niyogin

August 26, 2024

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

Subject: **Intimation of the Notice of 36th Annual General Meeting and Annual Report of the Company for the FY 2024**

Reference: **Regulations 30 and 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations')**

Dear Sir/Ma'am,

We hereby inform that the 36th Annual General Meeting (the 'AGM') of the members of the Company will be held on Wednesday, September 18, 2024 at 4:00 p.m. IST through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') in compliance with the applicable circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India.

Pursuant to Regulation 30 and Regulation 34 of SEBI Listing Regulations, we submit herewith a copy of the Annual Report FY 2024 of the Company alongwith Notice of the 36th AGM, which is also being sent through electronic mode, to those members whose email addresses are registered with Link Intime India Private Limited (the 'Registrar and Transfer Agent' of the Company)/ Depository Participant(s) in accordance with the applicable circulars. The documents are also uploaded on the website of the Company www.niyogin.com and www.evoting.nsdl.com.

The Company has engaged National Securities Depository Limited ('NSDL') for providing e-voting services and VC facility for this AGM. Details for e-voting are as follows:

Cut-off date for determining eligibility for the remote e-voting & e-voting at the AGM	Wednesday, September 11, 2024
E-voting start date and time	Thursday, September 12, 2024 (9:00 a.m. IST)
E-voting end date and time	Tuesday, September 17, 2024 (5:00 p.m. IST)

The detailed instructions for e-voting, participation in the AGM through VC and remote e-voting have been provided in the notice of the AGM.

We request you to kindly take the above information on your records.

Thanking You,
Yours faithfully,
For Niyogin Fintech Limited

NEHA KSHITIJ DARUKA

Digitally signed by NEHA KSHITIJ DARUKA
Date: 2024.08.26 15:28:01 +05'30'

Neha Daruka
Company Secretary

Encl: as above

NIYOGIN FINTECH LIMITED
Annual Report **2023-24**

niyogin

Establishing. Expanding. Empowering.

Establishing.
Expanding.
Empowering.

In recent years, Niyogin has embarked on a transformative journey marked by three pivotal phases: Establishing, Expanding, and Empowering. These phases have been instrumental in shaping our strategic direction and achieving our long-term vision.

Letter to Shareholders
Pg. **08**

Q&A with CEO
Pg. **10**

Establishing: Laying the Foundation

Our journey began with a focus on establishing a robust infrastructure, which we termed the 'Year of Build' in FY23. This phase was critical in fortifying our foundations, enabling us to support future growth and innovation. By investing in our infrastructure, we set the stage for ambitious expansion, ensuring that our operations were well-equipped to handle increased demand and complexity. This foundational work was essential in aligning our capabilities with our strategic vision, paving the way for the subsequent phases of growth.

Expanding: Scaling New Heights

Building on the solid groundwork laid in FY23, FY24 was designated as the 'Year of Scale'. This year was characterized by impressive expansion across our operational footprint, with a significant increase in the number of transactions. Our Hypergrowth strategy came to fruition as we successfully expanded our reach and influence. Strategic partnerships and innovative lending strategies were at the core of this expansion, allowing us to serve our clients more effectively and tap into new market segments. This growth was not merely about increasing size but was strategic and non-linear, aligning with our long-term objectives and setting us up for sustainable success.

Empowering: Paving the Path to Profitability

As we look ahead to FY25, we are entering the 'Year of Monetisation', a pivotal moment in our journey. Having concluded FY24 on a high note—reaching break-even in the last quarter—we are poised to transition from foundational products like financial inclusion solutions to high-margin offerings such as SaaS and program management. Our primary objective is to achieve profitability by building on the scale achieved last year. We are committed to delivering tangible financial returns, focusing on generating net profit and free cash flow, and exceeding investor expectations.

Through technological innovation, deep-rooted partnerships, and a customer-centric approach, Niyogin is dedicated to empowering its clients. By driving their success and contributing to their empowerment, we aim to create a positive impact on our target audience while delivering value to our shareholders. Our journey of establishing, expanding, and empowering reflects our commitment to sustainable profitability and long-term growth, ensuring that Niyogin continues to make a meaningful difference in the lives of those we serve.

Inside this Report

The annual report is also available online

Performance Highlights
(FY24)

₹1,980 Mn
Revenue

₹1,790 Mn*
Assets Under Management

₹437,541 Mn
Gross Transaction Value

*Including FLDG given for off book exposure of ₹130 Mn. FLDG commenced in Q4FY24

ABOUT US

Rails for New Financial Economy

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).

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 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 the bedrock of our business. It underpins every interaction we have with employees, customers, and partners.

Customer Centricity

Our fintech platform is built on delivering exceptional customer experience. We leverage technology to deliver insightful and seamless financial solutions.

Agility

We leverage agility in financial technology to make real-time decisions, giving your business a strategic edge in the fast-paced financial landscape.

Innovation

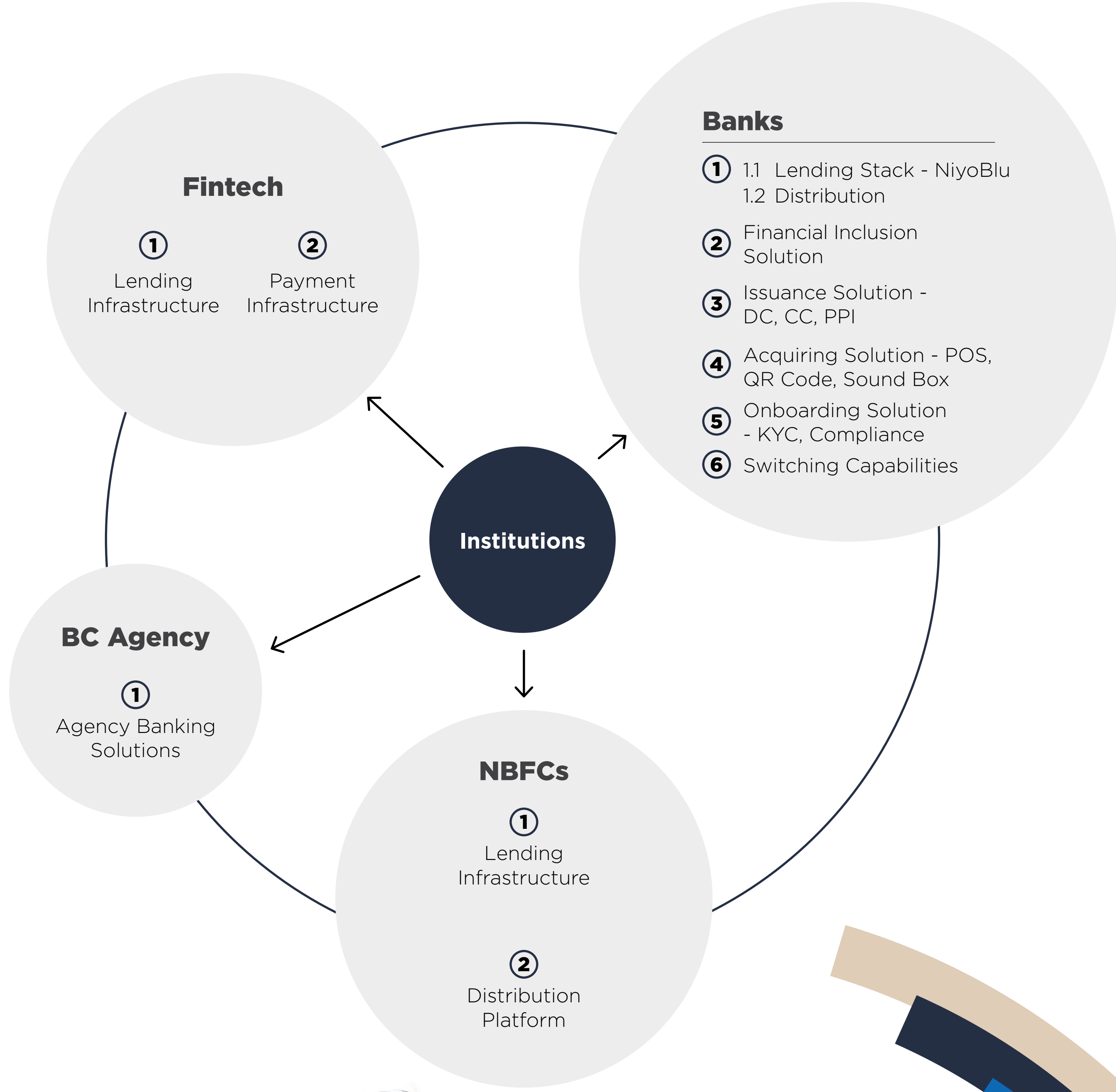
We're financial service providers constantly pushing boundaries to deliver cutting-edge solutions that transform the way people manage their finances.

Our Mission

Our mission is to empower MSMEs and individuals with a cost-effective and holistic financial support system. We provide seamless access to financial products and solutions by leveraging innovative technology and a dedicated network of partners propelling them towards sustainable growth and success.

Our Vision

Our vision is to become India's leading financial solutions provider, ensuring financial empowerment for India's small businesses by seamlessly integrating innovative products, strategic partnerships, and cutting-edge technology to deliver exceptional customer experiences.



JOURNEY & EVOLUTION

Charting our Journey

How did we get here?

2017

- Acquired M3 Global Finance, a BSE listed NBFC, and renamed Niyogin Fintech Limited
- Raised capital of ₹235 Cr from institutional investors

2018

- Initiated business with the **Credit** segment offering small ticket unsecured business loans (UBL)
- Focus on market access through CA network

2019

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

2020

- **Acquired 51.00% in iServeU**, a ₹3,900 Cr GTV platform
- SaaS based B2B product went live under Wealth Tech

Note: All years are Financial Years

2021

- Announced the 3-year Hyper growth plan

iSU

- Initiated and scaled transaction-led credit
- Upgraded DMT product & BBPS agent institution
- Expanded product use cases - Aadhar Pay for Collections & POS for M-ATM
- Key wins - NSDL Payments Bank

2022

- Revenues crossed ₹100 Cr.

iSU

- 378K+ touchpoints
- M-ATM Switch went Live with NPCI
- Monthly GTV crossed the ₹1k Cr. mark in September

2023

iSU

- 722K + touchpoints
- Touched ₹-15k Cr. GTV

2024

- Received a BBB-/Stable rating from CRISIL
- Raised ₹80 Cr through convertible warrants
- GTV crossed ₹40,000 Cr
- AUM stood at ₹179 Cr*
- Key wins
  - India Post Payments Bank, PSU Bank (first PSU as client)
  - Bagged a contract for providing a soundbox platform supporting nearly 5,00,000 soundboxes for a leading PSU bank

2025

- Incorporation of 100% subsidiary "Niyogin AI Private Limited'
- Acquisition of 'SuperScan' toolkit

FY25 **'Year of Monetisation'**– we have transitioned from Programme Management to SaaS delivery.

FY24 was concluded on a strong note with two key developments. The EBITDA level was broken even at in Q4 FY24, marking an important milestone in our journey. The year however was a mixed bag with some challenges marring the scale-up of one of our most promising payments offering which slowed our stride. However, we were able to innovatively solve for these challenges demonstrating our commitment to building a resilient business. As we enter FY25, we feel confident and ready to embrace what we define as the "Year of Monetisation" for us.

*Including FLDG given for off book exposure of ₹13 Cr. FLDG commenced in Q4FY24

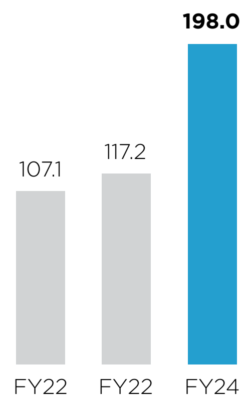
KEY PERFORMANCE INDICATORS

Remarkable Outcomes. **Forward Momentum.**

Our unique business model operates on a platform infrastructure that in addition to traditional measurement metrics should also be evaluated using operating metrics like new products, no. of loans processed, etc. which are the key revenue drivers. 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.

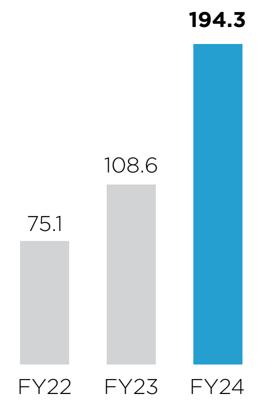
Total Revenue
(₹ Cr)

69%
YoY Change



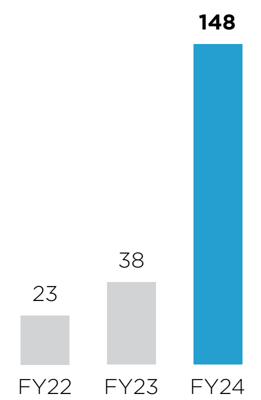
Revenue (ex-Device sales)
(₹ Cr)

79%
YoY Change



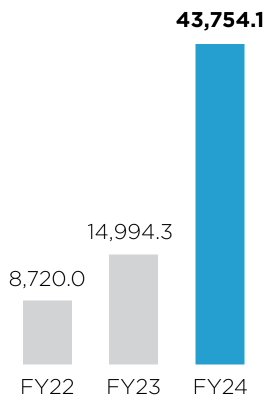
Number of Transactions
(MN)

289%
YoY Change



Gross Transaction Value-GTV
(#)

192%
YoY Change



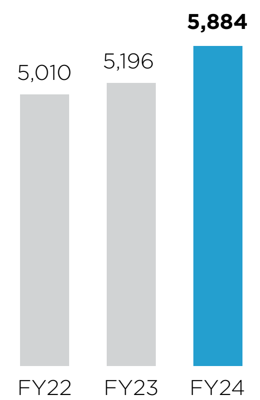
Key Products Developed

PPI Card Stack

Credit Card Stack

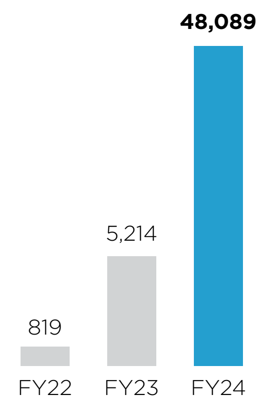
Financial Professionals
(#)

13%
YoY Change



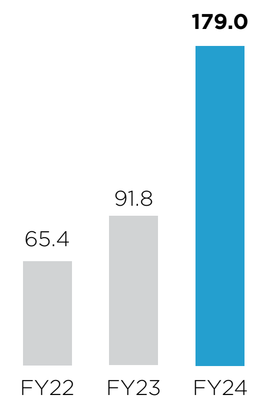
Number of Loans
(#)

822%
YoY Change



Lending AUM*
(₹ Cr)

95%
YoY Change



*Including FLDG given for off book exposure of ₹13.0 Cr. FLDG commenced in Q4FY24

LETTER TO SHAREHOLDERS

Adapting Today for **Tomorrow's Opportunities**

Niyogin is being *future proofed* to be able to realise the opportunity of bringing modern financial services to the rural communities and the micro businesses

Dear Shareholders,

Niyogin is being future proofed to be able to realise the opportunity of bringing modern financial services to the rural communities and the micro businesses - this is very important as India is still a rural country with a majority of its population residing in non-urban centres and 40% of GDP being generated in these regions. Equally SME's are the backbone of the economy and are the dominant source of employment in the country. We target these whitespaces using modern technology while building off the ground-breaking digital public infrastructure India has in place and supporting this build with ground distribution and risk capital to offer a complete suite of products and services.

The existing financial system in India suffers from legacy technology and a patchwork of systems that struggle to operate at scale and hence are well suited to offer their platform to urban centers where ticket sizes are larger and operational complexity is lower. **Niyogin is positioning itself to be a crucial partner for the financial system in order to enable them offer financial services in a cost and time effective manner in hard to serve communities** with smaller ticket sizes, greater operational complexity and higher data asymmetry. The partnerships that we have forged already is a testament to the early success of our platforms, we want to be the highway for financial services offerings to the rural communities and micro businesses.

Niyogin is positioning itself to be a crucial partner for the financial system in order to enable them offer financial services in a cost and time effective manner in hard to serve communities

We have spent the past year building our own technology platforms with IserveU (ISU) investing in a SaaS offering aimed at PSU Banks in India, further broadening the product suite from payments to banking as service (BaaS) to broaden the applicability of its platform. At Niyogin we have launched our NiyoBlu technology platform which is aimed at finance professionals serving the financial needs of the micro businesses across the country. Our platforms have key sources of differentiation and have seen early signs of adoption which are positive, this is crucial to building the network effects which are so important in platform business models and also ultimately the lead indicator for commercial success.

Niyogin has already invested in the game changing Artificial Intelligence (AI) technology through its acquisition of the SuperScan business, we believe this technology has the potential to revolutionize the financial services industry in India and globally through efficiency enhancements, reduced incidence of frauds and ultimately better decisioning as well. SuperScan has already established its credentials in navigating frauds in digital payments and also for efficiency enhancing initiatives in insurance. We believe there is immense potential not only in these areas but also within Niyogin's core remit of financial inclusion.

We remain open to strategic considerations and our global perspective at a board and founder level gives us a vantage point that allows us to identify key trends worldwide and look at their applicability in an Indian context. We are an attractive partner for many young and talented technology focused fintech businesses in India given the potential for synergies, our status as a listed company, our high standards of governance and professional management teams. We intend to continue to draw on these strengths to continue to build Niyogin both organically and via acquisitions as we have done so far. We feel like the opportunity set is now more realisable as we are in a stronger position to capture it.

Thank you for being supportive shareholders, as change accelerates every year now feels like a decade - we stand to benefit given our state of the art technology platforms.

Thank you,

Amit Rajpal

Non-Executive Chairman and Co-founder
Niyogin Fintech Limited

Q&A WITH CEO

Insights from Our CEO

Our core strategy that underpins our lending business is a partner-led approach. This strategy is not only central to our lending operations but also resonates across our other business lines.

1 Niyogin had laid down a 'Hypergrowth Strategy' wherein FY24 was classified as the 'Year of Scale'. What has been our approach towards achieving the same?

A We have embarked on a transformative journey over the past few years, with each year marking a significant milestone in our growth narrative. Our Year of Build in FY23 laid the foundation for our ambitious vision, setting the stage for what was to come. FY24 was the Year of Scale and we demonstrated an impressive expansion in both our operational footprint as number of transactions increased by 393% from 3 Cr in FY23 to ~15 Cr in FY24 through ISU platform and in lending business live till date loans processed increased by 822% to 48,089 in FY24 from 5,214 in FY23. This period of scaling was particularly remarkable as the number of CA partners increased 13% to 5,884 in FY24.

Coming to business specifics, FY24 was a year of strategic partnerships and innovative lending strategies, which have positioned us to serve our clients more effectively and tap into new market segments. These initiatives are not just about growth; they're about strategic as well as non-linear growth that aligns with our long-term objectives.

Our BaaS business, 'iServeU', diversified its offerings by developing a SaaS business model. This pivot has allowed us to extend our reach and is a testament to our commitment to excellence.

As we continue to evolve, our focus remains steadfast on leveraging technology to drive financial inclusion and creating a robust ecosystem that supports the diverse needs of our clients. The progress we have made is a clear indicator of our potential, and I am confident that the strategies we have in place will propel us to new heights in the coming years.

2 Our BaaS business saw significant traction amidst challenges. How would you reflect on it and what are your plans?

A As a fintech company, I want to emphasize the strategic importance of achieving operating leverage as a key driver of our business model. Fintech companies must fundamentally aim to achieve operating leverage. Typically, businesses invest heavily during their initial phase, and as they begin to mature and reap the benefits of these investments, operating leverage starts kicking in.

Looking ahead, we anticipate entering a phase of significant operating leverage. This means that as our revenue grows, our fixed costs will become a smaller proportion of our total costs, allowing us to enjoy enhanced margins.

While we are poised to reap the benefits of the groundwork we have laid, our commitment to build incremental propositions remains steadfast. We will continue to invest in developing new products and services that meet the evolving needs of our customers. This dual approach of harvesting the gains from our existing operations while investing in future growth initiatives will be in evident in our sustained profitability over the long term.

3 Our lending book scaled materially during the year. What was your strategy? What are the key partners whom you work with and what progress has been achieved with these partners?

A Our core strategy that underpins our lending business is a partner-led approach. This strategy is not only central to our lending operations but also resonates across our other business lines. By collaborating with partners, we are able to integrate our lending capabilities into their existing networks, effectively expanding our reach and enhancing our service offerings.

The origination of lending transactions is facilitated through our robust partner network. This approach not only allows us to leverage our partners' customer networks but also provides us with additional layers of credit assurance and further lowers our opex cost, which in turn is invaluable to our business.

Over the past two years, we have seen remarkable growth in our partnership model, evolving from a single partner to now engaging with 25+ partners. One such critical partner where Niyogin and partner have both symbiotically scale is Khatabook.

Khatabook is a digital ledger for small mom and pop stores with 50+ Mn app downloads. Since its launch in October'23 the Khatabook program has become our largest growth contributor. Under the program Niyogin and Khatabook collaborated to develop customized underwriting models so that loan leads within Khatabook network can be sourced and processed digitally by Niyogin. The collections are also entirely digital. A unique proposition about this program is its Equal Daily Instalment construct. Collections are made against disbursed loans daily. Our powerful APIs have been the backbone of this entire construct.

I would like to add that in compliance with the RBI's regulations, we maintain stringent control over all essential processes including KYC and underwriting, ensuring these critical functions are managed internally to uphold the highest standards of due diligence and risk management.

We look forward to replicating this success across partnerships which will be a key driver in scaling up our lending book.

Our partnership-led model has not only proven to be effective in terms of performance but also serves as a testament to the potential as well as the power of collaborative growth in the fintech sector. As we continue to expand our network and enhance our capabilities, we remain committed to delivering exceptional value to our customers and partners alike.

4 What is the rationale behind acquiring SuperScan and how do you plan on integrate into your business model?

A The acquisition is a testament to our commitment to staying at the forefront of innovation and delivering exceptional value to our customers.

SuperScan's toolkit boasts of industry-leading accuracy, making it a perfect fit for our product portfolio. Beyond the cutting-edge technology, we are equally excited to welcome their team of world-class AI engineers, whose expertise will be instrumental in accelerating our AI initiatives.

Our initial intention was to deploy SuperScan as a utility to enhance our internal processes. However, upon a thorough examination of the capabilities developed by the Orbo.AI team, we recognized a broader opportunity to not only consume but also to monetize SuperScan's offerings.

Q&A WITH CEO

Given the increasing regulatory emphasis on KYC compliance, we recognized the need for a product that could aid the fleet on street in their endeavour for accurate documentation and efficient extraction of data. Our new OCR solution addresses this critical need and can be seamlessly integrated into our existing partner ecosystem, providing a rapid path to market for our customers. It will empower us to streamline our Fintech customers' credit infrastructure costs, and build financially inclusive platforms.

Coming to the specifics of the transaction, we have housed the toolkit within our wholly owned subsidiary, Niyogin AI Private Limited. This approach is intended to enhance transparency and simplify our financial disclosures. We paid an upfront cash consideration of ₹8 crores, with an additional sum of up to ₹8 crores to be paid as deferred consideration, contingent upon the company's performance and fulfilment of certain predetermined milestones.

As a part of the transaction we gain the toolkit, its current contracts, and, of course, the talented team associated with it.

We believe this acquisition positions us strongly to capitalize on the growing demand for intelligent KYC solutions, and we are confident that it will drive significant value for our shareholders, partners, and customers alike.

5 How will NiyoBlu Platform scale next year? How do you plan to capture the significant market MSME credit gap opportunity through this platform?

A We developed NiyoBlu, our loan origination and marketplace platform with a vision to revolutionize the loan acquisition process for MSME customers. NiyoBlu is designed to offer immediate eligibility assessments for leads sourced by our financial partners. It does so on the back of its powerful API which compares offers and probability of lead conversion across 40+ financial services providers (lenders, insurers, brokers) present on the platform and matching the leads with lenders. NiyoBlu creates a perfect win-win by creating an enriched lead pool customized for underwriting preferences for our lending partners while also delivering swift turnaround for lead applications. This streamlined approach has transformed the delivery of financial service to MSMEs into a seamless and entirely digital experience.

The digitization of the lead origination process through NiyoBlu is not only convenient for customers but also significantly advantageous for us in terms of reducing the cost structures associated with loan origination. As we continue to enhance the platform's capabilities and stability, we are now poised to expand our network and fully leverage NiyoBlu's potential.

Looking ahead to FY25, we are confident that NiyoBlu will experience considerable scale. NiyoBlu is well-positioned to address a significant market opportunity of ₹2.5 trillion*. By providing a user-friendly, efficient, and cost-effective platform, that serves to bridge the credit gap of MSMEs.

> NiyoBlu is a cornerstone of our mission to empower MSMEs with the financial tools they need to thrive.

6 Niyogin raised capital during the year FY24. What are your plans for the said capital?

A We raised ₹80 Cr through convertible warrants. To date, we have received a little more than 25% of the capital raised as we have had some of the warrants subscribed. We expect the balance to be infused into the company during this financial year in line with the subscription timelines.

The capital we have raised is allocated for two primary purposes. Firstly, this will enhance our equity base. Strengthening our equity base is crucial as it will support the growth and expansion of our lending operations, ensuring that we have a robust financial foundation to meet the demands of our borrowers and to navigate the competitive landscape effectively.

Secondly, we are actively exploring inorganic growth opportunities. The additional capital will provide us with the flexibility to pursue strategic acquisitions or partnerships that align with our long-term vision and enhance our market position.

As we proceed with these initiatives and undertake incremental transactions, we are committed to maintaining transparency with our stakeholders. We will provide timely updates on the deployment of capital and the progress of our strategic endeavours. Our focus remains on driving sustainable growth and maximizing shareholder value, and we believe that the judicious use of this capital will significantly contribute to achieving these objectives.

7 What acquisition strategy can we expect going forward?

A We have a very targeted approach to the kind of products and capabilities we wish to add to our portfolio. We have divided these acquisitions in two categories. The first category are products/capabilities that will augment our existing capabilities. The second category includes assets that will plug our existing offering gap. In the first category you will see some of the throughput targets we have chalked out in our FY25 'Hypergrowth Strategy' coming from inorganic routes. In the second category the acquisitions will primarily focus on adding infrastructure capabilities like insurance, Open banking APIs, collection and payment solutions for MSMEs. The aim is to create an infrastructure offering that can provide plug and play solutions to any enterprise looking to monetize its network. This approach is exemplified by our successful Banking as a Service (BaaS) business, where we enable partners to offer financial services seamlessly.

SuperScan is a great example of the second category. It serves as foundational infrastructure that empowers users with state-of-the-art scanning capabilities, utilizing the latest advancements in AI and machine learning. It simplifies customer on boarding journeys with minimal integration costs and high internal efficiencies regardless of the financial services being availed.

We recognize the immense potential in providing robust infrastructure solutions that can revolutionize the delivery of financial services. As we continue to explore these opportunities, we are committed to enhancing our infrastructure capabilities to support the growth and success of our partners and the broader financial ecosystem.

8 What will be your key focus areas as you enter FY2025, the year of monetisation?

A "Year of Monetisation" marks a pivotal moment in our company's journey - the successful conclusion of FY24 – our "Year of Scale" has set us up for spring boarding onto our next phase – demonstrating the sustainability of our business model. As mentioned, our primary objective is to achieve profitability within this fiscal year by building on the scale we achieved last year. This year while we will continue growing our partner network and product portfolio we will also see operating leverage kick in as we embed deeper within our clients' ecosystems.

We concluded the previous year on a high note. We intend to build on this momentum where we transition from our hook products like financial inclusion solutions (M-ATM, AePS, DMT etc.) to high margin products (SaaS, program management etc.). As we move forward you will see the contribution from our financial inclusion products or GTV driven income scale down in favour of higher quality income streams. We refer to them as higher quality because of their stable nature. GTV driven income is prone to vagaries of state driven initiatives like DBT, welfare initiatives and evolving regulation. However higher income streams are more predictable in nature along with better margins. A great example of this stability is the sound box platform where the income has a device rental income built in the overall contract which guarantees a project based income stream regardless of the number of transactions originating on the platform.

