-	-
	Loans at amortised cost	313.42	93.55%	293.22	20.20

ii) Provision for expected credit losses (Contd.)

Year ended 31 March, 2022

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	5,672.23	4.37%	248.01	5,424.22
Loss allowance measured at life-time expected credit losses, not credit impaired	Investments at amortised cost				
	- NCD/PTC	-	-	-	-
	- FD	-	-	-	-
	Loans at amortised cost	124.20	16.30%	20.25	103.95
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.

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:

(₹ in lakhs)

	Exposure	External benchmarks used LGD
Loans at amortised cost	8,093.48	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, 2023
GDP	8.20%

iii) Reconciliation of loss allowance provision

For loans

Reconciliation of loss allowance	Loss allowance measured at 12 month expected losses	Loss allowance measured at life-time expected losses	
		Financial assets for which credit risk has increased significantly and not credit-impaired	Financial assets for which credit risk has increased significantly and credit-impaired
Loss allowance on 31 March, 2021	**398.12**	**266.14**	**373.46**
Changes in loss allowances due to			
Assets originated or purchased	13.08	-	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**	**445.83**
Changes in loss allowances due to			
Assets originated or purchased	127.87	86.57	135.83
Write – offs	-	-	(236.83)
Addition/(Recoveries) for assets originated in Previous years	(54.58)	(7.97)	(51.61)
Loss allowance on 31 March, 2023	**321.30**	**98.85**	**293.22**

For investments

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, 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**	**-**	**-**
Changes in loss allowances due to			
Assets originated or purchased	-	-	-
Addition/(Recoveries) for assets originated in Previous years	(157.42)	-	-
Loss allowance on 31 March, 2023	**0.01**	**-**	**-**

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.

(₹ in lakhs)

Particulars	As at 31 March, 2023			As at 31 March, 2022		
	Carrying amount	Within 12 months	After 12 months	Carrying amount	Within 12 months	After 12 months
Financial liabilities						
Trade payables	429.69	429.69	-	466.04	466.04	-
Borrowings (other than debt securities)	7.00	7.00	-	29.10	29.10	-
Other financial liabilities	3,973.57	2,702.35	1,271.22	3,500.04	3,467.34	32.70
Non Financial liabilities						
Provisions	1,215.60	1,175.09	40.51	948.49	593.52	354.97
Deferred tax liabilities	31.94	(0.00)	31.94	55.58	55.58	-
Other non-financial liabilities	99.29	47.70	51.59	183.08	183.08	-
Financial assets						
Cash and cash equivalents	6,297.59	6,297.59	-	3,737.81	3,737.81	-
Bank balance other than cash and cash equivalents above	2,646.92	2,646.92	-	5,063.32	5,063.32	-
Receivables	3,073.80	3,073.80	-	2,843.90	2,843.90	-

a) The table below shows an analysis of assets and liabilities analysed (maturity analysis) according to when they are to be recovered or settled. (Contd.)

(₹ in lakhs)

Particulars	As at 31 March, 2023			As at 31 March, 2022		
	Carrying amount	Within 12 months	After 12 months	Carrying amount	Within 12 months	After 12 months
Loans and advances to customers	7,380.11	5,707.53	1,672.58	5,834.63	3,754.32	2,164.40
Investment securities	701.57	701.57	-	6,288.89	6,288.89	-
Other financial assets	1,626.42	1,569.57	56.85	1,453.15	2.15	1,451.00
Non-financial Assets						
Inventories	518.29	518.29	-	191.81	191.81	-
Income tax assets	487.54	487.54	-	420.57	420.57	-
Right of use asset	1,538.11	1,356.17	181.94	104.81	83.17	21.64
Property, plant and equipment	197.94	37.68	160.26	194.05	54.26	139.79
Capital work in progress	10.50	10.50	-	-	-	-
Intangible assets under development	9.88	3.30	6.58	7.90	7.90	-
Intangible assets	3,438.85	2.69	3,436.16	3,824.19	363.15	3,461.04
Goodwill	5,952.85	-	5,952.85	5,952.85	5,952.85	-
Other non-financial assets	576.62	576.62	-	389.13	389.13	-

b) Maturity Pattern

The table below summarises the maturity profile of the undiscounted cashflow of the Group's financial liabilities:

As at 31 March, 2023

(₹ in lakhs)

	Within 12 months	1-2 years	2-5 years	More than 5 years	Total
Trade payables	429.69	-	-		429.69
Borrowings (other than debt securities)	7.00	-	-		7.00
Other financial liabilities					
- Lease liability	257.42	220.93	514.40	559.57	1,552.32
- Payable to borrowers	150.73	-	-	-	150.73

As at 31 March, 2022

(₹ in lakhs)

	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
Other financial liabilities				
- Lease liability	120.30	32.97	-	153.27

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.

(₹ in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Financial assets		
Loans and advances to customers	1,672.58	2,164.40
Other financial assets	56.85	1,451.00
Financial liabilities		
Lease Liability	1,271.22	32.70

d) The following table sets out the components of the Group's liquidity reserves

(₹ in lakhs)

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Cash And Cash Equivalents	6,297.59	6,297.59	3,737.81	3,737.81
Bank balance other than cash and cash equivalents	2,646.92	2,646.92	5,063.32	5,063.32
Total liquidity reserves	**8,944.51**	**8,944.51**	**8,801.13**	**8,801.13**

e) All the financial assets of the Group as at 31 March, 2023 and as at 31 March, 2022 are unencumbered.

f) Disclosures in terms of RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated 4 November, 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 ₹ lakhs and % of total deposits) – Not Applicable

(iii) Top 10 borrowings (amount in ₹ lakhs 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	95.81%
Other short-term liabilities, if any as a % of total assets	3.12%

(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.

48. 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:

(₹ in lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Type of income		
Services charges	186.59	25.33
Bounce charges	5.86	1.93
Penal charges	2.30	3.42
Foreclosure charges	8.42	4.21
Brokerage received	83.70	83.54
License integration fees	485.56	480.15
Sale of subscription services	10.06	10.03
Sale of value added services	200.13	139.48
Fees and commission Income	6,875.54	4,219.82
Total revenue from contracts with customers	**7,858.15**	**4,967.91**
Geographical markets		
India	7,858.15	4,967.91
Outside India	-	-
Total revenue from contracts with customers	**7,858.15**	**4,967.91**
Timing of revenue recognition		
Services transferred at a point in time	7,377.67	4,709.54
Services transferred over time	480.48	258.37
Total revenue from contracts with customers	**7,858.15**	**4,967.91**

49. THERE HAVE BEEN NO EVENTS AFTER THE REPORTING DATE THAT REQUIRE DISCLOSURE IN THESE FINANCIAL STATEMENTS.

50. 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. The ECL provision of ₹ 225.72 lakhs is retained by the Company as at 31 March, 2023 towards management overlay on account of COVID-19.

51. OTHER ADDITIONAL INFORMATION

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 2022-2023.

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.

52. BUSINESS COMBINATION - INFORMATION INTERFACE INDIA PRIVATE LIMITED

During the current financial year, Scheme of Amalgamation of Information Interface India Private Limited ("Transferor Company") with the Company ("Transferee Company") and their respective shareholders and creditors, under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Scheme"), the Hon'ble National Company Law Tribunal, Chennai bench, ("NCLT") had issued the Order on 20 July, 2022, corrigendum to which was pronounced on 27 July, 2022. The certified copy of the said Order was received on 12 August, 2022.

The appointed date of the Scheme was 1 April, 2022 and the Scheme has become effective on 18 August, 2022 upon filing of the NCLT order by the Transferor and Transferee Companies with the Registrar of Companies, Chennai, Tamil Nadu.