Additionally, our lending and distribution business will also see significant operating leverage kick in as our relationships with platforms like Khatabook flourish.

Last but not the least is our commitment to our shareholders. We understand the importance of delivering tangible financial returns. Therefore, we are focused on generating net profit and free cash, and ensuring that we not only meet but exceed the expectations of our investors.

The focus this year thus, quite clearly is on execution. I am confident in our ability to execute on our plans and capitalize on the opportunities ahead. With a clear vision, a robust strategy and a dedicated team, we are on the path to making this year as the year of financial success and shareholder value creation.

*Source: RBI, CREDABLE report on SME

BOARD OF DIRECTORS & MANAGEMENT TEAM

Governance in **Action**

Board Committees

● Chairman ○ Member

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

Board of Directors

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, based in London, responsible for Firmwide Asian strategy. He manages the Global Financial Services Investing 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 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 27 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 30 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 has more than 3 decades of professional experience including 25 years in Shriram Group's Financial Services business and during this period for more than 15 years held the position of Executive Director & CFO of one of their listed Non-Banking Finance Companies. Has handled many critical assignments related to organisational re-structuring, business process improvement, fund raise – both equity and debt, and new business launches.

Has been the winner at the CNBC TV 18, "Best Performing CFO" in 2013 and the "Most Influential CFO in India" by CIMA in 2016.

She is a Postgraduate in Commerce, Fellow Member of the Institute of Cost Accountants of India (ICMA) and the Institute of Company Secretaries of India (ICSI) and is in the board of several listed and unlisted companies across industries.

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 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.

BOARD OF DIRECTORS & MANAGEMENT TEAM

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

R S C

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

● Chairman ○ Member

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

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, iServeU

Ex-iCash Card

Mohit Gang
Chief Executive Officer, MoneyFront

Ex-HSBC, Citi

Hitesh Jain
Chief Risk Officer

Ex-Kotak Mahindra Bank, Jana Small Finance Bank, EnKash

Sanket Shendure
Chief Product & Growth Officer

Ex-Minko Founder

Trivenika Avasthi
Investor Relations Officer

Ex-L&T, Yes Bank, Equirus Capital

Neha Daruka
Company Secretary

Ex-Essel Infraprojects

Noorallah Charania
Chief Operating Officer

Ex-Aditya Birla Group, RBS, HDFC Bank

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MANAGEMENT DISCUSSION & ANALYSIS

Global Economy

Economic performance remained healthy during the worldwide deflationary period of 2022-23. Contrary to forecasts of stagflation and a global recession, economic expansion continued while inflation rates receded from their mid-2022 zenith. The global economy has proven its extraordinary resilience, achieving steady growth as inflation rates converge with established targets. The trajectory to this juncture has been shaped by a series of significant occurrences, commencing with supply chain disruptions in the wake of the pandemic, the Russia-Ukraine conflict that precipitated a worldwide crisis in energy and food, and a substantial rise in inflation. This was followed by a coordinated effort by central banks around the world to tighten monetary policy.

Inflation forecasts for the short term have been reduced in major economies, while long-term inflation expectations remain stable. Additionally, it is widely expected that central banks in major advanced economies will begin to lower policy interest rates in the second half of 2024. This has already been witnessed as the European Central Bank cut its key interest to 3.75% in June 2024, a reduction of 25 bps from 4% earlier.

The global economy, having achieved a growth rate of 3.2% in 2023, is anticipated to perpetuate this trajectory into 2024 and 2025. Nonetheless, the current expansion rate is modest when viewed against historical trends. The tempered economic growth is linked to a mix of immediate factors, including enduringly high borrowing costs and the tapering off fiscal stimulus measures, as well as longer-term consequences emanating from the COVID-19 pandemic, the aftermath of Russia's military actions in Ukraine, a lull in productivity gains, and increasing geo-economics divisions.

It is forecasted that emerging market and developing economies will sustain a consistent growth rate of 4.2% through the years 2024 and 2025. This stability in growth is attributed to an equilibrium achieved between a deceleration of economic activity in emerging and developing Asian regions and an ascension in growth rates across the Middle East, Central Asia, and sub-Saharan Africa. Investment serves as a catalyst for economic expansion, contributes significantly to poverty alleviation, and is vital for confronting climate change and realizing other crucial development objectives within emerging market and developing economies (EMDEs). In the absence of proactive policy interventions, the pace of investment growth in these economies is projected to remain subdued for the duration of this decade. Nonetheless, there is scope for invigoration.

Source - IMF, World Bank Report

Indian Economy

In the fiscal year 2023-24, the Indian economy expanded, with GDP accelerating to 8.2% compared to 7.0% the year earlier. The major driver of domestic demand was investment, particularly in infrastructure, which was significantly supported by government spending. In contrast, growth in private consumption demand slowed to 3.0%, down from 6.8% the previous year. Government consumption demand was also subdued due to fiscal consolidation efforts.

High-frequency indicators of domestic activity demonstrate resilience for 2024-25. An Above normal monsoon which bodes well for agriculture and rural demand. Combined with sustained momentum in manufacturing and services, this is expected to boost private consumption. Investment activity is likely to stay on course, supported by high-capacity utilization, robust balance sheets of banks and corporations, continued government infrastructure spending, and positive business sentiment. Improved global trade prospects could bolster external demand. However, risks to the outlook include geopolitical tensions, commodity price volatility, and geo-economic fragmentation. Considering all these factors, real GDP growth for 2024-25 is projected at 7.2%.

The new coalition government elected in June 2024, is expected to focus on making economic growth on a pan India scale to address the issues of unemployment and uneven growth in less developed regions. Greater thrust is expected on broader job creation, enhanced manufacturing, and more foreign investment.

The micro, small, and medium enterprise (MSME) sector in India is poised to play a pivotal role in fostering the necessary income, skills, capacities, and infrastructures for consistent growth in both consumption and investment across various segments of the economy. MSMEs are expected to be a catalyst for innovation and cost-efficient business opportunities, acting as a vital engine for job creation and entrepreneurial ventures, particularly empowering female entrepreneurship in rural regions. In essence, this sector is instrumental in harnessing India's advantageous demographic shifts and the burgeoning middle-income population.

Source: U.S. Chamber, RBI, CRISIL & Deloitte

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Monetary policy 2024

The Reserve Bank of India has maintained the key repo rate at 6.5% in its June 2024 monetary policy. The central bank continues to shift away from an accommodative monetary stance to address inflationary pressures. Economic growth forecasts for the fiscal year 2024-2025 have been revised upward to 7.2%, an increase from the previous estimate of 7%. Meanwhile, the inflation projection for the same period remains steady at 4.5%.

In response to the swift expansion of unsecured lending, the Reserve Bank of India raised the risk weights associated with unsecured credit and bank loans extended to non-banking financial corporations (NBFCs) for on-lending.W However, this circular does not extend to MSME loans. The measures specifically target unsecured personal loans, leaving the credit facilities for MSMEs unaffected by these changes.

Persistent food price inflation is still a point of concern. However, the forecast for the current account deficit in FY25 is expected to stay within manageable limits. The nation's foreign exchange reserves achieved a new peak, reaching $651.5 billion as of May 31, 2024.

There are also plans to streamline export and import directives under the Foreign Exchange Management Act (FEMA).

The Reserve Bank of India proposed to establish a Digital Payments Intelligence Platform, which will leverage cutting-edge technology to reduce the risk of payment fraud. Additionally, the e-mandate framework has been expanded to include automatic top-ups for Fastag, National Common Mobility Card (NCMC), and UPI-Lite wallets.

Source: RBI Monetary Policy

Indian MSME Sector

It is estimated that India houses around 64 million enterprises within the micro, small, and medium enterprise (MSME) sector. This vibrant segment has made a significant impact on the nation's economy, contributing to nearly 30% of India's Gross Domestic Product (GDP). Furthermore, MSMEs have been instrumental in the export domain, making up 43.6% of the country's merchandise exports, while also providing employment to approximately 123 million individuals.

The MSME sector, with its substantial microsegment and robust rural presence, is strategically positioned to meet the demands of rural consumers and those with lower incomes. As such, it plays a pivotal role in mitigating regional disparities and promoting a more balanced distribution of income. The sector is also critical for generating income at the grassroots and facilitating the workforce's shift from agriculture to manufacturing and services, which is essential for India's economic transformation. Additionally, a significant portion of MSMEs operates within the services sector, which contributes to 57% of the nation's GDP. The expansion of this sector is a key driver for sustainable increase in income and economic output.

Historically, MSMEs have faced challenges such as limited access to finance, skill gaps, poor infrastructure, and complex taxes, hindering their efficiency and growth. These issues also affect their global competitiveness. Vulnerabilities include exposure to commodity price fluctuations, international trade, import competition, and changing regulations. The COVID-19 pandemic intensified these problems, causing liquidity issues, reduced demand, contract cancellations, and supply chain disruptions. The challenges faced by MSMEs can be effectively addressed through strategic adoption of digitization, formalization, and enhanced access to capital. Niyogin is at the forefront of tackling these critical pain points, offering solutions that aim to streamline operations and facilitate financial inclusivity for MSMEs.

The MSME sector is however showing signs of recovery from the recent period of adversity, as indicated by various metrics that suggest a consistent upward trajectory. The COVID-19 pandemic has precipitated a swift uptake of digitalization, which has subsequently facilitated easier access to capital. Notably, there has been a 33% increase in the sector's loan demand in the initial quarter of the fiscal year 2024. Additionally, there is a positive trend in financial health, with a decrease in delinquencies and an improvement in non performing assets observed among all categories of MSME lenders and borrowers. However, it is estimated that only 26 million MSMEs have ever availed credit, marking a significant gap in the availability of credit. The RBI estimates the credit gap in MSME sector to be ₹ 2.5 trillion.

Niyogin has developed NiyoBlu, a completely digital distribution platform, and has successfully integrated approximately 5,800 Chartered Accountants (as of FY24) to provide cost-effective and extensive market reach for serving MSMEs. The platform enables MSMEs to access borrowing services entirely online. Additionally, Niyogin is among the select companies holding an NBFC license, which not only facilitates the digitization of the lending process but also empowers them to directly underwrite loans.

The NiyoBlu platform extends a wide array of financial services beyond just lending, thanks to partnerships with various financial institutions.

As a result, Niyogin has become a centralized hub for the diverse financial needs of MSMEs, creating opportunities for cross-selling to the same MSME client base.

Technological advancements are playing a pivotal role in enabling the MSME sector to surmount various obstacles. Cloud computing is empowering MSMEs with enhanced predictive capabilities, while the integration of automation and robotics is streamlining operations, cutting costs, and bolstering sustainability efforts. Additionally, the emergence of embedded finance startups and account aggregators is streamlining the process for MSMEs to secure expedited credit access, addressing one of the sector's most pressing challenges.

Policy measures have played a supportive role in the recovery of the MSME sector. Initiatives like the Emergency Credit Line Guarantee (ECLG) scheme during the pandemic and the Production-Linked Incentive (PLI) schemes have been instrumental. Research from the State Bank of India indicates that the ECLG scheme prevented 12% of MSME credit from deteriorating into nonperforming assets and averted the loss of approximately 16.5 million jobs. Additionally, the PLI scheme is poised to benefit around 176 MSMEs indirectly in various industries, including bulk drugs, telecommunications, textiles, medical devices, consumer electronics, drones, and food processing. Emerging sectors such as renewable energy, electric mobility, semiconductors, food processing, defence, and space exploration are also creating new avenues for MSMEs to explore and expand.

Source: Deloitte, Economic Times & CREDABLE

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Union Budget – MSME Focus

The Government of India has implemented various measures to support the MSME sector and to provide them with easier access to credit. Some of these measures include:

1. **Prime Minister's Employment Generation Programme (PMEGP):** This is a credit-linked subsidy program designed to generate self-employment opportunities through the establishment of micro-enterprises.
2. **Pradhan Mantri Mudra Yojna (PMMY):** This scheme offers loans up to ₹ 10 lakhs to non-corporate, non-farm small/micro enterprises. This limit has been enhanced in the July 2024 budget from ₹ 10 lakhs to ₹ 20 lakhs for MSMEs who have successfully repaid their earlier loans in the 'Tarun' category.
3. **PM Vishwakarma Scheme:** With a budget outlay of ₹ 13,000 crores for 2023-24 to 2027-28, this scheme aims to provide comprehensive support to artisans and craftspeople in 18 trades.
4. **Credit Guarantee Scheme for Micro and Small Enterprises:** This scheme strengthens the credit delivery system by providing a credit guarantee for loans up to ₹ 5 crores to the MSE sector without the need for collateral or third-party guarantees.
5. **Udyam Assist Platform:** Launched on January 11, 2023, this platform aims to bring Informal Micro Enterprises (IMEs) into the formal MSME sector to avail benefits under Priority Sector Lending.
6. **Inclusion of Retail and Wholesale Traders as MSMEs:** Effective from July 2, 2021, retail and wholesale traders are considered MSMEs for the purpose of Priority Sector Lending benefits.
7. **Non-tax Benefits for MSMEs:** MSMEs are extended non-tax benefits for 3 years in case of an upward change in their status.
8. **Trade Receivable Discounting System (TReDS):** This system enables the financing of trade receivables of MSMEs from corporate buyers, government departments, and PSUs through an electronic platform. The buyer turnover limit has been reduced in the July 2024 Budget from ₹ 500 crores to ₹ 250 crores, thereby bringing in an additional 7,000+ corporates and their MSME suppliers onto the platform.
9. **Self-Reliant India (SRI) Fund:** An equity infusion of ₹ 50,000 crores through the SRI Fund have been planned.
10. **Emergency Credit Line Guarantee Scheme (ECLGS):** A ₹ 5 lakhs crores scheme was announced during the COVID-19 pandemic to bridge the credit gap for businesses, including MSMEs. The scheme was operational until March 31, 2023.

Apart from the above, the Government announced following additional measures for MSME in the July 2024 Budget:

1. **Credit Guarantee scheme for machinery purchase:** Credit guarantee scheme for machinery and equipment purchase without collateral or third party guarantees. The scheme will provide a guarantee cover of up to ₹ 100 crores to each MSME applicant.
2. **Public Sector Banks new credit assessment model:** Public Sector Banks will develop a new credit assessment model, based on the scoring of digital footprints of MSMEs.
3. **Credit Support to MSMEs during Stress Period:** A Government promoted guarantee fund will be set up to provide credit availability to MSMEs during their time in Special Mention Account (SMA). This will provide liquidity and avoid being NPA classified.
4. **New SIDBI branches:** SIDBI will extend its network by opening new branches to ensure it reaches all significant MSME clusters within the next three years, aiming to offer them direct lending services.
5. **MSME Units for Food Irradiation, Quality & Safety Testing:** Government Support will be provided for the establishment of 50 multi-product food irradiation units within the MSME sector. Additionally, there will be assistance for the creation of 100 food quality and safety testing laboratories that will be accredited by NABL.
6. **E-Commerce Export Hubs:** E-Commerce Export Hubs will be established through public-private partnerships to assist MSMEs and traditional craftsmen in accessing international markets. These hubs will offer a streamlined regulatory and logistical environment, providing a comprehensive suite of trade and export services in one location.

Further, The Reserve Bank of India (RBI) has provided guidelines to banks regarding the extension of loans to units in the Micro, Small and Medium Enterprises (MSME) sector. According to these guidelines, banks are not required to take collateral security for loans up to ₹ 10 lakhs. This directive applies across the country. Banks are also encouraged to make use of the Credit Guarantee Scheme (CGS) to cover these loans, which helps in mitigating the risk associated with unsecured lending and promotes the extension of credit to the MSE sector.

These initiatives are part of the government's broader strategy to bolster the MSME sector, which is a significant contributor to the Indian economy in terms of employment generation and industrial output. By facilitating access to finance, the government aims to enhance the growth and sustainability of MSMEs.

Source: Economic Times, VENWIZ, PIB & India Budget

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Global Fintech Industry

The Fintech market faced significant challenges globally in 2023, with total Fintech investment dropping to US $113.7 billion and the number of deals falling to 4,547, both the lowest since 2017. In comparison, Fintech investment was US$ 196.6 billion from 7,515 deals in 2022. Various global issues, including high interest rates, persistent inflation in many regions, conflicts in Ukraine and the Middle East, concerns about valuations, and a lacklustre exit environment, led Fintech investors to adopt a more cautious approach.

Fintech companies are broadening the reach of financial services and products to traditionally underserved populations, who now constitute a significant segment of their customer base and contribute substantially to their overall transaction volumes. While the majority of Fintechs that focus on these underserved demographics and provide specialised products are situated in emerging markets and developing economies (EMDEs), it is observed that Fintechs from both advanced economies (AEs) and EMDEs have a considerable share of their clientele from these segments.

Looking to the future, Fintechs identify artificial intelligence (AI), the digital economy, embedded finance, and open banking as key areas that will shape the industry's trajectory in the short term. Notably, AI stands out, with 70% of Fintechs recognizing it as the most influential topic for the sector's evolution over the next five years.

Banking Licenses Becoming Essential for Lending Fintechs: In recent years, lending platforms, including Buy Now Pay Later services, student loan providers, and unsecured lenders, have thrived due to the availability of inexpensive capital. They have relied on issuing commercial papers and asset securitisation for funding. However, with the current trend of rising interest rates, these funding methods are becoming less viable, potentially jeopardising their business models. Consequently, there is a growing movement among these lending platforms to acquire or secure banking licenses, which would enable them to tap into more affordable funding sources.

Key Trends in the Industry

Increased Mergers and Acquisitions Expected in Payment Sector and Distressed Assets:

It is anticipated that merger and acquisition (M&A) transactions will witness a resurgence as valuation perceptions align more closely between buyers and sellers. This uptick is expected to be particularly evident in the payment industry, where consolidation is progressing at various scales, from local to global. Additionally, it is expected that there will be increased interest from investors seeking potential in distressed assets.

AI as a Strategic Imperative:

The burgeoning interest in AI, particularly generative AI, is poised to significantly impact the Fintech sector. While this may not immediately lead to direct investments, Fintech entities are expected to increasingly adopt AI through strategic partnerships and product development expenditures. Investment is likely to concentrate on areas critical to AI implementation, such as cybersecurity and regulatory technology (Regtech).

In response to the evolving demand for technological advancement, Niyogin strategically acquired its inaugural asset equipped with artificial intelligence capabilities. Niyogin has signed the definitive documents to acquire 'SuperScan' developed by Orbo.ai. SuperScan is an AI-enabled toolkit that utilizes OCR, optical recognition technology, for conversion of unstructured data to structured input. SuperScan leverages advanced technologies such as artificial intelligence, computer vision, and natural language processing (NLP) to help BFSI companies streamline their workflows, enhance the customer service, drive down operational costs, and mitigate risks effectively.

Focus on Enterprise Solutions in Fintech:

Fintech companies worldwide are expected to shift their focus towards enterprise solutions, with the aim of bolstering the operations of financial institutions and their ecosystems. This strategic pivot will likely see Fintechs moving away from direct-to-consumer models and towards providing services that underpin the financial sector's infrastructure.

Niyogin has employed a partner-led strategy collaborating with local enterprise partners that possess extensive distribution networks. These partnerships allow us to leverage the partner's infrastructure for cost-effective outreach to our targeted customers, primarily micro, small and medium enterprises, the MSMEs. Once we onboard a partner, iServeU's Banking as a Service (BaaS) platforms are integrated into the partners' customer-facing touchpoints.

Regulatory Changes Spur Regtech Investments:

As regulatory landscapes evolve both within and across regions, investment in regtech is expected to remain robust. Europe is set to continue leading in data security and privacy regulations, while the Asia-Pacific region is anticipated to streamline regulations for digital assets and currencies. The growing complexity of compliance demands will keep regtech investments buoyant.

SME Market Emerges as a Fintech Focus:

Fintech firms and corporations are expected to increasingly target the small and medium-sized enterprise (SME) market to expand their business reach and tap into new segments. The substantial size of the SME sector in various regions will likely draw heightened investor interest in solutions catering to this demographic.

Niyogin has been focusing on catering to the MSME segment since inception and is well positioned to take advantage of this trend.

Asset Tokenization Gains Momentum:

The trend of asset tokenization within the cryptocurrency and blockchain space is expected to advance, with a heightened emphasis on utilizing tokenization to unlock novel investment avenues. Additionally, regulated stablecoins are projected to continue drawing investor interest due to their potential to offer stability in the digital currency space.

Emergence of Fintech Hubs in Developing Markets:

Developing regions such as Southeast Asia, the Middle East, and Africa are set to become burgeoning Fintech hubs. Governments in these areas are anticipated to invest significantly in their Fintech ecosystems as part of their broader digital economic development strategies.

Source: Weforum & KPMG Global

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Indian Fintech Industry

India's Fintech sector has become a pivotal element of the country's economic structure, with projections indicating it could add an extra US $400 billion to India's GDP over the next seven years. As a prominent player in the global Fintech arena, India has been instrumental in extending financial services to previously underserved populations.

Empowering MSMEs

In the current year, it is anticipated that a heightened emphasis will be placed on addressing the financial requirements of MSMEs, with a particular focus on facilitating more efficient access to credit. This is expected to include incentives for lending institutions, with additional backing for microfinance institutions (MFIs) and small finance banks (SFBs). To extend financial services to businesses in far flung areas, it is expected that the government will provide enhanced support for digital lending entities that provide loans to merchants in areas beyond Tier-II and III cities. Such initiatives are vital for harnessing the capabilities of Fintech to empower the MSME sector, ensuring these enterprises receive the necessary resources and support to prosper in today's competitive landscape.

Digital Infrastructure

The expansion of India's Fintech sector has been underpinned by its robust digital public infrastructure, with the India Stack playing a pivotal role, and the Unified Payments Interface (UPI) being a key component at its second layer. Looking forward, we anticipate fostering an environment where collaborations between Fintech companies and public entities continue to thrive. The aim is to extend these partnerships beyond the realm of payments to encompass other financial services such as credit, investments, and insurance.

AI-Led Future

Building upon the 'India Stack' requires the promotion of a conducive atmosphere for indigenous technological progress. Reflecting on last year's budget, which emphasized "make AI in India and make AI work for India" through three new AI centres of excellence, the focus is expected to remain on enhancing research and development for AI applications. This will likely continue with increased support for the National Supercomputing Mission.

To achieve greater self-sufficiency, it is imperative to maintain ongoing investments in domestic computational capabilities, thereby fostering the development of local generative AI solutions and propelling the nation's technological autonomy.

Credit Corpus for Small and Medium-Sized Fintechs

To extend the reach of digital financial services, the Digital Lending Association of India (DLAI) anticipates the establishment of a specialised India Fintech Credit Fund (IFCF) aimed at providing financial backing to small and medium-sized Fintech firms. This initiative is designed to encourage the expansion of services to areas beyond Tier-III cities, fostering development in regions that have traditionally lacked such services. The establishment of this fund is expected to position these Fintech companies as catalysts for economic growth in untapped markets. The impact of this fund is projected to be significant, not only improving the financial performance of the companies utilizing these funds but also contributing to the transformation of India's socio-economic fabric.

This year's budget has prioritized enhancing accessibility to digital solutions, with a special emphasis on the financial services sector throughout the nation. This strategy is in harmony with the overarching goal of promoting wider engagement with the formal economy. The direction taken underscores a steadfast dedication to the growth of the sector and embodies a progressive stance, acknowledging the significant role of Fintech in guiding the economic direction of India.

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Indian Fintech Trends 2023-2024

45-Day MSME Payment Rule

The implementation of the 45-day payment mandate for MSMEs, commenced on April 1, 2024. This regulation aims to mitigate the adverse effects of payment delays on businesses. This will make payments by larger enterprises to MSMEs faster and will aid in their financial health and growth. The implementation of the 45-Day MSME Payment Rule is expected to empower MSMEs by enforcing financial discipline on large corporates which are taking MSME services. Further, it will positively impact the MSMEs working capital requirements. As a result, there is expected to be an upsurge in the adoption of digital collection mechanisms. This will enable a conducive environment to the growth of digital B2B payment and invoicing solutions, which stand to benefit significantly. 'iServeU' is at the forefront, offering a robust array of these digital solutions tailored to support and enhance the operational efficiency of the MSME sector.

New PA-CB Regulation & Requirements

On October 31, 2023, the Reserve Bank of India (RBI) implemented the Payment Aggregator-Cross Border (PA-CB) Regulation, marking a shift in the regulatory landscape for Fintech companies. Where earlier, Fintech firms were subject to due diligence by Authorized Dealer (AD) Banks, they will now come under the direct oversight of the RBI. A Payment Aggregator (PA) Payment Gateway (PG) license enhances consumer trust by ensuring that the holder adheres to the Reserve Bank of India's regulatory standards, thereby fostering a secure and reliable financial transaction environment. Additionally, it provides a competitive edge in the market, as it signifies compliance, operational integrity, and access to a wider customer base due to the RBI's endorsement. PA/PG licenses are one of the most powerful licenses in the payment industry. It covers digital as well as proximity payments.

Digital Lending Regulation

The Reserve Bank of India (RBI) released its Digital Lending Guidelines in September 2022, which were further elucidated through a series of Frequently Asked Questions (FAQs) in February 2023, and the introduction of the First Loss Default Guarantee (FLDG) in June 2023. Further clarifications were issued in April 2024. These regulatory measures are expected to lead to more prudent lending practices. The guidelines introduce a new risk-sharing mechanism in digital lending, offering potential benefits within the ambit of regulatory limitations. Greater access to DLG could streamline loan approvals and broaden credit penetration, especially for underserved communities. Additionally, DLG might improve risk management, which could result in lower provisioning requirements and enhanced capital efficiency.

Niyogin welcomes the said regulations and is fully compliant with all the regulations.

Expansion of e-RUPI digital voucher

The e-RUPI, introduced in August 2021, operates on the National Payments Corporation of India's (NPCI) Unified Payments Interface (UPI) framework. These vouchers are prepaid digital instruments delivered to recipients via SMS or QR code directly to their mobile devices. The distribution of e-RUPI vouchers to individuals broadens market opportunities and intensifies consumer interaction. The extensive acceptance of e-RUPI vouchers encourages the use of digital payment methods, which in turn augments the promptness and efficacy of monetary transactions. This advancement significantly improves operational productivity and fiscal administration for Indian enterprises.

New NPCI Features

UPI Payments

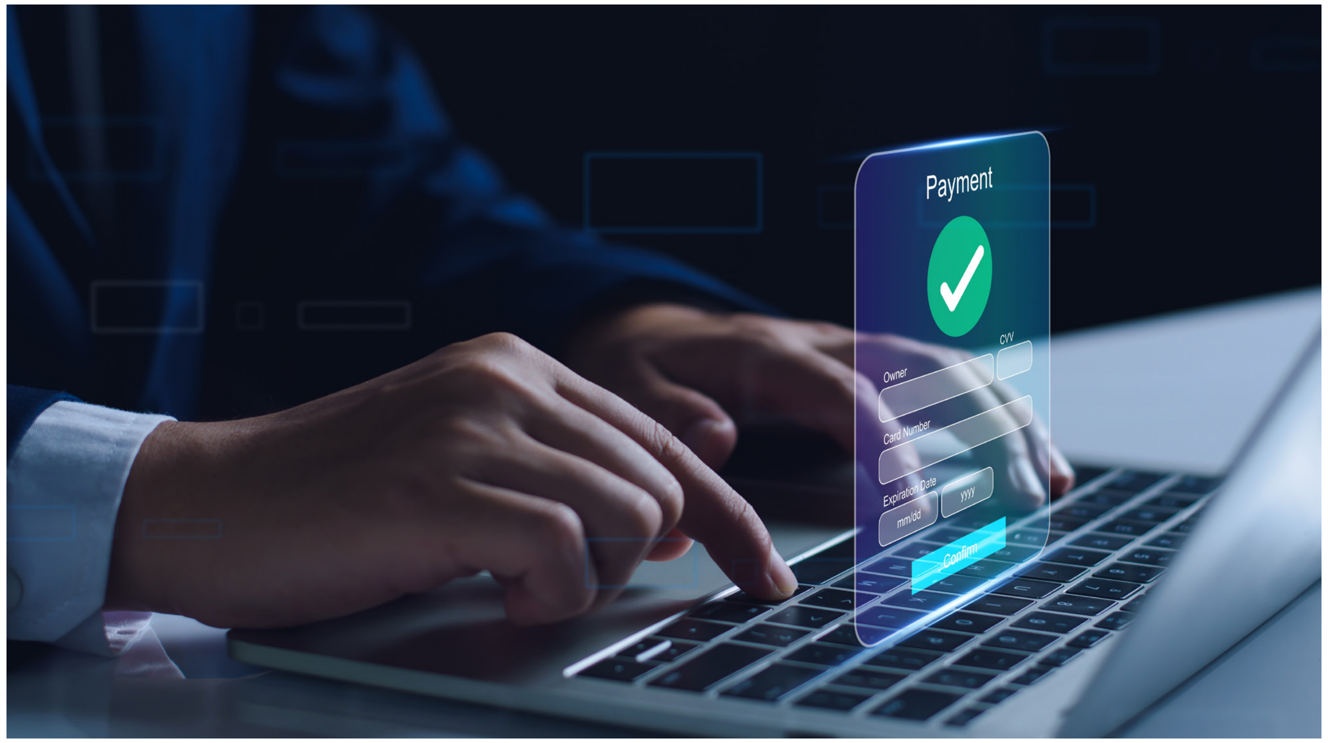
The NPCI launched voice-enabled UPI payments through Hello! UPI feature. This feature supports transactions via apps, telecom calls, and IoT devices in both Hindi and English, with plans to expand to multiple regional languages soon. BillPay Connect is also included in Hello! UPI, enabling customers to fetch and pay their bills by simply sending a 'Hi' on a messaging app to a national number. Additionally, BillPay Connect offers Voice Assisted Bill Payments, enabling customers to fetch and pay bills through voice commands on their smart home devices and receive instant voice confirmation.

Credit Line on UPI: NPCI introduced credit lines on UPI, enabling pre-sanctioned credit lines from banks which can be accessed via UPI. This initiative aims to simplify customer access to credit, promoting financial inclusion and innovation.

UPI LITE X for Offline Payments: NPCI introduced UPI LITE X facilitates offline payments, allowing users to send and receive money even in areas with poor connectivity. Utilizing Near Field Communication (NFC) technology, it offers faster payment transactions.

UPI Tap & Pay: This feature enhances the adoption of QR code and NFC technology. Users can now tap NFC-enabled QR codes at merchant locations to complete payments.

Source: Business Today, Invest India, INC42



Indian Digital Payments Landscape

Over the past ten years, India has experienced a transformative shift in its financial landscape, primarily driven by the advent of digital payment systems such as UPI, which have significantly enhanced the ease and safety of transactions, marking a pivotal move towards a less cash-dependent economy. Furthermore, the proliferation of Fintech companies specializing in lending has democratized access to financial resources, catering to sectors of the population that were once overlooked. The introduction of neo banking and Banking as a Service (BaaS) platforms has played an instrumental role as well, facilitating a seamless collaboration between established banking institutions and modern financial service enterprises to deliver a comprehensive suite of offerings.

Key Trends in Digital Payments Landscape

Innovation in B2B Payment Solutions to Benefit MSMEs

The burgeoning MSME sector in India necessitates a more efficient B2B payment infrastructure. There is a substantial opportunity for the creation of sophisticated enterprise-level technology solutions that can assimilate B2B payment operations into core business systems, thereby streamlining disbursements, receivables, and cash flow management. This integration is anticipated to diminish complexities and bolster productivity within the B2B landscape. The challenges encountered by MSMEs in India are predominantly localized, stemming from region-specific operational and regulatory complexities that international entities often overlook. This landscape presents a substantial market opportunity for domestic players who possess an intrinsic understanding of these unique issues and are thus better positioned to develop and implement indigenous solutions. Consequently, the competitive pressure from foreign firms is relatively minimal, providing a significant advantage to local enterprises in addressing the bespoke needs of the Indian MSME sector.

Emergence of Advanced Cross-border Payment Systems

As global commerce expands, the demand for effective cross-border payment mechanisms is intensifying. Traditional challenges such as intricate regulations and financial risks have previously hindered the expansion of these services. However, innovative API-driven payment facilitators are poised to revolutionize this domain by enhancing risk management, reducing costs, and expediting transaction times, thereby accelerating the pace of international payments and contributing to the efficiency of worldwide commerce.

Rise of Payments-as-a-Service (PaaS) Platforms with Enhanced Features

The adoption of comprehensive Payments-as-a-Service (PaaS) platforms is on the rise in India, owing to their ease of implementation and integrated payment capabilities. These platforms now accommodate multiple currencies, supporting global commerce, and boast a robust API infrastructure that ensures seamless integration with a variety of financial services for greater interoperability. As these platforms evolve, they are incorporating advanced reconciliation services with rules-based analytics and fortifying security measures with artificial intelligence and machine learning to detect fraud. With an expected surge in domestic growth, these platforms are also setting their sights on expansion across the Middle East, North Africa, and Southeast Asia regions.

Recent Initiatives by RBI & Government

RBI Pilots a Public Tech Platform to Streamline Digital Credit Delivery

The Reserve Bank of India (RBI) launched the 'Public Tech platform for Frictionless Credit' designed to refine the process of digital credit distribution. This initiative is expected to enhance the digital lending landscape by establishing an open architecture framework, leveraging APIs to foster seamless integration among diverse financial entities, thereby boosting efficiency and spurring innovation. Developed by the Reserve Bank Innovation Hub, a subsidiary of the Reserve Bank of India (RBI), the platform is crafted to facilitate the unimpeded exchange of essential data with lending institutions, thereby streamlining the credit distribution process. The platform is designed to support a vast credit ecosystem, ensuring digital access to information from a multitude of data sources. This platform serves as a nexus for financial service providers and various data service providers, all of which can integrate using a standardized, protocol-driven framework. In the future, GST compliance will play a pivotal role for businesses aiming to secure credit and take advantage of government-backed credit initiatives. The initial phase of this platform commenced on August 17, 2023, with a focus on an array of loan products including personal loans, Kisan Credit Cards, dairy financing, MSME loans, and housing loans. Future expansions are anticipated to incorporate additional loan categories and integrate advanced services such as Aadhaar e-KYC and satellite data utilization. The Public Tech platform is envisioned to streamline the credit delivery mechanism, enabling a smooth exchange of necessary digital information among lenders. Its end-to-end digital infrastructure, characterised by open APIs and universal standards, will allow for effortless connectivity, enabling financial sector participants to engage in a 'plug and play' model. Further, in February 2024, the government allowed the GST network to share data with the Public Tech platform. This initiative is expected to expedite the loan acquisition process by leveraging GST-related data.

RBI in discussions with US, Hong Kong, Swift on digital bank payments

The Reserve Bank of India has started engagement with banking authorities in the United States and Hong Kong, as well as with the Society for Worldwide Interbank Financial Telecommunications (SWIFT), to explore the potential of cross-border digital bank payments and central bank digital currencies (CBDCs). These discussions are centred on the development of swift and cost-effective digital financial transactions across borders. An RBI internal working group is diligently examining the technological framework necessary to establish a direct transaction channel between nations.

CBDCs hold the promise of transforming the landscape of international settlements, particularly those currently facilitated by SWIFT. Traditional methods involve transferring funds through intermediary banks via the SWIFT network. The implementation of CBDCs could pave the way for direct settlements between transacting parties, yielding benefits such as reduced transaction times and lower costs. This initiative is in line with India's recent moves to enable real-time cross-border fund transfers with nations such as Singapore and the UAE.

Furthermore, the Reserve Bank is investigating ways to enhance the uptake of CBDCs within India. In collaboration with the National Payments Corporation of India (NPCI), the RBI is working to make CBDC transactions as user-friendly as cash exchanges. To support this effort, the RBI has initiated a sandbox environment that permits startups to test and develop CBDC applications, with a focus on enabling transactions in offline environments and on feature phones.

India launches UPI, RuPay Card services globally

India achieved a milestone by extending its Unified Payment Interface (UPI) services on an international scale starting with Sri Lanka and which was soon extended to Mauritius, UAE, Singapore, Nepal, France and Bhutan.

These initiatives are in line with India's efforts to deepen economic relations with the said countries and represent a significant advancement in promoting digital connectivity and financial cooperation. The Ministry of External Affairs (MEA) has highlighted India's pioneering role in Fintech innovation and its Digital Public Infrastructure, noting the Prime Minister's commitment to sharing India's developmental insights and technological advancements with allied nations.

The introduction of RuPay card services in Mauritius marks an important progression, as it allows Mauritian banks to issue cards utilizing the RuPay framework. This development is anticipated to streamline the use of RuPay cards for financial transactions in both India and Mauritius, thereby bolstering the financial ties between the two nations.

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Likely Launch of Interoperable Payment System for Internet Banking

The Reserve Bank of India announced that a new interoperable payment system for internet banking is expected to be launched in 2024. This system is designed to expedite the settlement process for merchants. Internet banking, a well-established method for conducting online merchant transactions, is commonly used for various payments, including income tax, insurance premiums, mutual fund contributions, and e-commerce purchases.

Aligned with the RBI's Payments Vision 2025, which aims to create an interoperable ecosystem for internet banking transactions, the central bank has granted approval to NPCI Bharat BillPay Limited to implement such a system. The introduction of this system is anticipated to enable faster fund settlements for merchants, enhancing the efficiency of digital transactions.

Self Regulatory Organisations (SROs) for Fintech Industry

The RBI issued draft norms for formation of Self Regulatory Organisations (SROs) for the Fintech industry which will monitor compliance with regulatory requirements amongst Fintech companies.

The draft framework outlined that Fintech sector SROs should operate independently, free from the influence of any member or group. These organisations are tasked with fostering industry development, contributing to its evolution, and serving as trusted authorities for dispute resolution. They must ensure compliance with standards and maintain open communication with the RBI. Additionally, the RBI expects these SROs to bolster governance, address sector challenges, and balance innovation with regulatory needs to protect consumers and manage risks. The SROs will also facilitate dialogue between the industry and regulators, advocate for changes, and promote compliance culture. They are to consult with the RBI on developing a fintech taxonomy, execute assigned tasks, and relay information as required by the Central Bank.

Fintech Repository

The central bank launched a cloud facility and created a repository to improve the security, integrity, and privacy of financial sector data and increase transparency regarding Fintechs in the country. This repository is expected to enhance the security of customer data, help understand the sector from a regulatory perspective and facilitate in designing appropriate policy approaches.

Further, the RBI also launched a repository named as EmTech Repository for Banks and NBFCs on their adoption of emerging technologies including AI, ML, Cloud computing. This repository is expected to make available data and analytics for the usefulness of both the regulator as well as the participating members.

Unified Regulatory Framework for Web-Aggregation of Loan Products

The RBI announced plans to introduce a unified regulatory framework for web-aggregation of loan products (WALP) across all regulated entities. This new initiative seeks to ensure fair practices, customer protection, and data transparency. The regulator emphasized the need for a comprehensive approach, noting that current guidelines on connected lending are limited in scope and do not uniformly apply to all regulated entities. This is expected to increase supervision on pricing and credit management of regulated entities and ensure fair practices towards borrowers.

Future Outlook

India's payment industry has experienced a remarkable transformation, with the number of UPI transactions in FY23-24 surpassing 100 billion to close at 131 billion. The value also reached a record high of ₹ 199 trillion as reported by the National Payments Corporation of India (NPCI). The NPCI has played a pivotal role in introducing cutting-edge payment solutions, including AEPS and UPI123, to facilitate offline transactions. Although consumer payments are projected to maintain their growth trajectory, there is a shifting emphasis towards enhancing B2B payment systems and innovating in the area of cross-border transactions. These developments are expected to propel the momentum of India's payment ecosystem into the future.

Embedded Finance (EmFi)

Embedded Finance (EmFi), the strategic incorporation of financial services (FS) into the customer experiences of non-financial companies, has emerged as a transformative trend in the finance sector. This report delves into the evolving landscape, potential opportunities, challenges, technological advancements, and regulatory factors influencing this vibrant domain. By weaving FS into various industry sectors, stakeholders can access untapped customer bases, thereby enhancing customer acquisition, engagement, and retention.

Technological innovation has been a cornerstone of EmFi's proliferation. The deployment of scalable APIs, sophisticated analytics, and artificial intelligence enables the fluid integration and tailoring of financial offerings, enriching the overall customer journey.

To support the expansion of the EmFi space, a solid regulatory framework is essential. It is imperative for industry participants and regulatory authorities to engage collaboratively to strike an optimal balance between fostering innovation and ensuring consumer protection.

Companies that adopt EmFi strategies position themselves at the vanguard of innovation, setting the stage for a more inclusive, efficient, and customer-centric financial services industry. To thrive in this evolving landscape, businesses should focus on forming strategic partnerships, prioritizing security, investing in cutting-edge technology, and adhering to regulatory standards.

An active use case for embedded finance is enabling lending solutions for MSMEs. Ecommerce platforms can share MSMEs transaction history and sales data to lenders who can facilitate instant financing options to MSMEs. MSMEs can therefore access loans for purchasing inventory and drive business growth.

Source: PWC, IBS Intelligence, Paypers, Business Today, Business Standards, India Times, INC 42, RBI & Hindu Businessline

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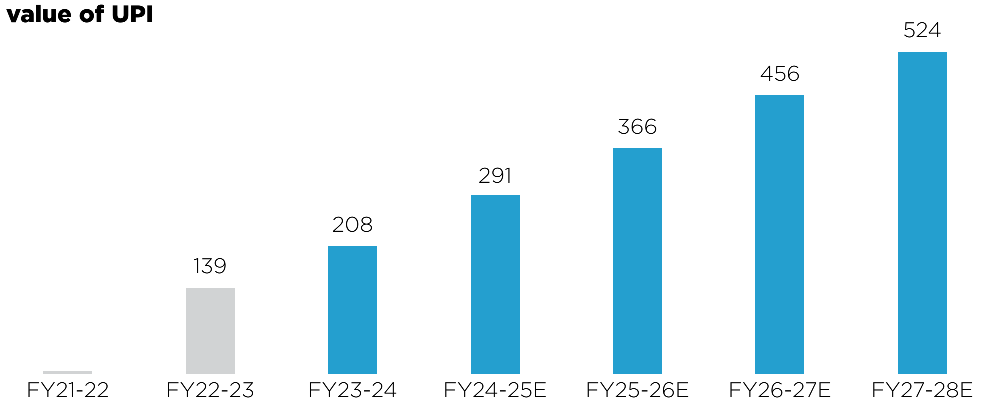
Key Digital Payment Methods

Unified Platform Interface (UPI)

During the fiscal year 2024, the Unified Payments Interface (UPI) handled 131 billion transactions, totalling an impressive ₹ 199 trillion. This performance marks a significant increase from the previous fiscal year 2023, where the platform saw 83 billion transactions valued at ₹ 139 trillion. The annual data reflects a substantial uptick in transaction volume by 56.6%, while the transaction value surged by 43.4%.

Transaction value of UPI
(₹ in trillion)



Source: RBI, NPCI, PwC analysis

Since its inception in the fiscal year 2016-2017 as a platform for small-scale person-to-person (P2P) and person-to-merchant (P2M) transactions, UPI has evolved into a system capable of handling real-time cross-border payments and is increasingly being used as an alternative to ATM cash withdrawals, eliminating the need for physical cards. The combined efforts of the Reserve Bank of India (RBI) and the National Payments Corporation of India (NPCI) to drive innovation and strengthen the existing infrastructure have led to the widespread acceptance of UPI. Currently, it boasts approximately 260 million users in India.

The NPCI's commitment to developing a robust technological foundation and an extensive network of Payment Service Providers (PSPs) has positioned UPI as one of the most secure and reliable payment methods worldwide. With UPI's international expansion, its growth trajectory is expected to continue to rise in the forthcoming years.

As the Indian Government engages with other nations to broaden UPI's reach, it is crucial for other key players in the ecosystem to prioritize swift implementation and integration of their payment systems with UPI. This strategic move is essential to ensure a frictionless customer experience and to drive an increase in transaction volumes.

UPI's global footprint has recently extended with a new partnership with France, adding to its existing collaborations with countries including Mauritius, UAE, Singapore, Nepal, France and Bhutan.

The Indian government is working towards garnering the support of all G20 nations to enable global UPI-based payments. In a significant development in February 2023, the RBI declared that eligible visitors from G20 countries would be able to use UPI while in India, as they will be provided with prepaid instrument (PPI) wallets for merchant transactions. This initiative is set to expand to other countries in the future. At present, these wallets are available at three major international airports: Mumbai, Delhi, and Bangalore. Initially, two banks and two non-bank entities are offering wallet services to travellers, with plans for more partners to join the initiative going forward. It is expected that enhancing technology architecture to reduce payment failures across the entire ecosystem and reduction in UPI frauds will be the key to sustaining UPI's growth.

Niyogin with its new technology and scalable architecture has seen negligible payment failures as well as frauds from the introduction of UPI in its network.

Aadhaar Enabled Payment System (AePS)/Micro-ATM (M-ATM)

AePS (Aadhaar Enabled Payment System) and M-ATM (Micro-ATM) are digital-to-cash solutions specifically designed to cater to the population in India's remote and rural areas. The limited penetration of smartphones, challenges with network connectivity, and issues such as digital illiteracy are the primary barriers preventing the widespread adoption of purely digital payment methods in these regions. AePS is a banking industry-driven technology that enables online, interoperable financial transactions through PoS (Point of Sale/Micro-ATM) devices, leveraging the user's Aadhaar number and biometric data for transaction authentication. Number of M-ATMs grew to 1.7 million in FY24 compared to 1.4 million in FY23.

Bharat Bill Payment System (BBPS)

The expansion of digital payments has seen a significant boost from the Bharat Bill Payment System (BBPS) sector, with the volume and value of transactions being predominantly fuelled by payments for utility bills.

The National Payments Corporation of India (NPCI) is poised to introduce new categories of recurring payments to further propel growth within this segment. In the near future, transactions such as e-challans, ticketing, wallet top-ups, semi-closed Prepaid Payment Instrument (PPI) recharges, and rent payments are anticipated to make a notable impact on the segment's expansion.

In addition to the RBI's initiatives related to BBPS, the government's efforts to enhance infrastructure in rural regions are expected to increase the availability of water and electricity to more households, thereby expanding the customer base for BBPS services.

Prepaid Payment Instruments (PPIs)

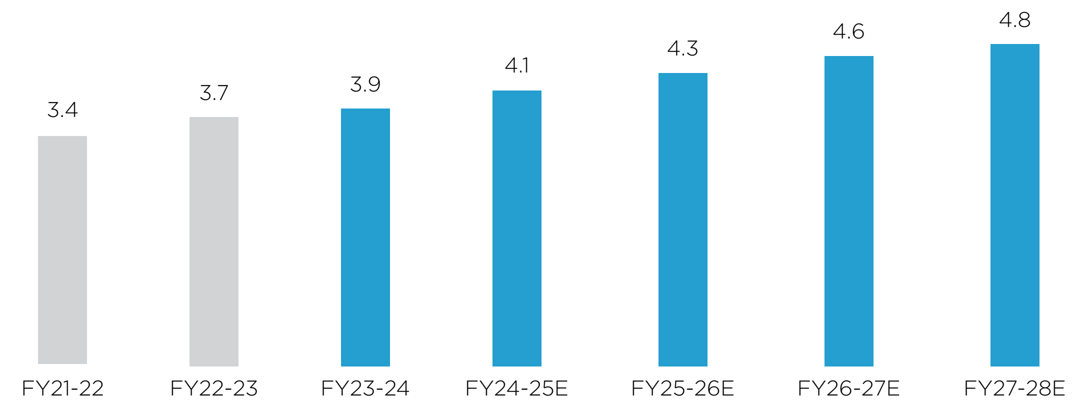
Prepaid cards have emerged as a popular payment option, particularly with the exponential growth of smartphone and internet penetration in India over the last decade. This technological advancement has propelled the e-commerce sector forward, leading to a surge in the utilization of prepaid cards for online transactions. The ease of obtaining these cards with minimal documentation requirements has further contributed to their appeal. In the fiscal year 2023-24, Prepaid Payment Instruments (PPIs) recorded 7.9 billion transactions, amounting to ₹ 2.8 trillion. Looking ahead, the transaction volume for PPIs is projected to grow at a compound annual growth rate (CAGR) of 7%.

The expansion in transaction volume is primarily driven by the substantial increase in the issuance of digital wallets and gift cards by FinTech companies. As business travel resumes to levels seen before the pandemic, the adoption of prepaid cards for managing travel expenses is climbing due to the enhanced control they offer, which is anticipated to further fuel the growth of PPIs.

Gift cards and travel cards have experienced a notable uptick in usage, while mobile wallets (m-wallets) are showing a resurgence in transaction value following a decline in the fiscal year 2022-23. The Reserve Bank of India's (RBI) initiative to distribute wallets to international travellers is expected to boost both the number and value of transactions. As additional partners facilitate wallet availability across more locations, issuance is set to rise, enhancing the transaction experience for travellers. Prepaid forex cards are increasingly becoming the preferred method of payment for international travellers, allowing them to make purchases in the local currency of their destination. Their widespread availability through Authorized Dealers (AD-II), Full-Fledged Money Changers (FFMCs) at airports, and online travel agents (OTAs) has been crucial to their growing popularity.

Moreover, the RBI is actively promoting the adoption of e-RUPI vouchers, aiming to extend the reach of digital payment services to a wider customer base and deepen the penetration of digital payments in the country.

Transaction value of PPIs
(₹ in trillion)



Source: RBI, NPCI, PwC analysis

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PA/PG License Framework

In April 2024, the Reserve Bank of India (RBI) released the Draft Directions for the Regulation of Payment Aggregators (PAs), which are aimed at achieving two main objectives:

Firstly, to bring Offline PAs, those operating at brick-and-mortar points of sale, under regulatory oversight-a domain not previously addressed by existing rules. Secondly, to revise the existing Payment Aggregators guidelines, with the goal of expanding the current regulatory framework to include offline PAs. This update introduces several new requirements, such as enhanced due diligence of merchants by PAs, continuous monitoring of merchant activities based on their business profiles and prohibiting payments to alternate accounts based on specific instructions from merchants.

Fintech infrastructure providers are playing a pivotal role in supporting other Fintech companies in the development of Super Apps.

These comprehensive platforms aim to offer a wide array of services, from money transfers and bill payments to ticket bookings, investment management, loan applications, and insurance purchases, all within a single interface. Fintechs are continuously enhancing their Super Apps by integrating new features and products to keep users engaged, often by amalgamating various specialized apps into a cohesive ecosystem supported by an integrated payment system.

Infrastructure providers are crucial in enabling Fintechs to broaden their offerings by supplying Banking as a Service (BaaS) through complete stacks, APIs, and SDKs.

Niyogin's subsidiary, iServeU, has developed an extensive BaaS stack designed to meet the diverse requirements of banking correspondent agencies, banks, and Fintech companies.

Backend Management: iServeU not only provides its technology stack but also assumes the responsibility for its ongoing maintenance and enhancement. This approach allows its clients to concentrate on their primary business activities without the burden of managing the technology.

Cost-Effective and Efficient Financial Model: iServeU's partner-centric and asset-light strategy affords the company cost-effective market penetration. The development of its proprietary switch, "iSwitch," reduces transaction costs, increases margins, and ensures a smooth customer experience with high transaction success rates.

Advancing Financial Inclusion: iServeU's financial inclusion stack is offered to banking correspondent agencies and agents, enabling them to deliver financial services more affordably than traditional banking institutions.

Bank Support: iServeU's capacity to provide tailored solutions enables it to address specific needs of banks and support their digital transformation. Banks can quickly scale and implement digital processes on-demand by leveraging iServeU's technology stack and expertise.

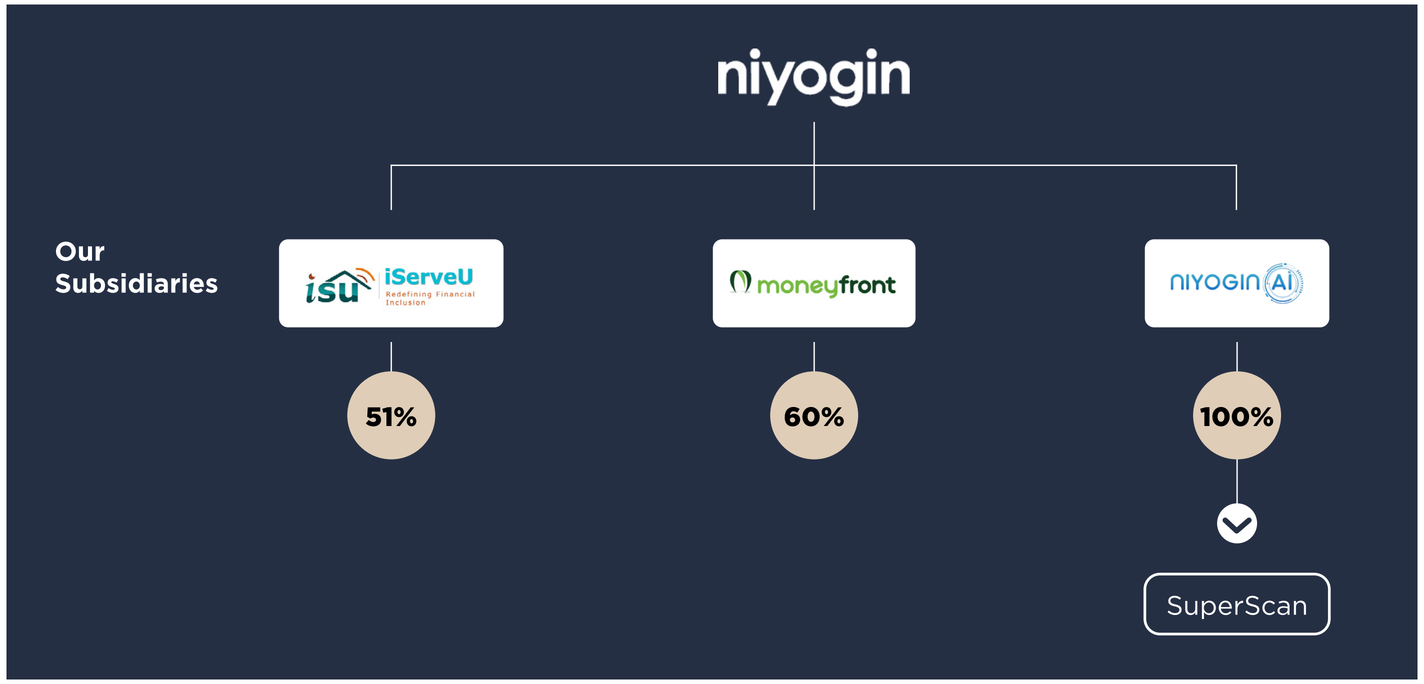
Fintech Empowerment: iServeU collaborates with various Fintechs to diversify the services available on their platforms. It also aids Neo-banks by providing APIs for a fully digital banking experience, including services like digital account opening. iServeU's scalable and adaptable API infrastructure can handle large volumes of data while maintaining a seamless user experience. Furthermore, iServeU's plug-and-play model allows Fintechs to effortlessly introduce new products. The company is capitalizing on its ability to offer bespoke solutions, positioning itself as a preferred partner for its prominent clientele.