Further, in accordance with the Scheme, upon the Scheme becoming effective and consequent to amalgamation, the Company was required to issue and allot 3,44,35,567 fully paid-up Equity Share of ₹ 10/- each to the equity shareholders of the Transferor Company in proportion of their holding in the Transferor Company as on Record Date i.e. 2 September, 2022 and the issued, subscribed and paid-up share capital of the Transferee Company be cancelled by 3,44,35,567 Equity Shares of face value ₹ 10/- each, held by the Transferor Company. Accordingly, the Board of Directors through Circular Resolution dated 8 September, 2022, had allotted 3,44,35,567 fully paid-up Equity Shares of ₹ 10/- each to the equity shareholders of the Transferor Company and listed at BSE Limited on 14 October, 2022. Consequent to the above allotment and cancellation of Equity Shares, the issued, subscribed and paid-up capital of the Company remained the same.

The NCLT order effect has been considered for the year ended 31 March, 2023 by transferring the carryings amount of all the assets and liabilities of the Transferor Company to the Transferee Company with effect from the Appointed Date of 1 April, 2022.

Details of the purchase consideration and the net assets acquired are as follows:

Particulars	Amounts in ₹ lakhs
Fixed Deposits	33.00
Cash and Cash equivalents	5.05
Other financial assets	4.93
Total (A)	**42.97**
Trade Payables	41.49
Provisions	1.49
Total (B)	**42.97**

53. BUSINESS COMBINATION

a) Goodwill on consolidation

(₹ in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Cost as at beginning of the year	5,952.85	8,033.52
Addition relating to acquisition of subsidiary	-	-
Cost as at end of the year	**5,952.85**	**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	**5,952.85**	**8,033.52**
Net carrying value as at end of the year	**5,952.85**	**5,952.85**

*During the year ended 31 March, 2022, the fair value of contingent consideration has been adjusted against the carrying value of goodwill due to partical 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.

54. 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
Mumbai
11 May, 2023

For and on behalf of the Board of Directors of
Niyogin Fintech Limited
CIN: L65910TN1988PLC131102

Amit Rajpal
Chairman & Non-Executive Director
DIN: 07557866
London

Tashwinder Singh
Managing Director & Chief Executive Officer
DIN: 06572282
Mumbai

Abhishek Thakkar
Chief Financial Officer
Mumbai
11 May, 2023

Neha Agarwal
Company Secretary & Compliance Officer
Membership No: A41425
Mumbai

Notice

NOTICE is hereby given that the thirty-fifth Annual General Meeting **('AGM')** of the members of **Niyogin Fintech Limited** will be held on Thursday, 14 September, 2023 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:

    a. the Audited Standalone Financial Statements of the Company for the financial year ended 31 March, 2023 together with the Reports of the Board of Directors and the Auditors thereon; and

    b. the Audited Consolidated Financial Statements of the Company for the financial year ended 31 March, 2023 together with the Report of the Auditors thereon.

2. To appoint a director in place of Mr. Gaurav Makarand Patankar (DIN: 02640421), who retires by rotation and being eligible, offers his candidature for re-appointment.

SPECIAL BUSINESS

3. **To approve existing as well as new 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, the applicable provisions of the Companies Act, 2013, 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 transaction(s)/ contract(s)/arrangement(s)/agreement(s) (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) and to enter/ continue to enter into transaction(s)/ contract(s)/ arrangement(s)/agreement(s) with Iserveu Technology Private Limited, a related party of the Company, such that the aggregate amount/value of all such transaction(s)/ contract(s)/arrangement(s)/agreement(s) that are/maybe entered into by the Company with Iserveu Technology Private Limited and remaining outstanding at any one point in time does not exceed Rs. 60,00,00,000/- (Rupees Sixty Crores Only) as specified under the categories during any one financial year on such material terms and conditions as detailed in the explanatory statement to this resolution and as may be mutually agreed between related parties and the Company, for a period up to the 36th Annual General Meeting of the Company to be held in the year 2024, wherein fresh approval of the shareholders shall be obtained in this regard; provided that the said related party transaction(s)/ contract(s)/ arrangement(s)/agreement(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 transaction(s)/contract(s)/arrangement(s)/ agreement(s) or any future transaction(s)/contract(s)/ arrangement(s)/agreement(s) and to make or receive/pay monies or to perform all other obligations in terms of such transaction(s)/contract(s)/arrangement(s)/agreement(s), 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 and 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 and 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."