Source: PWC & India Times

About Niyogin Fintech Limited

Overview

Niyogin Fintech operates on a tech-centric platform-based model offering Banking as a Service (BaaS) through our subsidiary. iServeU and we also offer credit solutions to both rural and urban areas in India. We employ a partnership-led strategy collaborating with local enterprise partners that possess extensive distribution networks. These partnerships allow us to leverage the partner's infrastructure for cost-effective outreach to our targeted customers, primarily micro, small and medium enterprises, the MSMEs. Once we onboard a partner, iServeU's Banking as a Service (BaaS) platforms are integrated into the partners' customer-facing touchpoints. This integration enables these touchpoints to offer banking, payment, and financial services to their local clientele. By adopting this partner-led approach, the company can effectively extend its services to a large number of MSMEs and SMEs through each partner it engages with. The revenue model primarily revolves around transaction fees or commission earned on every transaction processed through our platform. As an NBFC, Niyogin extends its services to MSMEs by providing credit. They facilitate lead generation and provide digital access to credit and other financial services for MSMEs through our distribution platform, NiyoBlu, and also by our other several FinTech partnerships. Niyogin employs various lending models and generates revenue through either interest income or fees associated with the loan lead generation and distribution.



Business Model and Strategy

API Infrastructure Provider with Lending Capability

Niyogin's ambition is to be the preferred collaborator for promoting financial inclusion, delivering financial services to MSMEs typically overlooked by conventional Financial Institutions.

The Company is dedicated to introducing cutting-edge solutions that facilitate the availability of financial tools, thereby fostering the economic engagement of individuals and communities. Through the strategic use of technology and the establishment of key alliances, company enables MSMEs access to financial products and cultivate an environment of greater financial accessibility. It is the company's objective to be acknowledged as a pivotal force in advancing financial inclusion, with a significant and beneficial influence on the MSME community.

The Company has crafted a cohesive product evolution strategy that effortlessly moves customers from basic financial products to higher value added products like lending. Niyogin delivers a streamlined and intuitive progression that resonates with the customers' evolving demands and desires. This method not only enhances the company's financial performance but also strengthens customer retention by offering a series of progressively valuable products.

The Company's subsidiaries exhibit strong cross-sell synergies, capitalizing on the unique capabilities of each to bolster collective performance. Through the cross-promotion of products and services among the subsidiaries, the group accesses a wider customer demographic and establishes numerous opportunities for sales engagement. This synergistic strategy enhances the potential for revenue generation and enables the provision of an extensive array of solutions to customers.

Capital efficient Partner-led model – ensures low CAC market access

We employ a partnership-led strategy collaborating with local enterprise partners that possess extensive distribution networks. These partnerships allow us to leverage the partner's infrastructure for cost-effective outreach to our targeted customers, primarily micro, small and medium enterprises, the MSMEs.

Tech-centric Model

Over recent years, Niyogin's subsidiary iServeU has successfully developed digital platforms that are adaptable and capable of expansion. iServeU offers its financial services infrastructure platforms, or Banking as a Service (BaaS), in comprehensive stack forms, as well as through APIs and SDKs. By making these platforms available as APIs and SDKs, the company facilitates straightforward implementation and effortless integration with the partners' existing systems or applications. iServeU delivers tailor-made solutions to accommodate a diverse range of scenarios and supports clients in their digital initiatives. Furthermore, iServeU's outstanding technical prowess is clearly demonstrated by its ability to integrate new partners, handle a substantial number of users without performance degradation, process a high volume of transactions, and achieve elevated rates of transaction success efficiently and rapidly.

Unlocking cross-selling opportunities by building a large product stack

In recent months, iServeU has been dedicated to expanding its array of Banking as a Service (BaaS) products. The company has extended its offerings beyond the Aadhaar Enabled Payment System (AePS), Domestic Money Transfer (DMT), and Micro-ATM services to include additional services such as insurance, LIC premium payments, prepaid card solutions, comprehensive digital account opening processes, and IRCTC ticketing services, among others. Possessing an extensive suite of products not only enables iServeU to promote multiple products across its vast distribution channels but also empowers its partners to serve as comprehensive service hubs for their final customers, thereby enhancing customer loyalty. This strategy creates a mutually beneficial scenario for iServeU and its partners, as both entities seek various opportunities to capitalize on their established networks.

Products

Banking as a Service (BaaS)

iServeU delivers a financial infrastructure or BaaS platform to its partners, which includes APIs, SDKs, and full-stack solutions. These platforms facilitate the expansion of partners' service portfolios. APIs and SDKs are designed for seamless integration with the partners' existing systems, while full-stack solutions are tailored for partners who are in the initial stages of their operations. The BaaS offerings empower partners to build an extensive range of products, enabling them to offer a variety of financial services to their customers, thereby positioning themselves as comprehensive service providers. iServeU caters to three distinct categories of partners. iServeU offers a robust soundbox technology platform designed to record the transaction, send it to NPCI, get the validation done through the switching capability and then relay back to the same soundbox to voice out that the transaction has been done.

Banking Correspondent Agency (BCs)

BC Agencies, with their extensive network of retail outlets or BC agents, are always seeking new avenues to generate additional revenue from their existing infrastructure. iServeU assists BC Agencies by supplying them with its financial inclusion stack and transactional banking services, among other products. These platforms are utilized by BC Agencies at their customer interaction points, such as local Kirana stores or BC Agent kiosks, enabling them to deliver a range of financial services to the end consumers. Through the provision of these stacks, iServeU facilitates financial empowerment for individuals in India's more remote regions by providing them with access to essential financial services.

Banks

iServeU operates as a Technology Service Provider (TSP) or program manager, collaborating with banks to assist them in rolling out their digital initiatives and enhancing their current service portfolio to foster customer loyalty. By providing its technology stack, iServeU also guarantees the cost-effective delivery of financial services.

Neo-banks or Fintechs

Numerous Fintech companies aspire to broaden their suite of financial services, moving beyond their primary offerings. iServeU's extensive product stack and its plug-and-play methodology enables these Fintechs to not only diversify their services but also to rapidly launch these new offerings within a few weeks.

iServeU Product and Business Model

Business	Financial Inclusion		Merchant Acquiring	SaaS	Program Management
Products	**Withdrawal** • AePS • M-ATM* • Cashout*	**Deposit** • DMT	UPI Pre-paid cards* POS**	Agency Banking Solution Neo Banking CRM Solution Loan Management Solution	Device Management platform[1] Card issuance stack[2] Prepaid card stack[2] Account opening^
Revenue Model	Transaction based Flat fee per transaction *+*Flat fee (card issuance)*	Transaction based Percentage throughput	Transaction based Percentage throughput *+*Flat fee (card issuance)* *+**Per device*	Subscription based License Fee Maintenance fee Integration/ customization fee	[1]Subscription based [2]Transaction based *+^Flat fee per account opened* *+^Float income sharing*
Revenue Driver	No. of transactions Take rates	Gross Transaction Value (GTV) Take rates	Gross Transaction Value (GTV) Take rates New merchants onboarded **No. of cards issued* ***No. of devices*	No. of partners onboarded Renewals of contract	New contracts Renewals of contract New capabilties developed *+^New accounts opened* *+^Average account balance*
Cost Drivers	Partner charges	Partner charges	Partner charges Merchant onboarding cost *+**Hardware cost*	NA	Expenses associated with Tech development

*, ^, 1, 2, indicate individual relation between product, revenue model and its drivers

Eg : Account opening : The product makes revenue by charging a flat fee per account opened and sharing float income basis the average account balance maintained in them

Prepaid cards charge a percentage of GTV and an additional flat fee for card issuance

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Lender to MSMEs

Distribution Platform

In FY24, Niyogin introduced its updated distribution platform, NiyoBlu, which is designed to cater to MSMEs through finance experts. This platform provides a comprehensive digital channel for the distribution of financial services. Niyogin has a NBFC license and hence extends unsecured business loans and working capital loans to MSMEs via this platform. Beyond lending, Niyogin has established partnerships with leading institutions to provide additional financial services such as insurance and wealth management, enabling finance professionals to offer a consolidated suite of services to their MSME clientele through one unified platform.

The newly launched platform is designed to enrich the user experience for finance professionals by offering them access to a wealth of resources, including knowledge documents, product guides, analytical tools, and more. Over time, Niyogin has successfully recruited more than 5,800 finance professionals, mainly Chartered Accountants, each of whom could have around 100 to 150 MSMEs in their client base. Niyogin encourages these professionals to identify and report their clients' financial requirements on the Niyogin platform. When a referral is successfully converted, and the MSME client utilizes a financial service, the finance professional receives a commission for initiating the lead. Niyogin earns interest income if it underwrites the credit product itself, or it may collect a referral fee when the lead is referred to one of NiyoBlu's partner institutions. Niyogin possesses a seamless Straight Through Processing (STP) system, which enables the efficient underwriting of leads sourced from digital platforms. This capability allows the company to scale its operations without incurring additional resource expenditures, underscoring the potency and efficacy of the company's APIs in streamlining its business processes.

Credit Underwriting

Niyogin has built considerable expertise in developing underwriting processes that rely on unique and additional information. Niyogin works with each of its partners to develop a distinctive process for them. This enables Niyogin to identify the risk-reward matrix appropriately and scale the partner level credit program steadily.

NFL Product Stack

Delivery Model	Lend	Distribute	Wealth Business
Our Products	1 Retail Unsecured Business Loans 2 Supply Chain 3 Overdraft 4 Early Salary 5 Solar Power	1 **Loans** • Unsecured • Secured • Gold Loan • Overdraft • Home Loan • Vehicle Finance 2 **Investments** • FDs 3 **Insurance** • Individual & Group Health • Indemnity • Machinery • Cyber	1 Mutual funds 2 Bonds & Debentures 3 Fixed deposits
Our Target Clients	MSMEs through **(Network Partners)**	MSMEs through **(Financial Professionals)**	MSMEs through **(Financial Advisors)**

SUPER SCAN Powered by Niyogin AI

SuperScan

Product Functionality

'SuperScan' is an automation solution built for solving KYC-related issues in the BFSI industry. It is an efficiency enhancement toolkit that helps companies streamline their workflows, enhance their customer service and reduce operational costs. SuperScan's customers include insurance companies, NBFCs and banks. SuperScan enhances the digital legibility of physical and archived digital documents. SuperScan increases OCR accuracy without manual intervention. SuperScan aids conversion of unstructured data to structured input. Product applications of SuperScan include: KYC, Aadhar masking, signature verification, facial matching.

Use Cases of SuperScan

Offline Agent app SDK (Offline agents can scan data in a no network zone and transmit data when a stronger network signal is available)	Aadhaar masking (Masks Aadhar on a real time basis for digital copies in line with UIDAI directive)
Document indexing and classification	NACH automation
Automated cheque processing	Document facial matching
Unstructured Document data extraction	Document Landmarks detection
Document perspective correction (Improves OCR accuracy when document is not placed on a flat surface)	Document enhancement (Improves OCR accuracy in dim lit conditions)
Face detection and extraction	Facial recognition
Liveliness detection (Ensures live presence during KYC, preventing photo or video substitution)	Signature detection
Signature matching	

Advantages

- Niyogin plans to consume and monetize the toolkit within the NFL ecosystem.
- SuperScan is a ready toolkit with active contracts, so the toolkit is readily monetizable.
- Has demonstrated the ability to cross-sell within existing client ecosystem most of which are large private institutions.
- Best in class accuracy for OCR recognition (> 93% accuracy).
- SDK based deployment ensures minimal incremental server cost for scale up translating to an opex efficient deployment.
- It supports Multiple Deployment Models (APIs, SDK, OnPrem, Cloud, SaaS).
- The toolkit has a proven track record for improving performance in the following areas within its existing client network.

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Case Study 1

Improving readability of physically scanned documents.

Customer Background:

One of India's largest private life insurers. It caters to 15 million customers and has 200+ branches in around 167 locations with ~ 1 lakhs agents.

Problem Statement:

Each year 6.5 million NACH Mandate forms were received which were compressed with poor readability. 40% of these cases were being processed manually with a low OCR accuracy rate of 60%. Additionally, there were commensurate storage & hardware expenses for these physical copies.

SuperScan's Solution:

Document Enhancement was recommended to clear degradations and make the NACH Mandate forms more readable. Objective was to automate this manual process, help drop the costs and improve the OCR Accuracy by 20-30%.

Impact:

OCR accuracy rate improved from 60% to +90%. The number of cases being processed manually dropped to 8% of total case volumes. The manual processing cost was reduced by almost 80%.

Case Study 2

Enhancing OCR quality of scanned documents.

Customer Background:

One of the largest private life insurance players in the country. Over 100 branches across Tier 1, 2, and 3 cities. Offer a diverse range of life insurance solutions for individuals and groups, including life, health, through offline and online channels.

Problem Statement:

The scanned images of Indian IDs being received from their agents were blurry and low on legibility hence their OCR accuracy scores were low.

SuperScan's Solution:

Document Enhancement was recommended to clean and enhance the ID's leading them into better extraction results.

Impact:

The success of the product has opened cross sell opportunities within the organization and its group companies.

Case Study 3

Undertaking KYC verification in low connectivity zones.

Customer Background:

One of the largest private sector banks in the country with Pan India presence. Leader in digital banking and automation with a large retail franchise.

Problem Statement:

In areas with low internet connectivity accessing banking services is a challenge. It impacts critical processes like KYC and other identity verification dependant services like authentication of transactions. Some processes like face matching for identity verification are hindered by factors such as poor image quality due to low-resolution cameras or insufficient lighting conditions. Addressing these issues is crucial for the bank to provide efficient service and secure banking services to its clients.

SuperScan's Solution:

Toolkit integrated within the Bank's Tablets for offline functionality.

Impact:

Feet on street could now capture, extract and mask identity related data in real-time and on the go. Real time capture, perspective correction and enhancement of documents like address proof, land documents. Capture and match of face and signature on the go (including liveliness checking).

MD&A

Business Update: 'Year of Scale'

Scaling Product Stack

Soundbox Platform

iServeU will be providing a sound box platform supporting nearly 5 lakhs sound boxes for a leading PSU Bank. Niyogin's inhouse technology integrated with the soundbox swiftly processes UPI payments, confirming receipt of funds almost instantaneously. The technology captures the transaction details, relays them to the NPCI, secures validation via the switching system, and then communicates back to the soundbox to audibly announce the completion of the transaction.

The deployment is expected to commence Q1 FY25 onwards.

Prepaid Card Management System

Niyogin has made significant headway in terms of development & integration of the prepaid card stack. The solution is available to be deployed

Device Management Program

Niyogin will be delivering devices loaded with our technology for a leading bank. As guided previously Niyogin will continue to bid for selective device sales related contracts with lucrative economics

NiyoBlu updates

- Straight-Through Processing (STP) implementation for disbursement up to ₹5 lakhs.
- Strategic partnership with BCUBL to enhance service offerings.
- Optimized Workspace to accurately categorize cases into All, In Progress, Disbursed, and Declined buckets.
- Display of National Financial Switch (NFS) reject reasons for declined cases.
- Download functionality enabled for Workspace data and transaction history.
- Integration of Fixed Deposit services.
- Centralized login with multiple partner options.
- Enhanced User Interface (UI) and User Experience (UX) through features like pagination and other design improvements.

Scaling teams

Appointment of New Personnel

Niyogin strengthened its leadership as it added Mr. Hitesh Jain as Chief Risk Officer & Mr. Sanket Shendure as the Chief Product and Growth Officer. Niyogin is confident that their association with the Company will help them in growing the business by leaps and bounds. With an aim to build a solid team, Niyogin expanded its employee base by 30% to 127 in FY24, while iServeU's base grew by 26% to 425 employees in the current financial year.

Achievements and path forward

Incorporation of 100% subsidiary 'Niyogin AI Private Limited'

"Niyogin AI Private Limited" incorporated for the purpose of acquisition of AI based platform 'SuperScan'. Company plans to house this toolkit in their recently incorporated subsidiary, Niyogin AI Private Limited. This will aid in greater transparency and simplicity in the financial reporting.

Acquisition of SuperScan

'SuperScan' is an AI-enabled toolkit that employs Optical Recognition (OCR) technology to convert unstructured data into structured input. Niyogin intends to integrate and monetize this solution within its partner network. The toolkit is adept at improving the quality of scanned documents and enhancing the digital clarity of both physical and archived digital documents. SuperScan incorporates sophisticated technologies such as artificial intelligence (AI), computer vision, and natural language processing (NLP), which assist BFSI companies in optimizing their workflows, elevating customer service, reducing operational costs, and effectively managing risks.

The unique capabilities of SuperScan enable its users to cut down on manual input expenses by up to 80%, bolster risk management processes, and ensure data security. Its functionality in areas with limited connectivity positions it as a tool for expanding financial services to underserved regions in India that suffer from low or no internet access. For Niyogin, the toolkit is of strategic significance as it enables the company to add value to BFSI clients by diminishing their KYC expenses, streamline credit infrastructure costs for Fintech customers, and contribute to the creation of financially inclusive platforms.

CRISIL rating

In FY24, one of the key accomplishments for the company has been the long-term loan getting assigned a BBB-/Stable rating by CRISIL. While Niyogin's lending business is undergoing a gradual scale up, getting rated acts as a boost to expanding the loan book AUM that grew by 95% YoY and currently stands at ₹179 crores*.

*Including FLDG given for off book exposure of ₹ 13.0 crores, FLDG commenced in Q4FY24

Issue of Convertible Warrants

Company raised ₹ 80 crores through convertible warrants in FY24.

Future Outlook – Year of Monetisation

As FY25 commences, the company feels confident and is prepared to embrace what it defines as the "Year of Monetization."

Some Key Priorities in FY25

- **Scaling the lending and distribution businesses:**
  - **Lending book** – Company will be focussing on fostering more enterprise partnerships that help it scale the low CAC model of lead generation. On the tech front the company will focus on making the STP (straight through processing) models more intuitive and reduce integration time with NiyoBlu portal.
  - **Distribution** – Company will focus on growing its existing finance professional partner network and deepening interaction and retention of existing partners. We plan on making the NiyoBlu interface smarter and more engaging for its users.
- **Growing high quality income streams:**
  - **Sound box Platform** – Company will be providing a sound box platform supporting nearly 5 lakhs sound boxes for a leading PSU Bank. Company expects to start executing this order Q1FY25 onwards.
  - **Prepaid Card Stack** – Company has made significant headway in terms of development & integration of the product. Company anticipates volumes to start kicking in by Q2FY25.
- **SuperScan** - 'SuperScan' is an AI enabled toolkit that utilizes Optical Recognition (OCR) technology for conversion of unstructured data to structured input. Niyogin plans to consume and monetize this solution within its partner network. SuperScan comes with some marquee BFSI clients with immense cross-sell potential. Company is optimistic about the potential of this technology and its ability to create value for the dynamic needs of India's BFSI sector. Company plans to house this toolkit in their recently incorporated subsidiary, "Niyogin AI Private Limited". This will aid in greater transparency and simplicity in the financial reporting.
- **M&A** - The company is entering an acquisitive phase, actively evaluating complementary bolt-on acquisitions with attractive valuations. It seeks capabilities that can expand its product portfolio, expedite the go-to-market duration, and broaden its geographical presence.

MD&A

Financial Review

(₹ in Cr)

Consolidated Profit & Loss Statement	FY24	FY23	YoY Change (%)
Revenue (ex-device sales)	194.3	108.6	79%
Total Income	198.0	117.2	69%
Expenses	224.1	145.3	54%
Adjusted EBITDA (ex-ESOP)	(14.8)	(17.2)	NM
Reported Pre-Tax Profit/(Loss) (A)	(26.1)	(28.1)	NM
Depreciation and Amortization	8.1	6.1	33%
ESOP (B)	3.0	4.8	(38%)
Non-GAAP PBT (C) = (A) + (B)	(23.2)	(23.3)	NM

- Our consolidated revenue for FY24 was ₹ 198.0 crores. Adj. EBITDA was negative ₹ 14.8 crores compared to negative ₹ 17.2 crores in the last year. Our non-GAAP PBT was negative ₹ 23.2 crores in FY24, compared to negative ₹ 23.3 crores in FY23.
- AUM stands at ₹ 179.0 crores, up 95% YoY.[1]
- Revenue (ex-device sales) grew to ₹ 194.3 crores, up 79% YoY.
- The Gross transaction value (GTV) including pay-outs was ₹ 43,754.1 crores in FY24, up by 192% YoY.[2]
- UPI soundbox platform and the prepaid card management system were the key products developed in FY24.

[1] Including FLDG given for off book exposure of ₹13.0 Cr., FLDG commenced in Q4FY24

[2] As per industry standards, retailer pay-out included in GTV

Key Financial Ratios

Particulars	FY24	FY23
Fee to Total Income (%)	76.4%	58.7%
Total Income to Total Assets (%)	43.8%	34.0%
Book value (₹)	30.2	30.4

Opportunities

The Neo-Banking Approach in Remote Areas of India

India's vast population in remote regions often faces limited access to traditional financial services. This gap presents a substantial opportunity to cater to these communities through a Neo-Bank model, which is more viable than the traditional physical bank branches due to the latter's less favourable economics. Neo-banks provide a complete range of banking services through digital channels without any physical presence. In India, Neo-banks collaborate with established banks to develop platforms that facilitate services such as digital account creation and automated analytics tailored for MSMEs. This enables customers to engage in transactions with premium products and enjoy a superior banking experience. Through such partnerships, traditional banks can enhance customer service and offer additional products at very competitive prices.

Financial Inclusion

iServeU is capitalizing on the initiatives taken by the government and the Reserve Bank of India (RBI) to advance financial inclusion. The government is enhancing every tier of the IndiaStack, further strengthening the digital framework. Consequently, iServeU has been successful in delivering a smooth and dependable experience to its MSME customers.

Opportunities for Network Expansion

Niyogin and iServeU utilize a partnership-driven approach that facilitates cost-effective market penetration. They collaborate with a variety of entities, including Banking Correspondent Agencies, Neo-banks/Fintechs, traditional banks, and financial experts such as Chartered Accountants. According to the RBI's Annual Report for 2023-24, there are 16,48,780 Banking Correspondent Agencies, along with 4,06,898 Chartered Accountants, over 3,000 Fintech companies, and approximately 40 banks across the private, public, and payment sectors. This extensive network of potential partners presents a vast opportunity for both companies to broaden their market reach.

Source: ICAI & Growth Navigate

Data-Driven Lending Innovations

Niyogin is innovating in its credit assessment approaches by analysing cash flow-based lending options. As the MSME sector becomes more formalized, Fintech companies are gaining access to data related to cash flows, which can be leveraged to evaluate the creditworthiness of MSMEs during the lending process. Utilizing this data not only accelerates the credit underwriting procedure but also contributes to maintaining low default rates.

MD&A

Risks, Concerns & Mitigation

Risk	Understanding the Risk	Mitigation
Market Risk	Market risk refers to the potential for financial losses due to adverse fluctuations in market factors that impact income and capital. These factors include interest rates, credit spreads, exchange rates, commodity prices, among others.	The company consistently updates its market risk management framework, which encompasses policies and procedures, to align with industry best practices and regulatory mandates. Niyogin's dedicated risk management team actively oversees market risks and takes measures to mitigate exposure in the loan book portfolio. Additionally, the risk management team regularly performs stress tests across various asset categories to simulate the impact of potential market disruptions.
Credit Risk	Lending entities face the inherent risk of borrowers failing to fulfil their repayment commitments. Such defaults result in the loss of both principal and interest, elevated collection expenses, and interruptions in the lenders' cash flow. Additionally, traditional banks and Non-Banking Financial Companies (NBFCs) have historically been hesitant to extend credit to MSMEs due to their insufficient credit history and the absence of dependable financial records. Consequently, firms that provide loans to MSMEs are considered to operate with an elevated risk of default.	Niyogin employs a range of strategies to mitigate risks. The company conducts thorough credit evaluations that take into account factors such as financial statements, cash flow, collateral worth, and borrowing history. Risk is spread out by diversifying the loan portfolio across various industries, geographical areas, and types of borrowers. The integration of technology, including data analytics and AI-powered decision-making processes, enhances effective risk management. These approaches are designed to ensure responsible lending practices, minimize the risk of concentration, and bolster the company's overall resilience and long-term viability in providing loans to MSMEs. Additionally, to identify and address potential issues, the company regularly performs stress testing and scenario analysis on its entire credit portfolio.
Distribution Risk	Collaborating with partners who manage the distribution and availability of products at various sales points can lead to reliance on them. Consequently, there is a danger of significant business loss if a major partner decides to terminate the partnership.	Partners rigorously evaluate iServeU's technological solutions before finalizing any agreements. After integration, iServeU's systems become closely woven with the partners' existing infrastructures. The process of implementing these platforms throughout the distribution channels is an extensive effort led by the partner. Following deployment, agents typically require a minimum of six months to begin processing transactions on the platform. iServeU oversees the operational aspects behind the scenes, facilitating a smooth customer journey and achieving high rates of successful transactions. Additionally, iServeU contributes to customer retention by developing an extensive range of products that enhance the partners' ability to serve their clientele more effectively.
Digital Economy	The government is progressively focusing on transitioning towards a digital economy. Niyogin's revenue, which is primarily transaction-based, is significantly propelled by products that facilitate cash to digital and digital to cash conversions, such as AePS, M-ATM, and DMT.	iServeU expanded into exclusively digital transaction methods by introducing a prepaid card, UPI, credit card stack suite. iServeU is consistently driving innovation by exploring new revenue streams, such as the introduction of products like the soundbox, among other cutting-edge solutions. This addition means iServeU now encompasses all forms of transaction modalities.
Competition	Our target market and product segments comprise a diverse array of companies, from Fintech firms to conventional brick-and-mortar establishments, such as banks and non-banking financial companies (NBFCs). Moreover, the rapid surge in Fintech prospects has led to the entry of numerous competitors into the market, launching ventures in areas that coincide or are akin to ours. As a result, securing market share and attracting customers in this divided market is expected to intensify rivalry among entities, unless a trend toward market consolidation emerges.	Our innovative technology platform infrastructure is strategically positioned to operate at a higher level compared to many market participants. Essentially, we are enabling a variety of brick-and-mortar businesses and Fintech platforms to deliver a suite of financial services products. In certain instances, we collaborate with these entities as partners. Additionally, our flexible cost structure maintains our competitiveness in pricing and facilitates rapid expansion or reduction of specific products as needed. We are contending with other Fintech companies by securing cost-effective market entry, which lowers our customer acquisition expenses. We capitalize on the extensive network of established partners to connect with our intended clientele and continuously improve our product offerings to encourage more cross-selling and ensure customer loyalty.
Technology Risk	The danger of experiencing operational disruptions and financial damages due to failures in IT infrastructure, loss of data, or security breaches affecting data.	Niyogin collaborates with a top-tier data centercentre provider, which has implemented multiple measures to prevent unauthorized server access and safeguard data. To mitigate the risk of data loss, Niyogin has established procedures for routine data backups. In the near future, Niyogin plans to engage an external party to perform Vulnerability Assessment and Penetration Testing (VAPT) to uncover any potential security weaknesses or vulnerabilities within the current infrastructure and applications.
Cyber Security Risk	The increased risk of cyberattacks and hacking incidents due to the growing usage of the internet and digital devices.	Niyogin has established firewalls, email security, and a range of other safeguards to reduce this risk. Additionally, the company intends to provide education and training for its employees to defend against phishing and various other types of cyber threats.

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, 2024, was 572 (including the subsidiaries - Moneyfront and iServeU).

Details of significant changes in key financial ratios, change in Return on Net Worth and disclosure of accounting treatment are covered in later sections of the Annual Report.

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 this Annual Report of Niyogin Fintech Limited ("the Company" or "Niyogin") along with the audited financial statements (standalone and consolidated) for the financial year ended March 31, 2024.

1. FINANCIAL HIGHLIGHTS

(₹ in lakhs)

	Standalone		Consolidated	
	2023-24	**2022-23**	**2023-24**	**2022-23**
Revenue from operations	4,034.91	2,405.00	19,576.56	10,867.29
Other income	138.57	226.63	223.04	850.46
Total Income	4,173.48	2,631.63	19,799.60	11,717.75
Total Expenditure	4,928.90	3,268.47	22,411.63	14,530.48
Profit/(Loss) before Tax	(755.42)	(636.84)	(2,612.03)	(2,812.73)
Less: Provision for taxation				
Current Tax	-	-	-	-
Deferred Tax Asset	-	-	(128.05)	25.90
Net Profit/(Loss) after Tax	(755.42)	(636.84)	(2,483.98)	(2,838.63)
Transfer to Reserve under Section 45IC of the RBI Act, 1934	-	-	-	-
Balance brought forward from previous period	(5,559.65)	(4,927.42)	(7,038.08)	(5,207.33)
Balance carried to Balance Sheet	(6,314.22)	(5,559.65)	(8,716.41)	(7,038.08)
Earnings Per Share				
- Basic	(0.80)	(0.68)	(1.78)	(1.87)
- Diluted	(0.79)	(0.68)	(1.75)	(1.87)

2. COMPANY'S PERFORMANCE

Your Company is in the business of providing fully digital credit access to MSME's through a large distribution network of financial professionals serviced by product partners. The product stack includes unsecured working capital loans, transaction centric short duration and secured loans. It is registered as a Base layer, Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company under Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 ("RBI Scale Based Regulations") and is listed on the Bombay Stock Exchange Limited ('BSE Limited'). There was no change in the nature of business of the Company during the FY 2024.

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 2024 was ₹ 19,799.60 lakhs. The loss for the year was ₹ 2,612.03 lakhs.

On a standalone basis, the revenue for FY 2024 was ₹ 4,173.48 lakhs. The Company posted loss of ₹ 755.42 lakhs as against ₹ 636.84 lakhs in the previous year.

The consolidated financial statements incorporate the audited financial statements of the subsidiaries of the Company.

3. DIVIDEND

In the absence of profits during the year under review, your Directors do not recommend any dividend for the FY 2024.

4. DEBT EQUITY RATIO

Your Company's Debt:Equity ratio as on March 31, 2024 stands 0.15.

5. NET OWNED FUNDS

The Net Owned Funds of your Company as on March 31, 2024 stood at ₹ 30,511.42 lakhs.

6. CREDIT RATING

The brief details of the rating received from the credit agency by the Company for its outstanding instruments are given elsewhere in the Annual Report.

7. 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.

However, the Company incorporated a wholly-owned subsidiary in the name of 'Niyogin AI Private Limited' ("Niyogin AI") with effect from April 30, 2024. Niyogin AI has acquired the AI based platform "Superscan" from Modaviti eMarketing Private Limited, as a going concern on a slump sale basis. This acquisition would help the Company to expand the current offerings to cover larger set of ecosystems and build new and innovative solutions using the existing offerings.

8. SCALE BASED REGULATIONS

Reserve Bank of India issued a circular on "Scale Based Regulation: A Revised Regulatory Framework for NBFCs" on October 22, 2021. 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 is in compliance with RBI Scale Based Regulations.

9. SUBSIDIARIES

On March 31, 2024, the Company has 3 subsidiaries and there has been no material change in the nature of the business of the subsidiaries. During the FY 2024, no new subsidiary was incorporated/acquired. There were no associates or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act").

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

  A material subsidiary in which the Company holds 51.00%. Iserveu is the only full stack financial infrastructure company to be a one stop solution for providing innovative customer experience for payment acquiring, issuing, accounts, lending, withdrawal, deposit, remittance, insurance, customer KYC. Iserveu is having its registered office in Odisha, Bhubaneswar.

  The revenue for FY 2024 was ₹ 15,397.62 lakhs. Iserveu posted a loss of ₹ 1,437.26 lakhs for the year ended March 31, 2024 as against 2,166.76 lakhs in the previous year.

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

  A subsidiary in which the Company holds 60.76% as on March 31, 2024. This shareholding was reduced to 60.00% as of the report date due to the exercise of stock options. Investdirect offers a range of traditional wealth products to clients ranging from mutual funds, bonds, corporate deposits, PMS, etc. and 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.

  The revenue for FY 2024 was ₹ 345.94 lakhs. Investdirect posted a profit of ₹ 4.10 lakhs for the year ended March 31, 2024 as against ₹ 11.68 lakhs in the previous year.

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

  A step down subsidiary i.e. Moneymap is 100% owned by Investdirect. Moneymap is an investment platform that offers financial advisory services to its clients via a comprehensive portfolio approach using a fully automated and paperless platform. 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.

  The revenue for FY 2024 was ₹ 13.19 lakhs. Moneymap posted a loss of ₹ 0.73 lakhs for the year ended March 31, 2024 as against ₹ 7.91 lakhs in the previous year.

Pursuant to the provisions of Section 129(3) of the Act, a statement containing the salient features of financial statements of the Company's subsidiaries in Form No. AOC-1 is attached to the financial statements of the Company.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of subsidiaries, are available on the Company's website at www.niyogin.com.

The policy for determination of material subsidiary can be accessed on the Company's website at https://docs.niyogin.com/wp-content/uploads/2022/01/material-subsidiary-policy.pdf.

In terms of the said policy and provisions of regulation 16 of the SEBI Listing Regulations, Iserveu is a material subsidiary of the Company.

10. PREFERENTIAL ISSUE OF WARRANTS

During the year under review, the Company raised funds through issue of 1,75,36,011 (One Crore Seventy-Five Lakhs Thirty-Six Thousand and Eleven only) convertible warrants on a preferential basis against the receipt of warrant subscription price i.e. 25% of the issue price (i.e. ₹ 11.405 per warrant) from the allottees to the Promoter/Promoter Group of the Company and certain identified non - promoter persons/entities in accordance with the SEBI (Issue of Capital Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations") and the Companies Act, 2013 ("Act"). The preferential issue was approved by the Board and the shareholders on July 4, 2023 and August 2, 2023 respectively. Subsequently, the allotment of 1,75,36,011 convertible warrants was approved by the Board on August 23, 2023. Further, the Board approved the allotment of 6,57,600 (Six Lakhs Fifty-Seven Thousand Six Hundred) equity shares upon conversion of warrants post payment of ₹ 34.215/- per warrant (being 75% of the issue price per warrant) from the one of the allottee(s) on March 13, 2024. The requisite trading approval by BSE Limited for the said allotment was received by the Company on May 9, 2024 post completion of necessary requirements under SEBI ICDR Regulations and the Act.

11. SHARE CAPITAL

(i) Increase in Authorized Share Capital

During the year under review, the Company increased the Authorised Share Capital from the existing ₹ 113,05,00,000 (Rupees One Hundred Thirteen Crore Five Lakhs only) divided into 10,40,50,000 (Ten Crore Forty Lakhs Fifty Thousand) Equity Shares of ₹ 10/- each aggregating to ₹ 104,05,00,000/- (Rupees One Hundred Four Crore Five Lakhs only) and 90,00,000 (Ninety Lakhs) Preference Shares of ₹ 10/- each aggregating to ₹ 9,00,00,000/- (Rupees Nine Crore only) to ₹ 135,58,60,000/- (Rupees One Hundred Thirty-Five Crore Fifty-Eight Lakhs Sixty Thousand only) divided into to 12,65,86,000 (Twelve Crore Sixty-Five Lakhs Eighty-Six Thousand) Equity Shares of ₹ 10/- each aggregating to ₹ 126,58,60,000/- (Rupees One Hundred Twenty-Six Crore 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 Crore 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 August 2, 2023.

(ii) During the FY 2024, the Company made the following allotments

Presently, the stock options granted to the employees operate under NFL-Employee Stock Option Plan 2018 ('Plan 2018'), Niyogin Employees Stock Option Plan 2019 ('Plan 2019') and Niyogin Employees Stock Option Plan 2020 ('Plan 2020'). Pursuant to the Plan 2018, during the FY 2024, the Board issued and allotted 1,44,590 (One Lakh Forty-Four Thousand Five Hundred and Ninety) equity shares to the eligible employees.

As on March 31, 2024, the issued and paid-up equity share capital of the Company stood at ₹ 95,14,15,150/- (Rupees Ninety-Five Crore Fourteen Lakhs Fifteen Thousand One Hundred and Fifty Only) divided into 9,51,41,515 (Nine Crore Fifty-One Lakhs Forty One Thousand Five Hundred and Fifteen) equity shares of ₹ 10/- each.

12. DEPOSITORY SYSTEM

The Company's equity shares are compulsorily tradable in electronic form. As on March 31, 2024, 99.94% of the Company's total paid-up capital representing 9,44,30,615 equity shares were in dematerialized form. In view of the benefits offered by the depository system, members holding shares in physical mode are advised to avail the demat facility.

13. 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 compliance with the requirements and disclosures that have to be made in this regard.

14. DIRECTORS AND KEY MANAGERIAL PERSONNEL

As on March 31, 2024, the Company has seven Directors including one woman director.

The Board comprises of six Non-Executive Directors, out of which four are Independent Directors.

In accordance with Section 152 and other applicable provisions of Act, Tashwinder Harjap Singh (DIN: 06572282), Executive Non-Independent Director retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting. A resolution seeking shareholders'approval for his re-appointment along with other required details forms part of the Notice. The Nomination and Remuneration Committee and the Board commends his re-appointment.

In the opinion of the Board, Subhasri Sriram, Kapil Kapoor, Eric Michael Wetlaufer and Ashby Henry Benning Monk are persons of integrity, expertise, experience and fulfils requisite conditions as per applicable laws and are independent of the management of the Company. All the Independent Directors of the Company have registered their names with the data bank of IDs and completed online proficiency self-assessment test as per the timeline notified by the Ministry of Corporate Affairs.

Eric Michael Wetlaufer shall retire from the Board of the Company with effect from close of business hours on September 16, 2024 upon completion of his first term as an Independent Director of the Company. He informed the Board his intent not to proceed with the second term as an Independent Director of the Company in view of his time commitments. The Board places on record its appreciation for his invaluable contribution and guidance.

Pursuant to the provisions of Section 149 of the Act, the Independent Directors have submitted declarations that each of them meets the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations. There has been no change in the circumstances affecting their status as Independent Directors of the Company.

During the year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses, if any.

Pursuant to the provisions of Section 203 of the Act, Tashwinder Harjap Singh, CEO & MD, Abhishek Thakkar, Chief Financial Officer and Neha Daruka, Company Secretary are the key managerial personnel of the Company as on March 31, 2024.

15. NUMBER OF MEETINGS OF THE BOARD

Six meetings of the Board were held during the year. For details of meetings of the Board, please refer to the Corporate Governance Report, which forms part of the Annual Report.

16. ANNUAL EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act and SEBI Listing Regulations.

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, etc. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the participation in the meetings, effectiveness of meetings, quality of decision making etc.

The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, the Board as a whole and Chairman of the Company was evaluated, taking into account the views of Executive-Directors and Non-Executive Directors.

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

17. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS

The policy on Director's appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report, which forms part of the Annual Report.

The charter of the policy inter-alia includes:

- To identify persons who are qualified to become Directors and who may be appointed in Senior Management as well as devising a policy on Board diversity.
- To lay down criteria for such appointments.
- Recommend to the Board their appointment and renewal.
- To evaluate performance of every Director including the Independent Directors.
- To recommend to the Board remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

This policy is also available on the Company's website at https://docs.niyogin.com/wp-content/uploads/2022/01/nomination-remuneration-policy.pdf.

18. 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.

For other details regarding the CSR Committee, please refer to the Corporate Governance Report, which forms part of the Annual Report.

19. INTERNAL FINANCIAL CONTROL SYSTEM

The Company has in place a comprehensive Internal control framework including clear delegation of authority and standard operating procedures that are established and laid out across all businesses and functions. The framework is reviewed periodically at all levels. The internal financial controls with reference to the financial statements were tested and reported adequate.

20. AUDIT COMMITTEE

The details pertaining to the composition of the Audit Committee are included in the Corporate Governance Report, which forms part of the Annual Report.

21. AUDITORS

At the 33rd Annual General Meeting ("AGM") held on September 17, 2021, the Members 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 AGM till the conclusion of the 38th AGM of the Company subject to them continuing to fulfil the applicable eligibility norms.

22. AUDITOR'S REPORT

The statutory audit report is attached with financial statements and forms part of the Annual Report and does not contain any qualifications, reservations or adverse remarks or disclaimer.

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 Companies Act, 2013.

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

23. SECRETARIAL AUDIT REPORT

Pursuant to the provisions of section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s Mitesh J Shah & Associates, Company Secretaries (FCS: 10070 CP No.12891), to undertake secretarial audit of the Company.

A report from the secretarial auditor in the prescribed Form MR-3 is annexed to this report.

As per regulation 24(1) of SEBI Listing Regulations, a listed company is required to annex a secretarial audit report of its material subsidiary to its Annual report. The secretarial audit report of Iserveu, a material subsidiary is annexed herewith.

These reports do not contain any qualifications, reservations or adverse remarks or disclaimer.

24. RISK MANAGEMENT

The Board of Directors of the Company has a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The Committee also monitors the Enterprise Risk Management Policy of the Company which aims at risk identification, impact assessment, risk treatment, (avoidance, mitigation, transfer or acceptance) and lists the key risks applicable to the Company at entity level.

The Committee is responsible for monitoring and reviewing the risk management plan and ensuring its effectiveness. 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 Committee.

25. WHISTLE BLOWER POLICY/VIGIL MECHANISM

The Company has a Whistle Blower Policy and has established the necessary vigil mechanism for Directors and employees in conformation with Section 177(9) of the Act and Regulation 22 of SEBI Listing Regulations, for their directors or employees to report their genuine grievances. This policy is available on the Company's website at https://docs.niyogin.com/wp-content/uploads/2022/01/vigil-mechanism-policy.pdf.

26. PARTICULARS OF LOANS, GUARANTEES & INVESTMENTS

The Company, being an NBFC registered with the RBI and engaged in the business of giving loans in the ordinary course of business, is exempt from complying with the provisions of section 186 of the Act except sub-section (1) with respect to loans, guarantees and investments. Accordingly, the Company is exempted from complying with the requirements to disclose in the financial statements the full particulars of the loans given, investment made, guarantee given, or security provided.

27. RELATED PARTY TRANSACTIONS

All transactions with related parties that were entered into during the financial year were in the ordinary course of business and were on an arm's length basis. There were no materially significant transactions with promoters, Directors, key managerial personnel or other designated persons which may have a potential conflict with the interest of the Company at large. There were no contracts or arrangements entered into with related parties during the year to be disclosed under sections 188(1) and 134(h) of the Act in form AOC-2, hence the form AOC-2 does not form a part of this report. All proposed transactions with related parties were placed before the audit committee for prior approval. Omnibus approval for transactions that cannot be foreseen or envisaged were obtained as permitted under the applicable laws and the thresholds are periodically reviewed. The transactions entered into pursuant to the approval so granted were placed before the audit committee for its review on a quarterly basis. Pursuant to SEBI Listing Regulations, the resolution for seeking approval of the shareholders on material related party transactions was placed at the AGM.

The Company has not entered into any transactions with related parties as required under Indian Accounting Standard 24 (Ind AS 24) including transaction with promoter/promoter group holding 10% or more shareholding in the Company.

The policy on materiality of related party transactions and on dealing with related party transactions is available on the website of the Company at https://docs.niyogin.com/wp-content/uploads/2022/01/related-party-transaction-policy-1.pdf.

28. ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2024 is available on the Company's website at https://docs.niyogin.com/wp-content/uploads/2022/04/draft_annual-_return_2023_24.pdf.

29. PARTICULARS OF EMPLOYEES

The information under Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

a. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company and percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the financial year:

Name	Ratio to median remuneration	% increase in remuneration in the financial year
Non-Executive Directors:		
Amit Vijay Rajpal	-	-
Gaurav Makarand Patankar	-	-
Subhasri Sriram	-	-
Kapil Kapoor	-	-
Eric Wetlaufer	-	-
Ashby Monk	-	-
Executive Director:		
Tashwinder Harjap Singh	21	7
Chief Financial Officer:		
Abhishek Thakkar	9	0
Company Secretary:		
Neha Kshitij Daruka	4	10

b. The percentage increase in the median remuneration of employees in the financial year is 0.25%.

c. The number of permanent employees on the rolls of Company as on March 31, 2024 are 127.

d. Average percentile increase already made in the salaries of employees other than the managerial personnel in the FY 2024 was 4.89%. The average percentile increase in the managerial remuneration in the FY 2024 was 2.8%.

   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.

e. The Company affirms that the remuneration is as per the remuneration policy of the Company.

f. The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report.

   Further, the report and the accounts are being sent to the Members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection and any Member interested in obtaining a copy of the same may write to the Company Secretary.

30. BUSINESS RESPONSIBILITY REPORT

Regulation 34(2) of SEBI Listing Regulations, inter alia, provides that the annual report of the top 1000 listed entities based on market capitalization (calculated as on March 31 of every financial year) shall include a Business Responsibility Report. As on March 31, 2024, the Company is not amongst top 1000 listed entities, hence this is not applicable.

31. DEPOSITS FROM PUBLIC

Your Company being a 'Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company' has not accepted deposits during the year under review and shall not accept any deposits from the public without obtaining prior approval of the RBI.

32. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING & OUTGO

a. Conservation of Energy: The operations of the Company are not energy intensive.

b. Technology Absorption: The details pertaining to technology absorption have been explained in the Management Discussion and Analysis.

c. Foreign Exchange Earning: Nil

d. Foreign Exchange Outgo: ` 8.25 lakhs

33. 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. The detailed discussions and presentations on the sales, marketing, credit and operations of the Company, business plans, financials, risks and mitigation plans, compliances, major litigation, regulatory scenario etc. are facilitated by the Company's senior management. It remains the constant endeavor of the Company to continually update its Directors on the various developments, facilitate interaction with various functional and department heads of the Company and external experts.

The details of familiarisation programmes for the Directors are disclosed on the Company's website and the weblink for the same is https://docs.niyogin.com/wp-content/uploads/2022/01/niyogin_board_familiarisation_programme-1.pdf.

34. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm that:

(a) In the preparation of the annual accounts for the financial year ended March 31, 2024, the applicable accounting standards have been followed and there are no material departures;

(b) They 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 the Company at the end of the financial year and of the profit/loss of the Company for that period;

(c) They have taken proper and sufficient care 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) They have prepared the annual accounts on a going concern basis;

(e) They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

35. REQUIREMENT FOR MAINTENANCE OF COST RECORDS

The provision of section 148 of the Act relating to maintenance of cost records and cost audit are not applicable to the Company.

36. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS

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

37. EMPLOYEE STOCK OPTION SCHEME

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

The stock options granted to the employees operate under various schemes. There is no material change and the schemes are in compliance with Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (SEBI SBEB Regulations) and the Act. The certificate from secretarial auditor M/s. Mitesh J. Shah & Associates, Company Secretaries confirming implementation of the schemes in accordance with the SEBI SBEB Regulations is annexed elsewhere in the Annual Report. The Company has not issued any sweat equity shares or equity shares with differential voting rights during the FY 2024.

A statement giving detailed information on the options granted and vested as on March 31, 2024, is provided in Annexure to this report.

The details of the schemes including the terms of reference and the requirement specified under regulation 14 of SEBI SBEB Regulations are available on the Company's website at https://docs.niyogin.com/wp-content/uploads/2022/01/reg_14_of-sebi_sbeb_esop_disclosure_fy23_24.pdf.

38. OTHER STATUTORY DISCLOSURES

- The financial statements of the Company and its subsidiaries are placed on the Company's website at www.niyogin.com.
- The consolidated financial statement has been prepared in accordance with the Act and the relevant accounting standards and forms part of this Annual Report.
- The Cash Flow Statement for FY2024 is attached to the Balance Sheet which forms part of this Annual Report.
- The Company has completed all corporate actions within the specified time limits. The securities were not suspended from trading during the year due to corporate actions or otherwise.
- During the FY 2024, there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status of the Company and its future operations.
- During the year ended March 31, 2024, the Company had not made any application under the Insolvency and Bankruptcy Code, 2016 ("the Code"). No proceeding is pending against the company under the Code.
- During the year, the Company had not made any one-time settlement with banks or financial institutions.
- The Directors' responsibility statement as required by section 134(5) of the Act, appears in this report.
- Pursuant to the legislation 'The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013', the Company has a policy on Prevention of Sexual Harassment at Workplace and has constituted an Internal Complaints Committee. The policy is available on the Company's website. There was no case reported during the year under review. Following is the detailed presentation of the same:

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

  b) Number of complaints disposed of during the year: Nil

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

39. SECRETARIAL STANDARDS OF ICSI

The Company complied with all the provisions of secretarial standards issued by the Institute of Company Secretaries of India in respect of meetings of the Board of Directors and general meetings held during the year.

40. ACKNOWLEDGEMENT

The Directors places its gratitude and appreciation for the support and co-operation from its Members and various regulators.

The Directors appreciate and value the contribution made by every member of the Niyogin family.

For and on behalf of the Board of Directors

Amit Vijay Rajpal
Chairman
DIN: 07557866

London, August 9, 2024

Annexure to the Director's Report

(Pursuant to Rule 12 of Companies (Share Capital and Debentures) Rules, 2014)

Details of Employee Stock Option as on March 31, 2024

Sr. No	Particulars	Details		
		Plan 2018	**Plan 2019**	**Plan 2020**
1	Option Granted	9,12,500	0	8,59,854
2	Option Vested	3,58,230	0	9,45,840
3	Options Exercised	1,44,590	0	0
4	The total number of shares arising as a result of the exercise of an Option	1,44,590	0	0
5	Option Lapsed/ Cancelled	8,22,250	0	8,59,854
6	Exercise Price	₹ 29.40 up to ₹ 73.40	₹ 51.24	₹ 46.04 up to ₹ 64.05
7	Variation of terms of Options	Nil	Nil	Nil
8	Money realized by exercise of Options	27,76,404.50	0	0
9	Total number of Options in force	16,36,458	31,225	43,81,530
10	Employee-wise details of options granted during the financial year to			
	i. Key Managerial Personnel	**Name**: Neha Daruka **Designation**: Company Secretary **No. of options**: 25,000	0	**Name**: Tashwinder Harjap Singh **Designation**: MD & CEO **No. of options**: 8,59,854
	ii. any other employee who receives a grant of options in any one year of option amounting to 5% or more of options granted during that Year	Nil	Nil	Nil
	iii. Identified employees who were granted options during one year equal or exceeding 1% of the issued capital of the Company at the time of granting	Nil	Nil	Nil

Form No. MR-3

Secretarial Audit Report

For The financial year ended on March 31, 2024

[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, Tamil Nadu, India and its Corporate Office at Neelkanth Corporate IT Park, 311/312, 3rd Floor, Kirol Road, Vidyavihar (w), Mumbai-400086, Maharashtra, India (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, 2024** 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, 2024** 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;

   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)**

   j. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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) read with the Securities and Exchange Board of India (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 during the audit period, the Company had following specific events/actions having a major bearing on the Company's affairs:

i. 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 11, 2023	1,00,000
2.	NRC Meeting	August 09, 2023	9,680
3.	NRC Meeting *(through circular resolution)*	October 10, 2023	10,500
4.	NRC Meeting	November 09, 2023	10,685
5.	NRC Meeting	February 09, 2023	13,725

ii. Allotment of convertible warrants on a preferential basis:

The Board of Directors vide circular resolution dated August 23, 2024 have approved the allotment of 1,75,36,011 warrants, each convertible into, or exchangeable for, 1 fully paid-up equity share of the Company of face value of ₹ 10/- each ("Warrants") at a price of ₹ 45.62/- each including premium of ₹ 35.62/- each on preferential basis.

iii. Increase of Authorised Share Capital of the Company:

The Company at its extra ordinary general meeting held on August 02, 2023 has approved the increase of Authorised share capital of the Company from the existing ₹ 1,13,05,00,000 divided into 10,40,50,000 Equity Shares of ₹ 10/- each aggregating to ₹ 1,04,05,00,000/- and 90,00,000 Preference Shares of ₹ 10/- each aggregating to ₹ 9,00,00,000/- to ₹ 1,35,58,60,000/- divided into to 12,65,86,000 Equity Shares of ₹ 10/- each aggregating to ₹ 1,26,58,60,000/- and 90,00,000 Preference Shares of ₹ 10/- each aggregating to ₹ 9,00,00,000/-.

iv. Reporting of violation of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 by Designated Persons to Stock Exchange:

In few instances the Designated Persons under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 have violated the Code of Conduct against which the Compliance Officer of the Company has taken necessary action and informed the SEBI about the said violation as required under Schedule B Clause 13 of the said 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: F010070F000356196

Date: 14.05.2024
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.

vii. Due to the inherent limitations of an audit including internal, financial, and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with audit practices.

For Mitesh J. Shah & Associates
Company Secretaries

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

Date: 14.05.2024
Place: Mumbai

Form No. MR-3

Secretarial Audit Report

For the financial year ended March 31, 2024

[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, 2024**. 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, 2024, 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, 2024, 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;

(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. There were no changes in the composition of the Board of Directors during the period under review.

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 for meetings other than those held at shorter notice, 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 have 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 Uttam Baral, ACS
Partner
M No. 67653, CP No. 26090
PR No. 5377/2023
UDIN: A067653F000350540

Place: Bhubaneswar
Date: 10th May, 2024

(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 Uttam Baral, ACS
Partner
M No. 67653, CP No. 26090

Place: Bhubaneswar
Date: 10th May, 2024

Corporate Governance Report

1. OUR CORPORATE GOVERNANCE PHILOSOPHY:

Our corporate governance is a reflection of our value system, encompassing our culture, policies, and relationships with our stakeholders. Integrity and transparency are key to our corporate governance practices and performance, and ensure that we gain and retain the trust of our stakeholders at all times. Our corporate governance is a statement of the values we stand by as we conduct our business and engage with our stakeholders.

Our corporate governance is reinforced through the Company's Code of Conduct and Ethics, corporate governance guidelines and committee charters. Our Board and Management processes, audits and internal control systems reflect the principles of our corporate governance framework.

The Company is in compliance with the corporate governance requirements as per Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable. The Company has also put in place systems and procedures to comply with other applicable provisions including Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023.

The details of the board structure and the various committees that constitute the governance structure of the organization are covered in detail in this report.

2. BOARD OF DIRECTORS:

A. Board Composition:

As on March 31, 2024, the Company has seven Directors out of which six are Non-Executive Directors (including one woman director). The Company has four Independent Directors. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Sections 149 and 152 of the Companies Act, 2013 ("Act").

The role of the chairperson and the Chief Executive Officer are distinct and separate. There is no relationship between the Directors inter-se.

None of the Directors on the Board:

- holds directorships in more than ten public companies;
- serves as Director or as Independent Directors in more than seven listed entities; and
- who are the Executive Directors serve as Independent Directors in more than three listed entities.

Necessary disclosures regarding Committee positions in other public companies as on March 31, 2024, have been made by the Directors. None of the Directors are related to other Directors and the Key Managerial Personnel of the Company.

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.

None of the Independent Directors have any material pecuniary relationship or transactions with the Company. Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management. Further, the Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Brief profiles of the directors, and their directorships in other listed companies are set out elsewhere in the Annual Report.

B. Meetings of the Board:

Six Board Meetings were held during the year under review and the gap between the two meetings did not exceed one hundred and twenty days. The said meetings were held on: May 11, 2023, July 4, 2023, August 9, 2023, November 9, 2023, February 9, 2024 and March 23, 2024. The necessary quorum was present for all the meetings.