Registered Office
MIG 944, Ground Floor,
TNHB Colony, 1st Main Road,
Velachery, Chennai,
Tamil Nadu – 600 042
CIN: L65910TN1988PLC131102
Website: www.niyogin.com
E-mail: niyogin.compliance@niyogin.in

Place: Mumbai
Date: August 09, 2023

By Order of the Board
For **Niyogin Fintech Limited**
Sd/-

Neha Agarwal
Company Secretary & Compliance Officer
A41425

Notes

1. The Ministry of Corporate Affairs ("MCA") has vide its General Circular Nos. 14/2020 dated 08 April, 2020 and 17/2020 dated 13 April, 2020, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19", General Circular Nos. 20/2020 dated 05 May, 2020, and subsequent circulars issued in this regard, the latest being 10/2022 dated 28 December, 2022 in relation to "Clarification on holding of annual general meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM)", (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC/OAVM, without the physical presence of the members at a common venue. In compliance with the MCA Circulars, the AGM of the Company is being held through VC/OAVM. The deemed venue for the AGM shall be the Registered Office of the Company situated at MIG 944, Ground Floor, TNHB Colony, 1st Main Road, Velachery, Chennai, Tamil Nadu – 600 042.

2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and MCA Circulars, 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. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item No. 3 of the Notice, is annexed hereto. Further, the relevant details with respect to Item No. 2 pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of director seeking appointment/re-appointment at this AGM are also annexed. Requisite declarations have been received from the director seeking appointment/re-appointment.

4. **Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form, Attendance Slip and route map of AGM are not annexed to this Notice.**

5. members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25 January, 2022 has mandated the Listed Companies to issue securities in dematerialized 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, members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website on www.niyogin.com and on the website of the Company's RTA viz. Link Intime India Private Limited. It may be noted that any service request can be processed only after the folio is KYC compliant.

6. In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, transfer, transmission and transposition of securities shall be effected only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, members are advised to dematerialize the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.

7. **The Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form who have not done so are requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to RTA.**

8. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates along with the requisite KYC Documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form.

9. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website www.niyogin.com. Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to RTA in case the shares are held in physical form.

10. 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 400083 or at their designated email id i.e. rnt.helpdesk@linkintime.co.in.

11. 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 as on the cut-off date will be entitled to vote during the AGM.

12. Members seeking any information with regard to the financial statements or any matter to be placed at the AGM, are requested to write to the Company on or before 10 September, 2023 through e-mail on niyogin.compliance@niyogin.in. The same will be replied by the Company suitably.

13. Members attending the meeting through VC/OAVM shall be counted for the purpose of determining the quorum under Section 103 of the Act.

14. The documents referred to in the accompanying Notice calling the AGM and the Explanatory Statement annexed thereto will be available for inspection in electronic mode. Members who wish to inspect the aforementioned documents are requested to write to the Company by sending e-mail to niyogin.compliance@niyogin.in.

15. Dispatch of AGM Notice through Electronic Mode:

In compliance with the MCA Circulars and relevant SEBI circulars, Notice of the AGM along with Annexures is being sent only through electronic mode to those members whose e-mail address is registered with the Company/Depository Participants. Members may note that the AGM Notice will also be available on the Company's website www.niyogin.com, website of the stock exchange, that is, BSE Limited at www.bseindia.com, NSDL at www.evoting.nsdl.com. and on the website of Company's Registrar and Transfer Agent (RTA), www.linkintime.co.in.

16. To support 'Green Initiative' for receiving all communication (including AGM Notice) from the Company electronically:

a) Members holding shares in physical mode and who have not registered/updated their e-mail, address with the Company are requested to register/update the same by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at rnt.helpdesk@linkintime.co.in.

b) Members holding shares in dematerialised mode are requested to register/update their e-mail address with the relevant Depository Participant.