Name of the Director and DIN	Category	Number of meetings attended during FY 2024	Whether attended last AGM held on September 18, 2023	Total no. of other Director - Ships	Number of Membership in Audit/Stakeholders Relationship Committees		Directorship in other listed entity and category of Directorship
					Chairman	Member*	
Amit Vijay Rajpal 07557866	Non-Independent, Non-Executive	4	Yes	1	1	1	-
Gaurav Makarand Patankar 02640421	Non-Independent, Non-Executive	6	Yes	1	0	2	Shriram Asset Management Company Limited (N)
Tashwinder Harjap Singh 06572282	Non-Independent, Executive	6	Yes	5	1	0	1. Standard Industries Limited (I) 2. NRB Bearings Limited# (I)
Subhasri Sriram 01998599	Independent, Non-Executive	6	Yes	15	2	2	1. Shriram Asset Management Company Limited (N) 2. TVS Electronics Limited (I)
Kapil Kapoor 001789966	Independent, Non-Executive	6	Yes	3	0	3	Info Edge (India) Limited (N)
Eric Michael Wetlaufer 08347413	Independent, Non-Executive	6	Yes	-	0	1	-
Ashby Henry Benning Monk 09441825	Independent, Non-Executive	3	No	-	0	1	-

**Not including chairmanship*

#Tashwinder Harjap Singh shall cease to be an Independent Director of this Company with effect from August 10, 2024 upon completion of his term.

Category of directorship held:

(N) Non-Independent, Non-Executive Director, (I) Independent, Non-Executive Director, (ED) Executive Director

While considering the total number of directorships, their directorships in private companies, Section 8 companies, if any, have been included and their directorship in the Company has been excluded.

Video-conferencing facilities are also used to facilitate Directors travelling/residing abroad or at other locations to participate in the meetings.

During FY 2024, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.

During FY 2024, one meeting of the Independent Directors was held on August 9, 2023. The Independent Directors, inter alia, reviewed the performance of Non-Independent Directors, Board as a whole and Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors.

The Board periodically reviews the compliance reports of all laws applicable to the Company.

Details of equity shares of the Company held by the Directors as on March 31, 2024, are given below:

Name	Category	No. of equity shares of face value ₹ 10/- each
Amit Vijay Rajpal*	Non-Independent, Non-Executive	2,58,04,344
Tashwinder Harjap Singh	Non-Independent, Executive	2,49,704
Kapil Kapoor	Independent, Non-Executive	4,90,052

**In addition, the Company has also issued 43,84,000 convertible warrants during the FY 2024.*

The Board meets at least once a quarter to review the quarterly financial results and other items on the agenda. Additional meetings are held when necessary. Leave of absence was granted to the concerned directors who had requested leave of absence and 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.

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

The minutes of each board/committee 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 key managerial persons in respect of liabilities incurred as a result of their office.

C. Board Expertise and Attribute:

The Board of Directors are collectively responsible for selection of a member on the Board. In alignment with the SEBI Listing Regulations, the Board has meticulously identified the requisite skills, expertise, and competencies of its Directors. The Nomination and Remuneration Committee of the Company follows a defined criteria for identifying, screening, recruiting and recommending candidates for election as a Director on the Board. These span across parameters such as industry experience, technical/ strategic competencies, behavioural and personal attributes and other skills.

The Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company which are currently available with the Board:

Leadership Expertise	Expertise in leading well governed organisations, with an understanding of organisational systems and processes, complex business and strategic planning.
Financial Expertise and Risk Management	Leadership experience in financial & risk management of organisations with an understanding of accounting & financial statements and leading growth through acquisitions/other business combinations.
Crafting Business Strategies	Experience in developing long-term strategies in diverse business environments and changing economic conditions to ensure a consistent growth in business in a manner that is profitable, competitive and sustainable.
Corporate Governance and Legal framework	Possess relevant skills in providing the Board an oversight on all dimensions of business, guiding towards maintaining high Corporate Governance standards with an understanding of ever evolving legal & regulatory environment.
People & Talent Development	Experience of providing guidance towards talent development and succession planning, ensuring the Company has a strong, diverse and high performing talentpool now and in the future.
Information Technology& Cyber Security	Understanding the use of Digital/Information Technology, Artificial Intelligence along with other future technologies, ability to anticipate technological driven changes & disruption, and appreciation of the need of Cyber Security, controls & Data Governance across the organisation.

Sr. No.	Name of the Directors	Leadership Expertise	Financial Expertise and Risk Management	Crafting Business Strategies	Corporate Governance and Legal framework	People & Talent Development	Information Technology & cyber security
1	Amit Vijay Rajpal	✓	✓	✓	✓	✓	✓
2	Gaurav Makarand Patankar	✓	✓	✓	✓	✓	✓
3	Tashwinder Harjap Singh	✓	✓	✓	✓	✓	✓
4	Subhasri Sriram	✓	✓	✓	✓	✓	✓
5	Kapil Kapoor	✓	✓	✓	✓	✓	-
6	Eric Michael Wetlaufer	✓	✓	✓	-	✓	-
7	Ashby Henry Benning Monk	✓	✓	-	-	-	✓

3. COMMITTEES OF THE BOARD:

There are five Board Committees as on March 31, 2024, details of which are as follows:

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.

A. Audit Committee ("AC"):

Committee is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations and Section 177 of the Act.

Five meetings of the AC were held during the year under review and the gap between two meetings did not exceed one hundred and twenty days.

Subhasri Sriram being the chairperson of the Committee was present at the previous Annual General Meeting ("AGM") to answer shareholder queries. The statutory auditors and secretarial auditors of the Company were also present at said AGM to answer shareholder queries.

Category and composition:

Name	Category
Subhasri Sriram (Chairperson)	Independent, Non-Executive
Kapil Kapoor	Independent, Non-Executive
Eric Michael Wetlaufer	Independent, Non-Executive
Amit Vijay Rajpal	Non-Independent, Non-Executive

The Company Secretary acts as the Secretary to the Audit Committee. The Statutory Auditor and the Chief Financial Officer of the Company also attend and participate in the meetings of the Audit Committee.

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

The terms of reference of the Committee, inter alia, includes:

- oversight of financial reporting process.
- reviewing with the management the annual financial statements and auditor's report thereon before submission to the Board for approval.
- periodical review of the internal audit reports.
- reviewing, with the management, the statement of uses application of funds raised through an issue.
- recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- evaluation of internal financial controls and risk management systems.
- approval or any subsequent modification of transactions of the Company with related parties.
- to review the functioning of the whistle blower mechanism.
- to review the financial performance of the unlisted subsidiaries of the Company.

B. Nomination and Remuneration Committee ("NRC"):

Committee is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations and Section 178 of the Act.

Four meetings of the NRC were held during the year under review.

The previous AGM of the Company was attended by Kapil Kapoor, Chairman of the NRC.

Category and composition:

Name	Category
Kapil Kapoor (Chairman)	Independent, Non-Executive
Subhasri Sriram	Independent, Non-Executive
Gaurav Makarand Patankar	Non-Independent, Non-Executive

The terms of reference of the committee, inter alia, includes:

- Recommend to the Board the appointment/ re-appointment of Directors and Key Managerial Personnel.
- Formulation of criteria for evaluation of performance of independent directors and the Board of Directors.
- recommend to the board, all remuneration, in whatever form, payable to senior management.
- Support the Board and Independent Directors in evaluation of the performance of the Board, its Committees and Individual Directors.

During FY 2024, the Board had accepted all recommendations of the Committee. The Committee acts as a Compensation Committee for administration of the Company's employee stock options schemes.

Performance Evaluation:

Pursuant to the provisions of the Act and the 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 structured questionnaire was prepared after taking into consideration inputs received from the Directors.

An indicative list of factors on which evaluation was carried out includes participation and contribution by a director, interpersonal relations, leadership initiative and quality of decision making.

Remuneration of Directors:

(i) Pecuniary relationship/transactions with Non-Executive Directors

During FY 2024, 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.

(ii) Compensation to Non-Executive Directors

a. The Non-Executive Independent Directors are compensated by way of sitting fees for each meeting of the Board and Committee attended by them, of such sum as approved by the Board of Directors within the overall limits prescribed under the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and reimbursement of expenses for participation in the meetings. The Company has approved payment of ₹ 50,000/- for each Board Meeting and ₹ 25,000/- for each Committee Meeting attended by the Non-Executive Independent Directors.

Details of sitting fees paid for attending Board and Committee Meetings during the FY 2024 are given below:

Name	Sitting Fees		
	Board Meetings (₹)	Committee Meetings (₹)	Total Amount (₹)
Subhasri Sriram	3,00,000	3,50,000	6,50,000
Kapil Kapoor	3,00,000	2,75,000	5,75,000
Eric Micheal Wetlaufer	3,00,000	2,50,000	5,50,000
Dr. Ashby Henry Benning Monk	1,50,000	1,25,000	2,75,000
Total	**10,50,000**	**10,00,000**	**20,50,000**

b. Non-Executive and Non-Independent Director compensation

Amit Vijay Rajpal, Chairman and Gaurav Makarand Patankar, voluntarily chose not to receive any remuneration for their services rendered to the Company. The Company reimburses the expenses for participation in the meetings.

(iii) Compensation to the Executive Director

The appointment and remuneration of Executive Director is governed by the recommendation of the NRC, resolutions passed by the Board of Directors and shareholders of the Company.

The remuneration of the Executive Director comprises of salary, perquisites, allowance and contributions to provident fund, medical expenses, other retirement benefits and stock options as approved by the NRC. Board and shareholders at the General Meetings, as maybe required.

The NRC shall also take into consideration the comparative compensation in the industry, age, experience, qualifications and targets while recommending the appointment and remuneration.

Details of remuneration paid to the Executive Director during the FY 2024:

Particulars	Tashwinder Harjap Singh
	Amount (in ₹)
Gross Remuneration	1,13,19,744
Bonus	30,00,000
Perquisites	-
Commission	-
Provident Fund	8,78,256
Net Salary	1,51,98,000
#Number of Stock options granted under the applicable ESOP Schemes as on March 31, 2024	43,81,530

The above remuneration is exclusive of fair value of options granted as per Black Scholes model in the year of vesting.

#Stock Option details:

Date	No. of stock options	Granted/ Cancelled	Exercise Price per share (₹)	Vesting Period	Exercise Period
11-11-2020	34,39,416	Granted	64.05	Over a period of 5 years as per the vesting schedule	5 years from the date of respective vesting of options
14-05-2022	9,42,114	Granted	50.45	March 31, 2025	
11-05-2023	8,59,854	Cancelled	-	-	
11-05-2023	8,59,854	Granted	46.04	May 30, 2024	
Total	**43,81,530***				

**8,59,854 stock options granted on November 11, 2022 were cancelled and re-issued at an exercise price of ₹ 46.04/- by the NRC.*

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.

The NRC Policy of the Company is available on our website.

Weblink: https://docs.niyogin.com/wp-content/uploads/2022/01/nomination-remuneration-policy.pdf

C. Stakeholders' Relationship Committee ("SRC"):

Committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations and Section 178 of the Act.

One meeting of the SRC was held during the year under review.

The previous AGM of the Company was attended by Amit Vijay Rajpal, Chairman of the SRC.

Category and composition:

Name	Category
Amit Vijay Rajpal (Chairman	Non-Independent, Non-Executive
Kapil Kapoor	Independent, Non-Executive
Gaurav Makarand Patankar	Non-Independent, Non-Executive
Ashby Henry Benning Monk	Independent, Non-Executive

The terms of reference of the committee, inter alia, includes:

- Review mechanisms adopted by the Company for redressal of the grievances of security holders.
- overseeing and monitoring activities undertaken by Link Intime India Private Limited.
- 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 2024.

Name, Designation and Address of Investor Grievance Redressal Officer:

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

Name, Designation and Address of Compliance Officer:

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

Online Dispute Resolution Mechanism: In order to streamline the dispute resolution mechanism in the securities market, SEBI vide its circular dated July 31, 2023, as amended from time to time, read with master circular no. SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/195 dated December 28, 2023, introduced a common Online Dispute Resolution ('ODR') mechanism which harnesses online conciliation and arbitration for resolution of all kinds of disputes relating to securities market.

Under ODR mechanism, an investor shall first take up his/her/their grievance by lodging a complaint directly with the concerned Market Participant viz., Company. If the grievance is not redressed satisfactorily at the first phase, the investor may escalate the same through the SCORES Portal at www.scores.gov.in in accordance with the process laid out therein. ODR Mechanism provides a third level of escalation, if the investor is not satisfied with the resolution provided by the Company, the investor may initiate the dispute through the ODR portal within the timeframe prescribed under the circular. The ODR portal can be accessed at https://smartodr.in/login.

D. Risk Management Committee (“RMC”):

Committee is constituted in line with the provisions of Regulation 21 of SEBI Listing Regulations.

Four meetings of the RMC were held during the year under review.

Category and composition:

Name	Category
Eric Micheal Wetlaufer	Independent, Non-Executive
Gaurav Makarand Patankar	Non-Independent, Non-Executive
Subhasri Sriram	Independent, Non-Executive
Ashby Henry Benning Monk	Independent, Non-Executive

The terms of reference of the committee, inter alia, includes:

- Formulation of Enterprise Risk Management Policy and oversee implementation of the policy.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
- Appointment/Removal of the Chief Risk Officer.

E. Corporate Social Responsibility (“CSR”) Committee:

Committee is constituted in line with the provisions of Section 135 of the Act. As per the provisions of Section 135 of the Act, your Company is not required to contribute funds for CSR yet. Hence, the Company did not have any meeting 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 terms of reference of the committee, inter alia, includes:

- Oversee the requirement of the contribution of CSR funds.
- Recommend the amount of expenditure to be incurred on the CSR activities to the Board, from time to time.

Number of committee meetings held and attendance records:

Name of the Committee	Audit Committee	Nomination and Remuneration Committee	Stakeholders’ Relationship Committee	Risk Management Committee	Corporate Social Responsibility Committee
No. of meetings held	5	4	1	4	-
Date of meetings	May 11, 2023, July 4, 2023, August 9, 2023, November 9, 2023 and February 9, 2024	May 11, 2023, August 9, 2023, November 9, 2023 and February 9, 2024	May 11, 2023	May 11, 2023, August 9, 2023, November 9, 2023 and February 9, 2024	No meeting was required to be held during the year
No. of meetings attended					
Name of member					
Amit Vijay Rajpal	4	-	1	-	
Gaurav Makarand Patankar	-	4	1	4	
Tashwinder Harjap Singh	-	-	-	-	
Subhasri Sriram	5	4	-	4	
Kapil Kapoor	5	4	1	-	
Eric Michael Wetlaufer	5	-	-	4	
Ashby Henry Benning Monk	-	-	1	3	
Whether quorum was present for all the meetings	The necessary quorum was present for all the above committee meetings				

F. Other Committees:

Pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 and other applicable rules, laws of RBI **("RBI Directions")**, the Company also has in place the mandatory committees apart from others, as under:

(i) Asset Liability Management **("ALM")** Committee;

(ii) Investment Committee.

The minutes of the aforesaid committee meetings are circulated to the Board for their reference.

4. PARTICULARS OF SENIOR MANAGEMENT:

The particulars of senior management as per Regulation 16(1) (d) of the SEBI Listing Regulations including the changes during the FY 2024 are as follows:

Name of Senior Management Personnel	Designation
Tashwinder Singh	Managing Director & Chief Executive Officer
Abhishek Thakkar	Chief Financial Officer
Noorallah Charania	Chief Operating Officer
Neha Daruka	Company Secretary & Compliance Officer
Trivenika Avasthi	Investor Relations Officer
Hitesh Jain	Chief Risk Officer
Sonal Patni	Chief Technology Officer
Prabal Goel	Chief Compliance Officer – Business & Legal
Devanand Chaudhary	Head – Sales
Ronak Shah	Chief Audit Officer (Internal Auditor)
Salima Charania	Head – Marketing

Changes during FY 2024:

- *Hitesh Jain was appointed as the Chief Risk Officer of the Company with effect from September 9, 2023.*
- *Ronak Shah was re-designated as the Chief Audit Officer (Internal Auditor) with effect from August 9, 2023.*
- *Prabal Goel was re-designated as the Chief Compliance Officer – Business & Legal with effect from August 9, 2023.*
- *Pankaj Chaudhary resigned as the Chief Business Officer with effect closure of business hours on December 31, 2023.*

5. GENERAL BODY MEETINGS:

(i) General Meeting:

a. Annual General Meeting ("AGM"):

Financial Year	Date and Time of Meeting	Time	Location
2022-23	September 14, 2023	4:00 p.m. IST	Meeting conducted through video conferencing ("VC")/Other Audio-Visual Means ("OAVM") pursuant to MCA Circular(s)
2021-22	September 14, 2022	4:00 p.m. IST	
2020-21	September 17, 2021	4:30 p.m. IST	

b. Extraordinary General Meeting:

No extraordinary general meeting of the members was held during FY 2024.

c. Special Resolution:

Special resolution for the following matters was passed in the AGM held in 2021:

- Appointment of Mr. Noorallah Charania (DIN: 08812239) as a Whole-Time Director of the Company.
- To re-appoint Mr. Kapil Kapoor (DIN: 00178966) as an Independent Director of the Company.

No special resolution was passed in the AGMs held in 2022 and 2023.

(ii) Details of special resolution passed through postal ballot: No special resolution was passed through postal ballot during the year under review.

The following special resolution requiring a Postal Ballot is proposed to be passed at the ensuing AGM of the Company:

Approval of Investment(s), Loans, Guarantee and Security under Section 186 of the Companies Act, 2013.

6. A certificate has been received from M/s. Mitesh J. Shah & Associates, Practising Company Secretary, that none of the directors on the Board of the Company 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 other statutory authority. This certificate forms part of the Annual Report.

7. M/s. Pijush Gupta & Co., Chartered Accountants (Firm Registration No.: 309015E) has been appointed as the Statutory Auditors of the Company. The particulars of payment of Statutory Auditors' fees, on consolidated basis for FY 2024 is given below:

Payment of Statutory Auditor's fees:

Particulars	(` in Lakhs)
Services as statutory auditors (including quarterly audits)	11.78
Tax audit	6.00
Services for tax matters	2.00
Other matters	3.50
Reimbursement of out-of-pocket expenses	2.70
Total	**25.98**

8. 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. No such conflict of interest was reported during FY 2024.

9. Further, in accordance with regulation 26(6) of SEBI Listing Regulations, no employee, including key managerial personnel or director or promoter of a listed entity, shall enter into any agreement for himself or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit-sharing in connection with dealings in the securities of the Company, without prior approval from the Board as well as from shareholders by way of an ordinary resolution. No such instances were reported during FY 2024.

10. OTHER INFORMATION:

(a) Related party transactions ("RPT"):

During the year, all RPTs entered by the Company were in the ordinary course of business and in respect of transactions with related parties under Section 2(76) of the Act are at arm's length basis and were approved by the members of Audit Committee including Independent Directors.

The Company had sought the approval of shareholders at the 35th AGM held on September 14, 2023 for material RPT as per Regulation 23 of SEBI Listing Regulations. There have been no materially significant related party transactions that may have potential conflict with the interests of listed entity at large as provided in the Related Party Transactions Policy of the Company.

Disclosures on transactions with related parties as required under Ind (AS) - 24 have been incorporated in the Notes to Financial Statements. Further, the disclosures relating to related party transactions are filed with the stock exchange on a half-yearly basis.

Weblink for the Related Party Transactions Policy: https://docs.niyogin.com/wp-content/uploads/2022/01/related-party-transaction-policy-1.pdf.

(b) Details of non-compliance by the Company, penalty, strictures imposed on the Company by the stock exchange or Securities and Exchange Board of India or any statutory authority on any matter related to capital markets during the last three financial years: Nil

(c) Whistle Blower Policy and Vigil Mechanism:

The Company has this Policy and has established the necessary vigil mechanism for directors and employees to report concerns about unethical behaviour. No person has been denied access to the Chairman of the Audit Committee. The said policy has been uploaded on the website of the Company.

Weblink: https://docs.niyogin.com/wp-content/uploads/2022/01/vigil-mechanism-policy.pdf

Other key policies can be accessed on our website at www.niyogin.com

(d) Discretionary requirements as mentioned in Schedule II Part E of the SEBI Listing Regulations:

Non-Executive Chairman's Office:

The Chairman of the Company is Non-Executive.

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 electronically to all the shareholders who have registered their email id with the Registrar and Share Transfer Agent of the Company.

Modified opinion(s) in audit report:

The auditor's report on financial statements of the Company are unmodified.

Separate post for Chairman & CEO:

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

Reporting of internal auditor:

The Chief Audit Officer (Internal Auditor) reports directly to the Audit Committee.

(e) 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.

(f) Subsidiary Companies:

i. The Company has three subsidiaries as on March 31, 2024 viz. Investdirect Capital Services Private Limited, Moneymap Investment Advisors Private Limited and Iserveu Technology Private Limited.

The Audit Committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary companies. The minutes of the Board meetings along with a statement of significant transactions and arrangements of the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company.

ii. Details of material subsidiary of the Company:

The Company has one material subsidiary viz. Iserveu Technology Private Limited (Iserveu).

Sr. No.	Particulars	Information
1	Date of incorporation	September 27, 2016
2	Place of incorporation	Bhubaneswar, Odisha
3	Registered office	Plot No. E-12, SRB Tower, 11th Floor Infocity Area Chandaka I E, Khordha, Bhubaneswar, Orissa - 751024
4	Name of the statutory auditor	M/s Rawat & Associates, Chartered Accountants (FRN: 134109W)
5	Date of appointment	May 10, 2022
6	Period of appointment	Five years

(g) The Company has a policy for determining 'material subsidiaries' which is disclosed on its website.

Weblink: https://docs.niyogin.com/wp-content/uploads/2022/01/material-subsidiary-policy.pdf

(h) Weblink for Policy on Determination of Materiality for Disclosures: https://docs.niyogin.com/wp-content/uploads/2022/01/policy-on-determination-of-materiality-of-events-v3.pdf

(i) Weblink for Policy on Archival and Preservation of Documents: https://docs.niyogin.com/wp-content/uploads/2022/01/policy-on-preservation-of-documents.pdf

(j) A 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 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.

(k) Details of utilization of funds raised through preferential allotment or qualified institutions placement pursuant to Regulation 32(7A) of SEBI Listing Regulations:

During the year under review, the Company raised funds through issue of 1,75,36,011 (One Crore Seventy Five Lakhs Thirty Six Thousand and Eleven only) convertible warrants on a preferential basis against the receipt of warrant subscription price i.e. 25% of the issue price (i.e. ₹ 11.405 per warrant) from the allottees to the Promoter/Promoter Group of the Company and certain identified non-promoter persons/entities in accordance with the SEBI (Issue of Capital Disclosure Requirements) Regulations, 2018 and the Act. Further, during FY 2024, 6,57,600 (Six Lakhs Fifty Seven Thousand Six Hundred) warrants were converted into equity shares upon payment of ₹ 34.215/- per warrant (being 75% of the issue price per warrant) from the one of the allottee (s).

The funds raised was utilized for the purposes for which they were raised and there has been no deviation or variation in the utilization of the funds.

(l) In terms of the amendments made to the SEBI Listing Regulations, the Board of Directors confirms that during the year, it has accepted all recommendations received from its mandatory committees.

(m) Code of Conduct:

The members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them during the year ended March 31, 2024. A declaration to this effect signed by the Managing Director and Chief Executive Officer forms part of this Annual Report.

Weblink: https://docs.niyogin.com/wp-content/uploads/2022/01/code-of-conduct-for-management-and-senior-employees.pdf

(n) Terms and conditions of appointment/re-appointment of Independent Directors are available on the Company's website.

Weblink: terms-and-conditions-of-appointment-of-id.pdf (niyogin.com)

(o) Familiarization Program:

Details of familiarization program imparted to Independent Directors are available on the Company's website.

Weblink: niyogin_board_familiarisation_programme.pdf

(p) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

i.	Number of complaints filed during the financial year	Nil
ii.	Number of complaints disposed of during the financial year	Nil
iii.	Number of complaints pending as on end of the financial year	Nil

(q) Disclosure of certain type of agreements binding listed entities pursuant to Regulation 30A of SEBI Listing Regulations:

There are no agreements impacting management or control of the Company or imposing any restriction or creating any liability upon the Company.

(r) During FY 2024, the Company and its subsidiaries has not provided any 'Loans and advances' in which directors are interested within the meaning of provisions of Section 184 of the Act.

(s) 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 for the period ended March 31, 2024.

(t) The Company has in place a Risk Management Policy, commensurate with its size of operations, which lays down a process for identification and mitigation of risks that could materially impact its performance. The Risk Management Committee reviews the risk management and mitigation plan from time to time.

(u) 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.

(v) The Company has followed the relevant Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015 while preparing Financial Statements.

(w) Compliances regarding Insider Trading:

In compliance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("SEBI PIT Regulations") and to preserve the confidentiality and prevent misuse of unpublished price sensitive information, the Company has formulated a Code of Practices and procedure for fair disclosure of unpublished price sensitive information. It allows the formulation of a trading plan subject to certain conditions and requires pre-clearance for dealing in the Company's shares. It also prohibits trading of Company's shares by the Directors, Designated Employees and Connected Persons while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

Due reporting has been made, wherever required, in case of violation of the SEBI PIT Regulations and appropriate actions have been taken in this regard. The Audit Committee had reviewed the compliance in terms of regulation 9A(4) of SEBI PIT Regulations and confirmed that the systems for internal control with respect to Insider Trading Regulations are adequate and are operating efficiently.

11. MEANS OF COMMUNICATION:

The quarterly, half-yearly and annual financial results of the Company are published in leading newspapers in India which include, Financial Express and Makkal Kural. The results are also displayed on the Company's website www.niyogin.com.

The Company also issues press releases from time to time. Financial Results, Statutory Notices, Press Releases and Presentations made to the institutional investors/analysts after the declaration of the quarterly, half-yearly and annual results are submitted to the BSE Limited ("BSE") as well as uploaded on the Company's website.

12. GENERAL SHAREHOLDER INFORMATION:

a. Annual General Meeting ("AGM") for FY 2024:

Date	:	September 18, 2024
Time	:	4:00 p.m. (IST)
Venue	:	Meeting is being conducted through VC/OAVM pursuant to the MCA General Circulars dated May 5, 2020, read with general circulars dated April 8, 2020, April 13, 2020, the latest being September 25, 2023. For details, please refer to the Notice of this AGM.