17. Institutional/Corporate Shareholders (i.e., other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body's resolution/authorization etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-Voting. The said resolution/authorization is required to be sent to the Scrutinizer by email through its registered email address to mitesh@mjshah.com with a copy marked to niyogin.compliance@niyogin.in. However, the Body Corporate are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

18. The Company has appointed Mr. Mitesh J Shah, Practicing Company Secretary (FCS 10070 & CP No: 12891), of M/s. Mitesh J. Shah & Associates as scrutinizer of the Company to scrutinize the voting process in a fair and transparent manner.

19. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and submit, not later than 48 hours of conclusion of the AGM, 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.

20. 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.

21. 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.

22. 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.

23. NSDL e-Voting System – For e-voting and Joining Virtual meetings.

a) In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated 08 April, 2020, Circular No.17/2020 dated 13 April, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated 05 May, 2020 and Circular No. 02/2021 dated 13 January, 2021 and all other relevant circulars issued from time to time, physical attendance of the members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, members can attend and participate in the ensuing AGM through VC/OAVM.

b) The members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large shareholders (shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

c) In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated 13 April, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.niyogin.com. The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

d) Notice is also given under section 91 of the Act read with regulation 42 of the SEBI Listing Regulations that the Register of members and the Share Transfer Book of the Company will remain closed from Friday, 08 September, 2023 to Thursday, 14 September, 2023 (both days inclusive).

e) 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., Thursday, 07 September, 2023, such person may obtain the User ID and Password from the RTA. 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 the RTA for obtaining the Annual Report and Notice of AGM.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING THE ANNUAL GENERAL MEETING ARE AS UNDER:

The remote e-Voting period begins on Monday, 11 September, 2023 at 09:00 A.M. IST and ends on Wednesday, 13 September, 2023 at 05:00 P.M. IST. The remote e-Voting module shall be disabled by NSDL for voting thereafter. The members, whose names appear in the Register of members/Beneficial Owners as on the record date (cut-off date) i.e. 07 September, 2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 07 September, 2023.

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.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

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 SEBI circular dated 09 December, 2020 on e-Voting facility provided by Listed Companies, individual shareholders holding securities in demat mode are allowed 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.	1. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the **"Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on Company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to **e-Voting website of NSDL** for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp

Type of shareholders	Login Method
	3. 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. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or **e-Voting service provider i.e. 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 & voting during the meeting. 4. 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. Users who have opted for CDSL Easi/Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi/Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by Company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered mobile & email as recorded in the demat account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider i.e. 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 & 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 at 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 at 022 - 4886 7000 and 022 - 2499 7000
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 at toll free no. 1800 22 55 33

B) Login Method for e-Voting and joining virtual meeting for 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 'Shareholder/ Member' section.

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

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

4. Your User ID details are given below:

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

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

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

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

    c) How to retrieve your 'initial password'?

    d) 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'.

    e) 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 etc.

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 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.

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 Mr. Mitesh Shah @ mitesh@mjshah.com with a copy marked to evoting@nsdl.co.in and niyogin.compliance@niyogin.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution/Power of Attorney/Authority Letter etc. by clicking on "Upload Board Resolution/Authority Letter" displayed under "e-Voting" tab in their login.

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: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Mr. Sagar S. Gudhate at evoting@nsdl.co.in

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), AADHAR (self-attested scanned copy of Aadhar Card) by email to the RTA at rnt.helpdesk@linkintime.co.in

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to (niyogin.compliance@niyogin.com). If you are an individual shareholders 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**.

3. Alternatively, shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-Voting by providing above mentioned documents.

4. In terms of SEBI circular dated 09 December, 2020 on e-Voting facility provided by Listed Companies, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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 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 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 AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

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

1. Member are 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 link of "VC/OAVM" placed under **"Join meeting"** menu against Company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.

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 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 09 September, 2023 (9:00 am IST) to 12 September, 2023 (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.

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 ("SEBI Listing Regulations").

As per clause (zc) of Regulation 2(1) read with the proviso to Regulation 23(1) of the SEBI Listing Regulations, 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(s)/contract(s)/arrangement(s)/agreement(s) to be entered into individually or taken together with previous transaction(s)/ contract(s)/arrangement(s)/agreement(s) during a financial year, exceeds Rs. 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.