As required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard 2 on General Meetings, particulars of Director seeking re-appointment at this AGM are given in the Annexure to the Notice of this AGM.

b. Financial Calendar:

Year ending	:	March 31
AGM in	:	September

c. 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.

d. Date of Book Closure/Record Date:

As mentioned in the Notice of this AGM

e. Listing on Stock Exchange:

BSE Limited
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai 400 001

f. Stock Code: 538772

g. Annual Listing fees:

The Company confirms payment of the Annual listing fees to BSE Limited.

h. Corporate Identity Number (CIN) of the Company:

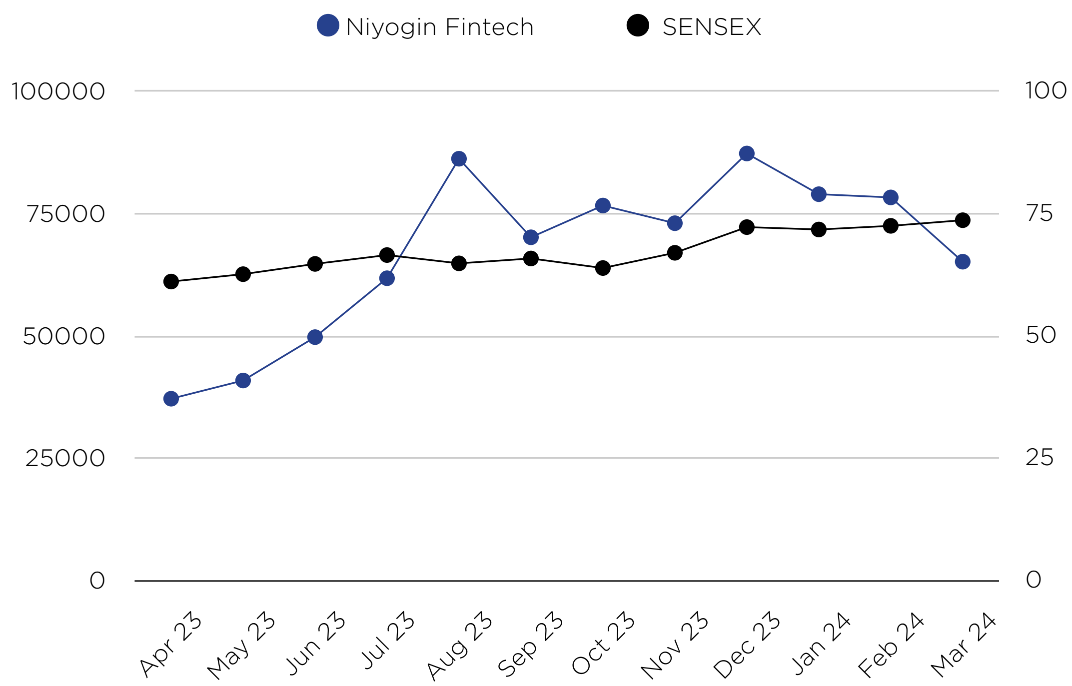
L65910TN1988PLC131102

i. Market Price Data - BSE:

Monthly highs and lows of equity shares of Niyogin Fintech Limited during FY 2024:

Month	High (in ₹)	Low (in ₹)	Niyogin - BSE Closing Price (in ₹)	BSE Sensex Closing
Apr-23	39.3	29	37.16	61112.44
May-23	50	37.5	40.88	62622.24
Jun-23	49.75	40	49.75	64718.56
Jul-23	66.64	52.23	61.79	66527.67
Aug-23	94	61	86.22	64831.41
Sep-23	87.1	67.2	70.16	65828.41
Oct-23	79.98	67.05	76.65	63874.93
Nov-23	79	70.5	73.04	66988.44
Dec-23	91.25	64.8	87.29	72240.26
Jan-24	97.99	78.1	78.97	71752.11
Feb-24	88	71.66	78.31	72500.3
Mar-24	81.98	60.10	65.17	73651.35

j. Stock performance in comparison to BSE SENSEX:



k. Registrars and Share Transfer Agents:

Name and address	:	Link Intime India Private Limited C 101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai – 400083. Toll free number: 1800 2208 78 Email: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in

Documents will be accepted at the above address between 10.00 a.m. and 5.00 p.m. (Monday to Friday except bank holidays).

Link Intime India Private Limited has developed and launched an Investor Self-Service Portal – SWAYAM:
'SWAYAM' is a secure, user-friendly web-based application that empowers shareholders to effortlessly access various services. We request you to get registered and have first-hand experience of the portal. The portal can be accessed at https://swayam.linkintime.co.in/

l. The securities of the Company were not suspended from trading anytime during FY 2024.

m. Share Transfer System:

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.

Pursuant to SEBI Circular dated January 25, 2022, the listed companies shall issue the securities in dematerialized form only, for processing any service requests from shareholders viz., issue of duplicate share certificates, endorsement, transmission, transposition, etc. After processing the service request, a letter of confirmation will be issued to the shareholders and shall be valid for a period of 120 days, within which the shareholder shall make a request to the Depository Participant for dematerializing those shares. If the shareholders fail to submit the dematerialisation request within 120 days, then the Company shall credit those shares in the Suspense Escrow Demat account held by the Company. Shareholders can claim these shares transferred to Suspense Escrow Demat account on submission of necessary documentation.

n. Shareholding as on March 31, 2024*:

(i) Distribution of equity shareholding:

Serial#	Shares range			Number of shareholders	% of Total shareholders	Total shares for the range	% of issued capital
1	1	to	500	5577	66.8064	808659	0.8559
2	501	to	1000	1033	12.3742	865071	0.9156
3	1001	to	2000	680	8.1457	1065109	1.1273
4	2001	to	3000	290	3.4739	759687	0.8040
5	3001	to	4000	123	1.4734	441073	0.4668
6	4001	to	5000	148	1.7729	719252	0.7612
7	5001	to	10000	239	2.8630	1831461	1.9384
8	10001	to	**********	258	3.0906	87993603	93.1308
Total				**8348**	**100.00**	**94483915**	**100.00**

(ii) Category of equity shareholding:

Category	Total Securities	Total Holders	% Issued Capital
Promoter (Individual)	7267955	2	7.6923
Other Bodies Corporate	3854644	73	4.0797
Foreign Company	7979125	1	8.445
Foreign Promoters	25804344	1	27.3108
Hindu Undivided Family	817382	266	0.8651
Non-Resident Indians	267982	65	0.2836
Non-Resident (Non Repatriable)	3538229	58	3.7448
Public	28237065	7860	29.8856
Foreign Portfolio Investors (Corporate)	15497776	6	16.4026

(ii) Category of equity shareholding: (Contd.)

Category	Total Securities	Total Holders	% Issued Capital
Body Corporate - Ltd Liability Partnership	219413	15	0.2322
Alternate Investment Funds	1000000	1	1.0584
TOTAL	**94483915**	**8348**	**100.00**

*This excludes 6,57,600 equity shares allotted by the Board on March 13, 2024 which received trading approval from BSE on May 09, 2024.

o. Dematerialization of shares and liquidity:

The Company's shares are compulsorily traded in dematerialized form on BSE. Equity shares of the Company representing 99.94 percent of the Company's equity share capital are dematerialized as on March 31, 2024. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE480D01010.

p. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:

Outstanding convertible instruments as on March 31, 2024: 1,68,78,411 convertible warrants.

q. Commodity price risk or foreign exchange risk and hedging activities:

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Master Circular dated July 11, 2023 is not required to be given.

r. Equity shares in the suspense account:

In accordance with the requirement of Regulation 34(3) and Part F of Schedule V to the SEBI Listing Regulations, details of equity shares in the suspense account are as follows:

Particulars	Details
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	Nil
Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	Nil
Number of shareholders to whom shares were transferred from suspense account during the year	Nil
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	Nil
That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares	Not applicable

s. Address for correspondence:

Niyogin Fintech Limited

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

Telephone: 022- 62514646

Designated e-mail address for Investor Services: investorrelations@niyogin.in

Website: www.niyogin.com

t. The credit rating on outstanding for the debt instruments/facilities of the Company was assigned on October 18, 2023 as under:

Rating agency	Rating	Outlook
CRISIL	BBB-	Stable

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, 2024.

Tashwinder Singh
MD & CEO
PAN: AGPPS8049C

Place: Mumbai
Date: May 06, 2024

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, 2024 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 14, 2024

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, 2024 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	**Abhishek Thakkar**
MD & CEO	**Chief Financial Officer**
PAN: AGPPS8049C	**PAN: AFOPT4169A**

Place: Mumbai
Date: May 14, 2024

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, 2024**, 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 J. Shah
Proprietor
FCS No. 10070
C. P. No. 12891
Peer Review Certificate No. 1730/2022
UDIN: F010070F000889564

Date: 09 August, 2024
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,
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 its 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, 2024 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: F010070F000356341

Date: 14.05.2024
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 August 09, 2023 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 2023-24.

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 J. Shah
Proprietor
FCS No. 10070
C. P. No. 12891
Peer Review Certificate No. 1730/2022
UDIN: F010070F000356372

Date: 14.05.2024
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

i. 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.

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

Disclaimer

i. 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: 14.05.2024
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 March 31, 2024, 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 March 31, 2024, 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 2024 – ₹ 124.49 Lakhs Total ECL Provision as at March 31, 2024 – ₹ 822.91 Lakhs (including management overlay of ₹ 82.68 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
Impairment loss on loans is provided for using Expected Credit Loss (ECL) model under Ind AS. This involves a high degree of estimation uncertainty. Significant management judgement is required application of measurement principles in following areas: • Defining of thresholds for significant increase in credit risk and default • Selection and input of various qualitative and quantitative factors	Our audit approach was a combination of test of internal controls and substantive procedures. 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.

Key Audit Matter	How the key audit matter was addressed in our audit
• 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 forward looking 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. As at 31 March 2024, the gross carrying value of loans assets of ₹ 14,681.93 lakhs constituted 39% of the total assets of the Company. 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.	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 the 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 the 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 and determine the actions under the applicable laws and regulations.

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 scepticism 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 March 31, 2024 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2024 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.

vi. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account for the financial year ended 31st March 2024, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. During the course of our audit, we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31 March 2024.

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

Sangeeta Gupta
Partner
Membership Number
UDIN: 24064225BKFQPQ8078
Mumbai
May 14, 2024

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF NIYOGIN FINTECH LIMITED FOR THE YEAR ENDED MARCH 31, 2024

[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 2024 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 48 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 been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate during the year from banks on the basis of security of fixed deposit but the company is not required to file quarterly returns or statements with such banks.

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 the RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, more particularly the Prudential 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 the 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, and 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 2024 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 March 31, 2024 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 defaulted in repayment of loans and borrowings or in the payment of interest thereon to any lender.

(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 term loans availed by the Company were applied for the purposes for which the loans were obtained.

(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 raised funds on short-term basis but has not utilised it for long term purposes.

(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 on pledge of securities held in its subsidiaries. The Company does not have any associates and joint ventures.

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) 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, the company had received one whistle blower complaint during the year, which was duly taken on record, and due to lack of evidence, the said complaint was treated as immaterial and no action was required to be taken.

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. 36 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-NSI) Company.

(b) In our opinion, and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration 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 incurred cash loss amounting to ₹ 244.08 lakhs in the current financial year and ₹ 40.02 lakhs in the 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 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
UDIN: 24064225BKFQPQ8078
Mumbai
May 14, 2024

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF NIYOGIN FINTECH LIMITED FOR THE YEAR ENDED 31ST MARCH 2024

[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 March 31, 2024 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 March 31, 2024, 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
UDIN: 24064225BKFQPQ8078
Mumbai
May 14, 2024

Standalone Balance Sheet

As at 31 March 2024

(₹ in Lakhs)

	Particulars	Note	As at 31 March 2024	As at 31 March 2023
ASSETS				
1	**Financial assets**			
	(a) Cash and cash equivalents	4	5,370.84	5,577.17
	(b) Bank balance other than cash and cash equivalents above	5	1,051.98	54.08
	(c) Receivables	6		
	(i) Trade receivables		39.31	30.89
	(ii) Other receivables		1,144.72	782.30
	(d) Loans	7	13,859.02	7,380.11
	(e) Investments	8	14,700.65	15,073.51
	(f) Other financial assets	9	284.94	90.91
	Total financial assets		**36,451.46**	**28,988.97**
2	**Non-financial Assets**			
	(a) Current tax assets	10	58.05	229.73
	(b) Right of use asset		311.98	9.12
	(c) Property, plant and equipment	11	47.87	43.55
	(d) Intangible assets	11	-	0.49
	(e) Other non-financial assets	12	434.64	412.91
	Total non-financial assets		**852.54**	**695.80**
TOTAL ASSETS			**37,304.00**	**29,684.77**
LIABILITIES AND EQUITY				
LIABILITIES				
1	**Financial liabilities**			
	(a) Payables			
	(I) Trade payables	13		
	i) total outstanding dues of micro enterprises and small enterprises		377.49	280.05
	ii) total outstanding dues of creditors other than micro enterprises and small enterprises		254.32	59.06
	(b) Borrowings (other than debt securities)	14	4,498.20	-
	(c) Other financial liabilities	15	768.26	171.60
	Total financial liabilities		**5,898.27**	**510.71**
2	**Non-financial liabilities**			
	(a) Provisions	16	830.25	414.84
	(b) Other non-financial liabilities	17	64.06	41.09
	Total non-financial liabilities		**894.31**	**455.93**
3	**EQUITY**			
	(a) Equity share capital	18	9,514.15	9,433.93
	(b) Other equity	19	20,997.27	19,284.20
	Total equity		**30,511.42**	**28,718.13**
TOTAL LIABILITIES AND EQUITY			**37,304.00**	**29,684.77**

Material Accounting Policies 3

See accompanying notes forming part of the standalone financial statements

As per our report of even date.

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

Sangeeta Gupta
Partner
Membership No: 064225
Mumbai
14 May 2024

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

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

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

Abhishek Thakkar
Chief Financial Officer

Mumbai
14 May 2024

Neha Daruka
Company Secretary
Membership No: A41425
Mumbai

Standalone Statement of Profit and Loss

For the year ended 31 March 2024

(₹ in Lakhs)

	Particulars	Note	Year ended 31 March 2024	Year ended 31 March 2023
	Revenue from operations			
(i)	Interest income	20	3,202.18	2,181.58
(ii)	Fees and commission income	21	813.86	194.42
(iii)	Net gain on fair value changes		-	-
(iv)	Others	22	18.87	29.00
(I)	**Total revenue from operations**		**4,034.91**	**2,405.00**
(II)	Other income	23	138.57	226.63
(III)	**Total income**		**4,173.48**	**2,631.63**
	Expenses			
(i)	Finance costs	24	197.43	5.85
(ii)	Fees and commission expenses	25	1,665.37	683.05
(iii)	Impairment on financial instruments	26	133.81	86.71
(iv)	Employee benefits expenses	27	2,091.62	1,744.99
(v)	Depreciation and amortization	28	82.42	46.84
(vi)	Others expenses	29	758.25	701.03
(IV)	**Total expenses**		**4,928.90**	**3,268.47**
(V)	**Profit/(Loss) before tax (IV-III)**		**(755.42)**	**(636.84)**
(VI)	**Tax expense:**			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
	Total tax expense		**-**	**-**
	Loss for the year (V-VI)		**(755.42)**	**(636.84)**
(VII)	**Other comprehensive income**			
	(i) Items that will not be reclassified to profit or loss			
	a) Re-measurement of defined benefit plan		(0.85)	4.61
	b) Income tax relating to items that will not be reclassified to profit or loss		-	-
	Other comprehensive income		**(0.85)**	**4.61**
(VIII)	**Total comprehensive loss for the year**		**(756.27)**	**(632.23)**
(IX)	**Earnings per equity share**			
	Basic (₹)		(0.80)	(0.68)
	Diluted (₹)		(0.79)	(0.68)

Material 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
14 May 2024

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Managing Director &
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DIN: 06572282
Mumbai

Abhishek Thakkar
Chief Financial Officer

Mumbai
14 May 2024

Neha Daruka
Company Secretary
Membership No: A41425
Mumbai

Standalone Statement of Cash Flows

For year ended 31 March 2024

(₹ in Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
CASH FLOW FROM OPERATING ACTIVITIES:		
Loss before tax:	(755.42)	(636.84)
Adjustments:		
Interest Income on Loans	(2,866.04)	(1,493.16)
Interest on Investments	(135.45)	(520.40)
Interest on deposits with banks	(198.09)	(165.66)
Depreciation, amortisation and impairment	82.42	46.84
Impairment on financial instruments	133.81	86.71
Employee share based payments	295.11	463.27
Interest expense on lease liability	24.55	5.85
Interest expense on borrowings	172.88	-
Interest income on security deposit	(2.60)	(2.36)
Operating profit/(loss) before working capital changes	**(3,248.83)**	**(2,215.75)**
Adjustments for (increase)/decrease in operating assets:		
Other receivables	(380.17)	(709.79)
Loans	(6,534.42)	(1,934.95)
Other financial assets	(191.43)	(14.58)
Other non-financial assets	149.95	(46.83)
Adjustments for increase/(decrease) in operating liabilities		
Trade payables	292.70	177.64
Other financial liabilities	295.50	145.00
Provisions	416.26	(57.50)
Other non-financial liabilities	22.97	15.69
Net cash generated/(used) in operating activities	**(9,177.47)**	**(4,641.07)**
Cash inflow from interest income on loans	2,788.50	1,580.84
Net cash used in operating activities	**(6,388.97)**	**(3,060.23)**
CASH FLOW FROM INVESTING ACTIVITIES:		
Proceeds from sale of investment	910.00	11,387.95
Proceeds from/(Investment in) of Fixed Deposits (net)	(997.89)	(34.25)
Purchase of property, plant and equipments	(27.81)	(34.77)
Purchase of investments	(420.00)	(5,688.55)
Income from Investment/fixed deposits	216.39	619.18
Net cash generated from investing activities	**(319.31)**	**6,249.56**
CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from issue of shares	80.22	12.78
Proceeds from securities premium	247.54	2.45
Proceeds from issue of share warrants	1,924.99	-
Proceeds from Borrowings (other than debt securities)	6,000.00	-
Repayment of Borrowings (other than debt securities)	(1,674.68)	-
Payment of lease liability	(76.12)	(69.46)
Net cash used in financing activities	**6,501.95**	**(54.23)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**(206.33)**	**3,135.10**
Add: Cash and cash equivalents at the beginning of the year	5,577.17	2,442.07
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**5,370.84**	**5,577.17**

(₹ in Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Components of Cash and Cash Equivalents		
- Cash on hand	-	-
- Balance with bank in current account	5,370.84	5,577.17
Total	**5,370.84**	**5,577.17**

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'.

Material Accounting Policies - Note 3

See accompanying notes to the financial statements.

As per our report of even date.

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

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

Sangeeta Gupta
Partner
Membership No: 064225
Mumbai
14 May 2024

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Chairman &
Non-Executive Director
DIN: 07557866
Mumbai

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

Abhishek Thakkar
Chief Financial Officer

Mumbai
14 May 2024

Neha Daruka
Company Secretary
Membership No: A41425
Mumbai

Standalone Statement of Changes in Equity

For the year ended 31 March 2024

A. EQUITY SHARE CAPITAL

	As at 31 March 2024		As at 31 March 2023	
	Number	₹ in lakhs	Number	₹ in lakhs
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year	**9,43,39,325**	**9,433.93**	**9,42,11,470**	**9,421.15**
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	1,44,590	14.46	1,27,855	12.79
- against share warrants	6,57,600	65.76	-	-
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	**9,51,41,515**	**9,514.15**	**9,43,39,325**	**9,433.93**

B. OTHER EQUITY

(₹ in Lakhs)

Particulars	Reserves and Surplus						Money received against Share Warrants
	Securities Premium	Retained Earnings	Special reserve	Share based options outstanding	General Reserves	Total	
Balance as at 31 March 2023	**23,254.36**	**(5,559.65)**	**1.89**	**1,568.55**	**19.05**	**19,284.20**	**-**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated balance as at 31 March 2023	**23,254.36**	**(5,559.65)**	**1.89**	**1,568.55**	**19.05**	**19,284.20**	**-**
Profit/Loss for the year	-	(755.42)	-	-	-	(755.42)	-
Total Comprehensive Income for the current year	-	0.85	-	-	-	0.85	-
Securities premium proceeds received on issue of equity shares	247.54	-	-	-	-	247.54	-
Transfer to general reserve	-	-	-	(37.09)	37.09	-	-
Employee stock option	-	-	-	295.11	-	295.11	-
Proceeds from share warrants	-	-	-	-	-	-	1,924.99
Balance as at 31 March 2024	**23,501.90**	**(6,314.22)**	**1.89**	**1,826.57**	**56.14**	**19,072.28**	**1,924.99**

B. OTHER EQUITY (Contd.)

(₹ in Lakhs)

Particulars	Reserves and Surplus					
	Securities Premium	Retained Earnings	Special reserve	Share based options outstanding	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
Transfer to general reserve	-	-	-	(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**

Material accounting policies - Note 3

See accompanying notes to the financial statements

As per our report of even date.

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

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

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Abhishek Thakkar
Chief Financial Officer

Mumbai
14 May 2024

Neha Daruka
Company Secretary
Membership No: A41425
Mumbai

Notes forming part of the Standalone Financial Statements

For the year ended 31 March 2024

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 MATERIAL 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 2024 and 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 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.

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.

(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.

Interest expense on borrowed funds is calculated using the effictive interest rate (EIR) on respective financial instruments measured at amortised cost. The EIR is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument to the gross carrying amount of the financial liability.

Calculation of the EIR includes all fees paid that are incremental and directly attributable to the issue of the financial liability.

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 2024	As at 31 March 2023
Cash on hand	-	-
Balance with banks		
- In current accounts	2,954.06	96.47
- In fixed deposits (with original maturity of 3 months or less)	2,416.78	5,480.70
Total	**5,370.84**	**5,577.17**

5. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS ABOVE

(₹ in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Fixed deposits (with original maturity of more than 3 months)	1,051.99	54.09
(Less): Impairment loss allowance	(0.01)	(0.01)
Total	**1,051.98**	**54.08**

Deposits amounting to ₹ 1,027.30 lakhs (March 31, 2023 - NIL) are lien marked for undrawn overdraft facilities.

6. RECEIVABLES

(₹ in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Trade receivables	43.77	39.10
Other receivables	1,157.80	782.30
Total	**1,201.57**	**821.40**
Secured - Considered good	-	-
Unsecured - Considered good	1,201.57	821.40
Receivables which have significant increase in Credit Risk	-	-
Receivables - credit impaired	-	-
Total - Gross	**1,201.57**	**821.40**
(Less): Impairment loss allowance	(17.54)	(8.21)
Total - Net	**1,184.03**	**813.19**

6a) 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 2024								
(i) Undisputed Trade receivables – considered good	-	-	35.65	8.12	-	-	-	43.77
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables – credit impaired	-	-	-	-	-	-	-	-

6a) Trade receivables ageing (Contd.)

(₹ 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	
(iv) Disputed Trade receivables– considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-	-
Total	**-**	**-**	**35.65**	**8.12**	**-**	**-**	**-**	**43.77**

(₹ 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**

7. LOANS

(₹ in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Loans at amortised cost		
Term Loans	14,681.93	8,093.48
Others	-	-
Total (A) - Gross	**14,681.93**	**8,093.48**
(Less): Impairment loss allowance (Refer note no. 26)	(822.91)	(713.37)
Total (A) - Net	**13,859.02**	**7,380.11**

7. LOANS (Contd.)

(₹ in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Secured by tangible assets	-	-
Secured by intangible assets	-	-
Covered by bank/government guarantees	-	-
Unsecured	14,681.93	8,093.48
Total (B) - Gross	**14,681.93**	**8,093.48**
(Less): Impairment loss allowance (Refer note no. 26)	(822.91)	(713.37)
Total (B) - Net	**13,859.02**	**7,380.11**
Loans in India		
- Public sector	-	-
- Others	14,681.93	8,093.48
Loans within India - Gross	**14,681.93**	**8,093.48**
(Less): Impairment loss allowance (Refer note no. 26)	(822.91)	(713.37)
Loans within India - Net - (C)(i)	**13,859.02**	**7,380.11**
Loans Outside India (C) (ii)	-	-
Total (C) - Gross	**14,681.93**	**8,093.48**
(Less): Impairment loss allowance (Refer note no. 26)	(822.91)	(713.37)
Total (C) - Net	**13,859.02**	**7,380.11**
Loans at fair value through profit and loss		
Loans	-	-
Total (D)	**-**	**-**
Grand total - Gross [(A) + (D)]	**14,681.93**	**8,093.48**
Grand total - Net [(A) + (D)]	**13,859.02**	**7,380.11**

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

(₹ in Lakhs)

	As at 31 March 2024				As at 31 March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**7,541.15**	**238.91**	**313.42**	**8,093.48**	**5,614.58**	**124.20**	**752.29**	**6,491.07**
Assets derecognised or repaid (excluding write offs)	(21,101.20)	(795.44)	(2,301.72)	(24,198.37)	(5,696.30)	(471.90)	(1,416.77)	(7,584.97)
Transfers from Stage 1	(1,881.67)	161.43	1,720.24	-	(1,121.46)	255.42	866.04	-
Transfers from Stage 2	3.24	(235.58)	232.34	-	8.75	(99.07)	90.32	-
Transfers from Stage 3	-	-	-	-	7.21	-	(7.21)	-
Amounts written off	-	-	(14.95)	(14.95)	-	-	(236.83)	(236.83)
New assets originated*	28,231.14	1,143.55	1,427.07	30,801.76	8,728.37	430.26	265.58	9,424.21
Gross carrying amount closing balance	**12,792.66**	**512.87**	**1,376.40**	**14,681.93**	**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.

7.2 Reconciliation of ECL balance is given below:

(₹ in Lakhs)

Particulars	As at 31 March 2024				As at 31 March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**321.30**	**98.85**	**293.22**	**713.37**	**248.01**	**20.25**	**445.83**	**714.09**
Addition during the year	52.01	63.76	343.35	459.12	127.87	86.57	135.83	350.27
Reversal during the year	(201.01)	(96.59)	(51.98)	(349.58)	(54.58)	(7.97)	(288.44)	(350.99)
ECL allowance - closing balance	**172.30**	**66.02**	**584.59**	**822.91**	**321.30**	**98.85**	**293.22**	**713.37**

8. INVESTMENTS

(₹ in Lakhs)

Particulars	As at 31 March 2024				As at 31 March 2023			
	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
Investment in Non-Convertible Debentures (NCDs)	-	-	-	-	-	495.64	-	495.64
Investment in Subsidiary**	14,700.65	-	-	14,700.65	14,577.88	-	-	14,577.88
Total (A) - Gross	**14,700.65**	**-**	**-**	**14,700.65**	**14,577.88**	**495.64**	**-**	**15,073.52**
Investments outside India	-	-	-	-	-	-	-	-
Investments in India	14,700.65	-	-	14,700.65	14,577.88	495.64	-	15,073.52
Total (B) - Gross	**14,700.65**	**-**	**-**	**14,700.65**	**14,577.88**	**495.64**	**-**	**15,073.52**
Less: Allowance for impairment loss	-	-	-	-	-	(0.01)	-	(0.01)
Total (B) - Net	**14,700.65**	**-**	**-**	**14,700.65**	**14,577.88**	**495.63**	**-**	**15,073.51**

**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 2024	As at 31 March 2023
Security deposits	37.37	38.79
Advances to Employees	7.60	15.97
Accrued Income and Other assets	239.97	36.15
Total	**284.94**	**90.91**

10. CURRENT TAX ASSETS

(₹ in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Advance Tax	58.05	229.73
Less: Provision for tax	-	-
Total	**58.05**	**229.73**

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 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**
Additions	-	-	-	27.81	27.81	-	-
Deletions/Adjustments	-	-	-	-	-	-	-
As at 31 March 2024	**0.30**	**3.04**	**10.30**	**136.56**	**150.20**	**723.17**	**723.17**
Accumulated depreciation and impairment losses							
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**
Charge for the year	-	0.31	0.17	23.01	23.49	0.49	0.49
Deletions/Adjustments	-	-	-	-	-	-	-
As at 31 March 2024	**0.30**	**1.87**	**10.30**	**89.86**	**102.33**	**723.17**	**723.17**
Net carrying amount as at 31 March 2023	**-**	**1.48**	**0.17**	**41.90**	**43.55**	**0.49**	**0.49**
Net carrying amount as at 31 March 2024	**-**	**1.17**	**-**	**46.70**	**47.87**	**-**	**-**

12. OTHER NON-FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Prepaid expenses	32.09	27.61
Duties and taxes	402.55	384.44
Other Assets	-	0.86
Total	**434.64**	**412.91**

13. TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
a) total outstanding dues of micro enterprises and small enterprises	377.49	280.05
b) total outstanding dues of creditors other than micro enterprises and small enterprises	254.32	59.06
Total (B)	**631.81**	**339.11**

13a) 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 2024							
MSME	-	-	4.56	372.93	-	-	377.49
Others	-	-	213.04	1.76	3.37	36.15	254.32
Disputed dues - MSME	-	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-	-
Total	**-**	**-**	**217.60**	**374.69**	**3.37**	**36.15**	**631.81**

(₹ 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	47.21	-	-	280.05
Others	-	-	17.57	1.85	32.05	7.59	59.06
Disputed dues - MSME	-	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-	-
Total	**-**	**-**	**250.41**	**49.06**	**32.05**	**7.59**	**339.11**

14. BORROWINGS (OTHER THAN DEBT SECURITIES)

(₹ in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Borrowings at amortised cost		
(a) Term loans		
Secured - In India		
(i) From Banks	1,621.81	-
(ii) From Others	2,876.39	-
Total	**4,498.20**	**-**

14.1 The Company has not defaulted in the repayment of borrowings (other than debt securities) and interest thereon for the year ended March 31, 2024.