Iserveu Technology Private Limited ('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 transaction(s)/contract(s)/arrangement(s)/agreement(s) 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 Rs. 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 Rs. 50,00,00,000/- (Rupees Fifty Crores only), which will be in the ordinary course of business and on an arm's length basis. The aforesaid transaction(s)/contract(s)/arrangement(s)/agreement(s) will be beneficial to 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 transaction(s)/contract(s)/arrangement(s)/agreement(s), as stated in there solution at Item Nos. 03, during FY 2023-24, at an arm's length basis and in the ordinary course of business as per the following details:

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, being covered under the provisions of Regulation 23 of the SEBI Listing Regulations, the approval of the members is sought by way of an ordinary resolution.

These transaction(s)/contract(s)/arrangement(s)/agreement(s), during the financial year 2023-24, between the Company and / or its subsidiaries on one side and the related parties, separately on the other side, may exceed the revised threshold of "material related party transactions" under the SEBI Listing Regulations i.e. Rs. 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, 2023, 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.

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>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>(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. Abhishek Thakkar, Chief Financial Officer of the Company is also on the Board of Iserveu.

However, none of the Directors of the Company holds any shareholding in Iserveu.</td></tr>
<tr><td>Nature of relationship</td><td>As detailed in this explanatory statement</td></tr>
<tr><td>Nature, Material Terms, particulars of the contract or arrangements; and monetary value</td><td><table>
<tr><th>Sr. No.</th><th>Nature of Transaction</th><th>Amount (in crores)</th></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>
</table></td></tr>
<tr><td>Whether the transactions have been approved by Audit Committee and the Board of Directors</td><td>Yes. The Audit Committee and Board of Directors of the Company have approved the transactions at their respective meetings held on 09 August, 2023</td></tr>
<tr><td>Any other information relevant or important for the members to take a decision on the proposed resolution.</td><td>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 22 November, 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, subsidiary of the Company covered under Section 2(76) of the Act.
3	Tenure of the proposed transaction (particular tenure shall be specified);	Recurring nature and approval is sought for Financial Year 2023-24
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	Not Applicable
(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;	51.20%

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 09 August, 2023 in terms of Regulation 23 of the SEBI 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 Personnel or its respective relatives, other than as mentioned above, 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.

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

The Audit Committee and 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. Gaurav Makarand Patankar**
Date of Birth	21 October, 1977
Age	45 years
Qualification	Ph.D. in Social and Political Sciences, an MBA in Finance and Strategy and a Bachelor's degree in Electronics and Telecommunications Engineering.
Experience	Over 26 years of his career, he has led investment and research teams at large institutional platforms such as Bloomberg, Bank of America, BNY Mellon, Lockheed Martin, Citi, Millennium Partners and M&T Bank.
Nature of expertise in specific functional areas	Financial Services, Investment strategies
Terms and Conditions of Re-appointment	Mr. Gaurav Patankar will be re-appointed on the same terms and conditions as they were approved by the members at their 33rd Annual General Meeting held on 17 September, 2021 and as maybe mutually agreed between him and the Company.
Details of Remuneration sought to be paid	Nil
Details of Remuneration last paid	Nil
Date of first appointment in the Board	10 November, 2020
Shareholding in the Company	Nil
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	5/5
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.

Registered Office
MIG 944, Ground Floor,
TNHB Colony, 1st Main Road,
Velachery, Chennai,
Tamil Nadu – 600 042
CIN: L65910TN1988PLC131102
Website: www.niyogin.com
E-mail: niyogin.compliance@niyogin.in

Place: Mumbai
Date: August 09, 2023

By Order of the Board
For **Niyogin Fintech Limited**
Sd/-

Neha Agarwal
Company Secretary & Compliance Officer
A41425

niyogin

CORPORATE OFFICE ADDRESS

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

REGISTERED OFFICE ADDRESS

MIG 944, Ground Floor,
TNHB Colony, 1st Main Road
Velachery, Chennai, Tamil Nadu - 600042
www.niyogin.com

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