14.2 The above borrowings from banks and others have a maturity period of 12 months.

14.3 The above term loans from banks and others have an exclusive security cover of 1.2x of the book debts and receivables.

14.4 Interest rate of term loans from banks amounting to ` 1621.81 lakhs ranges from 11.75% p.a. to 12.00 p.a.

Interest rate of term loans from others amounting to ₹ 2,876.39 lakhs is 13.25% p.a.

15. OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Lease liability	322.03	20.87
Payable to borrowers	446.23	150.73
Total	**768.26**	**171.60**

16. PROVISIONS

(₹ in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Provisions for employee benefits		
Gratuity	70.72	41.41
Bonus	130.25	115.00
Provision for expenses	629.28	258.43
Total	**830.25**	**414.84**

17. OTHER NON-FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Statutory dues payable	64.06	28.59
Revenue received in advance	-	12.50
Total	**64.06**	**41.09**

18. EQUITY

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number	₹ in lakhs	Number	₹ in lakhs
Authorised shares				
10,40,50,000 Equity Shares of ₹ 10 each (As at 31 March 2023: 10,40,50,000 Equity Shares of ₹ 10 each)	10,40,50,000	10,405.00	10,40,50,000	10,405.00
90,00,000 Preference Shares of ₹ 10 each (As at 31 March 2023: 90,00,000 Preference Shares of ₹ 10 each)	90,00,000	900.00	90,00,000	900.00
Issued, subscribed & fully paid-up shares				
9,51,41,515 Equity Shares of ₹ 10 each (As at 31 March 2023: 9,43,39,325 Equity Shares of ₹ 10 each)	9,51,41,515	9,514.15	9,43,39,325	9,433.93
Total	**9,51,41,515**	**9,514.15**	**9,43,39,325**	**9,433.93**

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

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number	₹ in lakhs	Number	₹ in lakhs
Outstanding at the beginning of the year	9,43,39,325	9,433.93	9,42,11,470	9,421.15
Issued during the year	8,02,190	80.22	1,27,855	12.78
Outstanding at the end of the year	**9,51,41,515**	**9,514.15**	**9,43,39,325**	**9,433.93**

*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 2024, the amount of per share dividend recognised as distributions to Equity Shareholders was Nil (31 March 2023 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.

On August 23, 2023, the Board of Directors of the Company had approved the allotment of 1,75,36,011 (One Crore Seventy-Five Lakh 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 per warrant aggregating upto ₹ 79,99,92,821.82 (Rupees Seventy-Nine Crore Ninety-Nine Lakh Ninety-Two Thousand Eight Hundred Twenty-One and Eighty-Two paisa only), against the receipt of 25% of the issue price (i.e. ₹ 11.405 per warrant) aggregating to ₹ 19,99,98,205.46 (Ninety Crore Ninety-Nine Lakh Ninety-Eight Thousand Two Hundred Five and Forty-Six Paisa Only). The Warrants will be convertible in equal number of equity shares of face value of ₹ 10/- each, on receipt of balance 75% of the issue price (i.e. ₹ 34.215 per warrant) within a period of 18 months from the date allotment of Warrants. During the year ended on 31 March 2024, the Company has allotted 6,57,600 equity shares upon receipt of a balance amount of aggregating to ₹ 2,24,99,784/- (Rupees Two Crores Twenty-Four Lakhs Ninety-Nine Thousand Seven Hundred and Eighty-Four Only) from one of the allottee pursuant to the exercise of his rights of conversion into equity shares in accordance with the provisions of SEBI (ICDR) Regulations, 2018

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 2024		As at 31 March 2023	
	Number	%	Number	%
Equity shares				
Amit Vijay Rajpal	2,58,04,344	27.12%	2,58,04,344	27.35%
Jayashree M Patankar	72,67,954	7.64%	72,67,954	7.70%
WF Asian Reconnaissance Fund Limited	-	0.00%	1,21,69,500	12.90%
Strategic India Equity Fund	79,79,125	8.39%	80,39,125	8.52%
Vikasa India EIF I Fund	38,94,432	4.09%	56,60,715	6.00%
Carmignac Portfolio	4,00,000	0.42%	51,87,831	5.50%
Think India Opportunities Master Fund Lp	87,24,344	9.17%	-	0.00%
Madhuri Madhusudan Kela	50,20,000	5.28%	-	0.00%
	5,90,90,199	**62.11%**	**6,41,29,469**	**67.98%**

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 2024	Makarand Ram Patankar	43,30,032	4.55	(0.04)
	Jayashree M Patankar	72,67,954	7.64	(0.06)
	Amit Rajpal	2,58,04,344	27.12	(0.23)
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)

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.

19. OTHER EQUITY

(₹ in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Securities premium account	23,501.90	23,254.36
Retained earnings	(6,314.22)	(5,559.65)
Employee stock option reserve	1,826.57	1,568.55
Special Reserve under Section 45 IC of RBI Act, 1934	1.89	1.89
General Reserve	56.14	19.05
Share warrants	1,924.99	-
Total	**20,997.27**	**19,284.20**

(₹ in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Securities premium account		
Opening balance	23,254.36	23,251.91
Add: Changes during the year	247.54	2.45
Closing balance	**23,501.90**	**23,254.36**
Retained earnings		
Opening balance	(5,559.65)	(4,927.42)
Add: Profit/(Loss) for the year	(755.42)	(636.84)
Add: Other comprehensive income for the year	0.85	4.61
Less: Transfer to Special Reserve under Section 45 IC of RBI Act, 1934	-	-
Closing balance	**(6,314.22)**	**(5,559.65)**
Employee stock option reserve		
Opening balance	1,568.55	1,124.33
Add: Charge during the year	258.02	444.22
Closing balance	**1,826.57**	**1,568.55**
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	19.05	-
Add/(Less): Addition on account of lapse of vested ESOPs	37.09	19.05
Closing balance	**56.14**	**19.05**
Share warrants		
Opening balance	-	-
Add: Amount received towards warrants	2,224.99	-
Less: Converted to equity shares	300.00	-
Closing balance	**1,924.99**	**-**
Total	**20,997.27**	**19,284.20**

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.

f) Share warrants

This refers to the amount received against issue of share warrants but not converted to equity shares

20. INTEREST INCOME

(₹ in Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
On financial assets measured at amortised costs:		
Interest on loans	2,866.04	1,493.16
Interest on Investments	135.45	520.40
Interest on deposits with banks	198.09	165.66
Interest income on security deposit	2.60	2.36
Total	**3,202.18**	**2,181.58**

21. FEES AND COMMISSION INCOME

(₹ in Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Processing fees on loan	395.08	35.75
Commission Income for distribution	418.78	158.67
Total	**813.86**	**194.42**

22. OTHERS

(₹ in Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Bounce charges	2.54	5.86
Penal charges	2.13	2.30
Foreclosure charges	5.90	8.42
Documentation Charges	8.30	12.42
Total	**18.87**	**29.00**

23. OTHER INCOME

(₹ in Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Provision write back	96.37	105.38
Bad debt recovery	35.34	82.22
Interest on Income Tax refund	2.78	16.15
Other Income	4.08	22.88
Total	**138.57**	**226.63**

24. FINANCE COST

(₹ in Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
At amortised cost		
Interest expenses on lease liability	24.55	5.85
Interest expenses on Borrowings (other than debt securities)	172.88	-
Total	**197.43**	**5.85**

25. FEES AND COMMISSION EXPENSES

(₹ in Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Fees and commission expenses	1,665.37	683.05
Total	**1,665.37**	**683.05**

26. IMPAIRMENT ON FINANCIAL INSTRUMENTS

(₹ in Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
On financial instruments measured at amortised cost:		
Loans	124.49	167.50
Trade Receivables	9.33	-
Investments	(0.01)	(80.79)
Total	**133.81**	**86.71**

27. EMPLOYEE BENEFIT EXPENSES

(₹ in Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Salaries	1,707.87	1,207.13
Contribution to provident fund	57.79	53.29
Employee stock option expense (Refer Note No. 31 on ESOP)	295.11	463.27
Staff welfare expenses	1.13	1.97
Gratuity Expense	29.72	19.33
Total	**2,091.62**	**1,744.99**

28. DEPRECIATION AND AMORTIZATION

(₹ in Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Depreciation on Property, plant and equipment	23.49	13.58
Amortisation of Intangible assets	0.49	2.12
Amortisation of Right of use asset	58.44	31.14
Total	**82.42**	**46.84**

29. OTHER EXPENSES

(₹ in Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Legal and professional fees	136.76	158.14
Technology and software expenses	149.88	143.76
Business development expenses	91.54	73.42
Training and recruitment	22.05	31.89
Lease rent	20.45	9.38
Loan origination cost	42.01	45.68
Office and administrative expenses	22.54	24.01
Travelling and conveyance	106.27	74.00
Director sitting fees	20.50	19.00
Payments to auditors	25.98	25.37
Communication expenses	7.00	6.80
Printing and stationery expenses	0.80	1.11
Annual listing fees	4.36	4.91
Advertisement and publicity	4.17	3.46
Miscellaneous expenses	31.29	3.46
Collection expenses	45.20	48.22
Insurance expenses	27.45	28.42
Total	**758.25**	**701.03**

Breakup of Auditors' remuneration

(₹ in Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Statutory Audit	11.78	10.00
Limited review	6.00	6.00
Tax audit	2.00	2.00
Other Services	3.50	3.50
Out of pocket expenses (including taxes)	2.70	3.87
Total	**25.98**	**25.37**

Expenditure in foreign currency

(₹ in Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Director Sitting fees	8.25	8.50

30. EARNINGS PER SHARE (EPS)

Particulars		**Year ended 31 March 2024**	**Year ended 31 March 2023**
a)	**The basic earnings per share has been calculated based on the following:**		
	Net profit after tax available for equity shareholders (₹ in Lakhs)	(755.42)	(636.84)
	Weighted average number of equity shares	9,44,79,266	9,43,10,244
b)	**The reconciliation between the basic and the diluted earnings per share is as follows:**		
	Basic earnings per share (₹)	(0.80)	(0.68)
	Effect of dilution		
	Diluted earnings per share (₹)	(0.79)	(0.68)
c)	**Weighted average number of equity shares is computed for the purpose of calculating diluted earning per share, after giving the dilutive impact of the outstanding stock options for the respective years.**		
	Weighted average number of shares for computation of Basic EPS	9,44,79,266	9,43,10,244
	Dilution (no. of shares)	13,31,725	2,39,337
	Weighted average number of shares for computation of Diluted EPS	9,58,10,991	9,45,49,581

31. EMPLOYEE SHARE BASED PAYMENTS

a) Employee stock option scheme (equity settled)

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

Under the terms of each of these Plans, the Company may issue to its employees and Directors, Equity Stock Options ('ESOPs') each of which is convertible into one equity share. Under Plan 2019, the Company may issue to the employees and Directors of the subsidiaries, Equity Stock Options ('ESOPs') each of which is convertible into one equity share. All the plans were framed in accordance with the SEBI 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 March 31, 2024, terms for tranch I of Plan 2020 was modified with respect to the excercise price being revised from ₹ 64.05 to ₹ 46.04.

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

Details of scheme of Employee Stock Option Plans are as under: (Contd.)

Tranch details		No. of options	Date of Grant	Price of Underlying Stock (₹)	Exercise Price (₹)
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
XVI	Plan 2018	7,62,500	11-May-23	17.20	46.04
XVII	Plan 2018	1,50,000	09-Nov-23	12.09	69.74
I	Plan 2019	31,225	10-Nov-20	27.68	51.24
I	Plan 2020	25,79,562	10-Nov-20	31.72	64.05
I - Modification	Plan 2020	8,59,854	11-May-23	8.02	46.04
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 2024		Year ended 31 March 2023	
	Average exercise price	Number of options	Average exercise price	Number of options
Outstanding at the beginning of the year	57.59	61,03,554	59.04	50,83,180
Granted during the year	49.94	17,72,354	48.29	19,54,614
Exercised during the year	19.20	(1,44,590)	11.91	(1,27,855)
Forfeited/(cancelled) during the year	64.05	(8,59,854)	-	-
Lapsed during the year	56.00	(8,22,250)	51.39	(8,06,385)
Outstanding at the end of the year	**55.56**	**60,49,214**	**57.59**	**61,03,554**
Exercisable at the end of the year	61.17	26,50,903	58.68	16,97,423

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
XVI - 2018	23.92%	3.10	6.81%	17.20	11-May-23
XVII - 2018	17.27%	2.10	7.07%	12.09	09-Nov-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
I-2020 - Modification	18.23%	2.05	6.77%	8.02	11-May-23
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 previous 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, XV, XVI and XVII.

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 2024	Year ended 31 March 2023
Employee stock option scheme (equity settled)	295.11	463.27
Total	**295.11**	**463.27**

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

(A) Contingent liabilities

There are no contingent liabilities as at 31 March 2024:Nil (As at 31 March 2023: Nil).

(B) Commitments

I) Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31 March 2024:Nil (As at 31 March 2023: Nil).

33. LEASES

Disclosures as required under Ind AS 116 - Leases

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

(₹ in Lakhs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest expense on lease liability	24.55	5.85
Total	**24.55**	**5.85**

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 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**
(+) Recognition of Right of use asset during the year	361.30
(+) Modification (Gain)/Loss during the year	-
(-) Derecognition of Right of use asset during the year	-
(-) Amortisation of Right of use asset	58.44
As at 31 March 2024	**311.98**

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

(₹ in Lakhs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Short term lease expense reognised in Profit and Loss	20.45	9.38
Total	**20.45**	**9.38**

d) Short-term lease commitment

(₹ in Lakhs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
For a period of one year from Balance sheet date	11.84	7.25
Total	**11.84**	**7.25**

34. CORPORATE SOCIAL RESPONSIBILITY ('CSR') EXPENSES

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

35. SEGMENT REPORTING

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

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

36. RELATED PARTY DISCLOSURES

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

List of related parties and relationships:

Sr. No.	Nature of relationship
1	**Subsidiaries**
	Iserveu Technology Private Limited
	Investdirect Capital Services Private Limited
	MoneyMap Investment Advisors Private Limited
2	**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)
	Abhishek Thakkar (Chief Financial Officer)
	Neha Daruka (Company Secretary)

(₹ in Lakhs)

Transaction with KMP	Year ended 31 March 2024			Year ended 31 March 2023		
	Compensation	ESOP	Total	Compensation	ESOP	Total
Salary/Bonus						
Tashwinder Singh	151.98	68.96	**220.94**	144.00	225.45	**369.45**
Raghvendra Somani	-	-	**-**	41.83	-	**41.83**
Abhishek Thakkar	60.00	-	**60.00**	26.76	4.35	**31.11**
Neha Daruka	22.60	3.02	**25.62**	18.97	12.61	**31.58**
Sitting fees						
Kapil Kapoor	5.75	-	**5.75**	5.50	-	**5.50**
Eric Wetlaufer	5.50	-	**5.50**	5.00	-	**5.00**
Subhasri Sriram	6.50	-	**6.50**	5.00	-	**5.00**
Ashby Monk	2.75	-	**2.75**	3.50	-	**3.50**

(₹ in Lakhs)

Transaction other than those with KMP	Year ended 31 March 2024		
	Subsidiary	Entity having Significant Influence	Total
Sourcing commission paid	7.85	-	**7.85**
Interest on preference shares received	122.77	-	**122.77**
Repayment of loan	-	-	**-**
First loss default guarantee	48.85	-	**48.85**

(₹ 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**

Balances outstanding from related parties are as follows:

(₹ in Lakhs)

Particulars	As at 31 March 2024			
	Key Managerial Personnel	Subsidiary	Entity having Significant Influence	Total
Investment in equity shares	-	9,268.38	-	**9,268.38**
Investment in redeemable preference shares	-	5,232.27	-	**5,232.27**
Investment in compulsory convertible preference shares	-	200.00	-	**200.00**
Sitting fees payable	2.45	-	-	**2.45**

(₹ 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**

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 2024	Maximumbalance out-standing during the year ended 31 March 2023	As at 31 March 2023	Maximumbalance out-standing 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 2024	As at 31 March 2023
Principal amount payable to suppliers as at year-end	377.49	280.05
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	-	-

37. (Contd.)

(₹ in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
Interest accrued and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006.	-	-

38. Disclosures as required by Annex III of the Master Direction - Non-Banking Financial Company - Non Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 issued by the Reserve Bank of India ("RBI") vide their Notification No. RBI/DNBR/2016-17/44 Master Direction DNBR. PD. 007/03.10.119/2016-17 dated September 1, 2016 (the "Notification")

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

(₹ in Lakhs)

Particulars	As at 31 March 2024		As at 31 March 2023	
	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	4,498.20	-	-	-
(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 2024		As at 31 March 2023	
	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 38.4 below]

(₹ in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
	Amount outstanding	Amount outstanding
Assets side:		
(a) Secured	-	-
(b) Unsecured	13,859.02	7,380.11

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

(₹ in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
	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	As at 31 March 2024	As at 31 March 2023
	Amount outstanding	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	-	495.64
(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	-	-

38.5 Break-up of investments: (Contd.)

(₹ in Lakhs)

		As at 31 March 2024	As at 31 March 2023
		Amount outstanding	Amount outstanding
(iv) Government securities		-	-
(v) Others		-	-
2. Unquoted:			
(i) Shares:	(a) Equity	9,268.38	9,268.38
	(b) Preference	5,432.27	5,309.50
(ii) Debentures and bonds		-	-
(iii) Units of mutual funds		-	-
(iv) Government securities		-	-
(v) Others		-	-

38.6

(₹ in Lakhs)

Category	Amount net of provisions					
	As at 31 March 2024			As at 31 March 2023		
	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	**-**	**13,859.02**	**13,859.02**	**-**	**7,380.11**	**7,380.11**

38.7

(₹ in Lakhs)

Category	As at 31 March 2024		As at 31 March 2023	
	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)	14,700.65	14,700.65	14,577.88	14,577.88
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties	-	-	495.63	495.63
Total	**14,700.65**	**14,700.65**	**15,073.51**	**15,073.51**

**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)

	As at 31 March 2024	As at 31 March 2023
	Amount outstanding	Amount outstanding
(i) Gross non-performing assets		
(a) Related parties	-	-
(b) Other than related parties*	1,376.41	313.42
(ii) Net non-performing assets		
(a) Related parties	-	-
(b) Other than related parties*	791.82	20.20
(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 31st March 2024.

40. DISCLOSURE AS REQUIRED BY RBI CIRCULAR DOR (NBFC).CC.PD.NO.109/ 22.10.106/2019-20 DATED MARCH 13, 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	12,792.66	172.30	12,620.36	51.17	121.13
	Stage 2	512.87	66.02	446.85	2.05	63.97
Subtotal		**13,305.53**	**238.32**	**13,067.21**	**53.22**	**185.10**
Non-Performing Assets (NPA)						
Substandard	Stage 3	1,376.41	584.59	791.82	137.64	446.95
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		**1,376.41**	**584.59**	**791.82**	**137.64**	**446.95**
Other items such as guarantees,loan,commitments, etc. which are in the scope of Ind as 109 but not covered under current income recognition, asset classification and provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		**-**	**-**	**-**	**-**	**-**

40. DISCLOSURE AS REQUIRED BY RBI CIRCULAR DOR (NBFC).CC.PD.NO.109/ 22.10.106/2019-20 DATED MARCH 13, 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
Total	**Stage 1**	**12,792.66**	**172.30**	**12,620.36**	**51.17**	**121.13**
	Stage 2	**512.87**	**66.02**	**446.85**	**2.05**	**63.97**
	Stage 3	**1,376.41**	**584.59**	**791.82**	**137.64**	**446.95**
	Total	**14,681.94**	**822.91**	**13,859.03**	**190.86**	**632.05**

*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 ₹ 57.79 lakhs (31 March 2022: ₹ 53.29 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 2024	As at 31 March 2023
i.	**Reconciliation of opening and closing balances of defined benefit obligation**		
	Present value of defined benefit obligations at the beginning of the year	41.41	45.04
	Current service cost	26.67	16.80
	Past service cost	-	-
	Interest cost	3.05	2.53
	Acquisition adjustment	-	-
	Benefit paid	(1.26)	(18.36)
	Change in demographic assumptions	-	-
	Change in financial assumptions	1.81	(1.55)
	Experience variance (i.e. Actual experience vs assumptions)	(0.96)	(3.05)
	Present value of defined benefit obligations at the end of the year	**70.72**	**41.41**
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	70.72	41.41
	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	**(70.72)**	**(41.41)**

(₹ in Lakhs)

	Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
iv.	**Expense recognised during the Year**		
	Current service cost	26.67	16.80
	Interest cost	3.05	2.53
	Past service cost	-	-
	Expenses recognised in the statement of profit and loss	**29.72**	**19.33**
v.	**Other comprehensive income**		
	Due to change in financial assumptions	1.81	(1.55)
	Due to change in demographic assumption	-	-
	Due to experience adjustments	(0.96)	(3.05)
	Components of defined benefit costs recognised in other comprehensive income	**0.85**	**(4.60)**

vi. Amount recognized in balance sheet

(₹ in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Present value of unfunded defined benefit obligation	70.72	41.41
Net defined benefit liability recognised in Balance Sheet	70.72	41.41

vii. Principal actuarial assumptions

(₹ in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Discount rate (per annum)	7.20%	7.45%
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 2024		For the year ended 31 March 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (-/+ 0.5%)	7.70%	6.70%	7.95%	6.95%
(% change compared to base due to sensitivity)	-5.01%	5.42%	-5.10%	5.52%
Salary growth rate (-/+ 0.5%)	7.50%	6.50%	7.50%	6.50%
(% change compared to base due to sensitivity)	5.22%	-4.92%	5.52%	-5.15%

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 10.41 years.

	Cash flows	Distribution (%)
Expected cash flows over the next (valued on undiscounted basis):		
1st Following Year	2.81	1.59%
2nd Following Year	2.56	1.45%
3rd Following Year	2.75	1.55%
4th Following Year	16.21	9.15%
5th Following Year	3.59	2.02%
6th Following Year	3.29	1.86%
7th Following Year	3.11	1.75%
8th Following Year	2.84	1.60%
9th Following Year	6.26	3.53%
Sum of years 10 and above	133.77	75.50%

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 2024	Mandatorily at FVTPL	At cost	Amortised cost	Total carrying amount
ASSETS				
Cash and cash equivalents	-	-	5,370.84	5,370.84
Bank balance other than cash and cash equivalents	-	-	1,051.98	1,051.98
Loans and advances to customers	-	-	13,859.02	13,859.02
Investment securities				
Measured at fair value	-	-	-	-
Measured at cost	-	14,700.65	-	14,700.65
Measured at amortised cost	-	-	-	-
Receivables	-	-	1,184.03	1,184.03
Other financial assets	-	-	284.94	284.94
Total Financial assets	**-**	**14,700.65**	**21,750.81**	**36,451.46**
Trade Payables	-	-	631.81	631.81
Borrowings (other than debt securities)	-	-	4,498.20	4,498.20
Other financial liabilities	-	-	768.26	768.26
Total Financial liabilities	**-**	**-**	**5,898.27**	**5,898.27**

(₹ 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**
Trade Payables	-	-	339.11	339.11
Other financial liabilities	-	-	171.60	171.60
Total Financial liabilities	**-**	**-**	**510.71**	**510.71**

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)

	As at 31 March 2024		As at 31 March 2023	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Asset				
Investments				
- Bonds and Debentures	-	-	-	495.63
- Mutual Funds	-	-	-	-
Receivables	-	1,184.03	-	813.19
Loans	-	13,859.02	-	7,380.11
Cash And Cash Equivalents	-	5,370.84	-	5,577.17
Bank balance other than cash and cash equivalents	-	1,051.98	-	54.08
Other Financial Assets	-	284.94	-	90.91
Total Financial Assets	**-**	**21,750.81**	**-**	**14,411.09**
Financial Liability				
Trade Payables	-	631.81	-	339.11
Borrowings (other than debt securities)	-	4,498.20	-	-
Other Financial Liabilities	-	768.26	-	171.60
Total Financial Liabilities	**-**	**5,898.27**	**-**	**510.71**

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 2024

(₹ in Lakhs)

	Carrying amount	Fair value measurements using			
		Level 1	Level 2	Level 3	Total
Financial assets					
Investments					
- Bonds and Debentures	-	-	-	-	-
- Mutual Funds	-	-	-	-	-
Loans and advances	13,859.02	-	14,528.58	-	14,528.58
Receivables	1,184.03				
Cash and Cash Equivalents	5,370.84				
Bank balance other than cash and cash equivalents	1,051.98				
Security Deposits	37.37	-	37.37	-	37.37
Other Financial assets	247.57				
Total Financial Asset	**21,750.81**	**-**	**14,565.95**	**-**	**14,565.95**
Financial Liabilities					
Trade Payables	631.81				
Borrowings (other than debt securities)	4,498.20	-	4,498.20	-	4,498.20
Lease Liability	322.03	-	322.03	-	322.03
Other financial liabilities	446.23				
Total Financial Liabilities	**5,898.27**	**-**	**4,820.23**	**-**	**4,820.23**

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	**14,395.12**	**-**	**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**

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.

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.

ii) Provision for expected credit losses (Contd.)

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)
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 2024

(₹ 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	-	-	-	-
	- FD	1,051.99	0.00%	0.01	1,051.98
	Loans at amortised cost	12,792.66	1.35%	172.30	12,620.36
Loss allowance measured at life-time expected credit losses, not credit impaired	Investments at amortised cost				
	- NCD/PTC	-	-	-	-
	- FD	-	-	-	-
	Loans at amortised cost	512.87	12.87%	66.02	446.85
Loss allowance measured at life-time expected credit losses, credit impaired	Investments at amortised cost				
	- NCD/PTC	-	-	-	-
	- FD	-	-	-	-
	Loans at amortised cost	1,376.41	42.47%	584.59	791.82

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

Investments in NCD, PTC and FD

The Company had 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 LGD
Loans at amortised cost	14,681.93	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.

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 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**
Changes in loss allowances due to			
Assets originated or purchased	52.01	63.76	343.35
Write – offs	-	-	(14.95)
Addition/(Recoveries) for assets originated in Previous years	(201.01)	(96.59)	(37.03)
Loss allowance on 31 March 2024	**172.30**	**66.02**	**584.59**

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 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**	**-**	**-**
Changes in loss allowances due to			
Assets originated or purchased	-	-	-
Addition/(Recoveries) for assets originated in Previous years	(0.01)	-	-
Loss allowance on 31 March 2024	**0.01**	**-**	**-**

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)

	As at 31 March 2024			As at 31 March 2023		
	Carrying amount	Within 12 months	After 12 months	Carrying amount	Within 12 months	After 12 months
Financial liabilities						
Trade payables	631.81	631.81	-	339.11	339.11	-
Borrowings (other than debt securities)	4,498.20	4,498.20	-	-	-	-
Other financial liabilities	768.26	500.09	268.17	171.60	171.60	-
Non-Financial liabilities						
Provisions	830.25	762.34	67.91	414.84	373.43	40.51
Other non-financial liabilities	64.06	64.06	-	41.09	41.09	-
Financial assets						
Cash and cash equivalents	5,370.84	5,370.84	-	5,577.17	5,577.17	-
Bank balance other than cash and cash equivalents above	1,051.98	1,051.98	-	54.08	54.08	-
Receivables	1,184.03	1,184.03	-	813.19	813.19	-
Loans and advances to customers	13,859.02	10,772.04	3,086.98	7,380.11	5,707.53	1,672.58
Investment securities	14,700.65	-	14,700.65	15,073.51	495.63	14,577.88
Other financial assets	284.94	247.57	37.37	90.91	52.12	38.79

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 2024			As at 31 March 2023		
	Carrying amount	Within 12 months	After 12 months	Carrying amount	Within 12 months	After 12 months
Non-financial Assets						
Income tax assets	58.05	58.05	-	229.73	229.73	-
Right of use asset	311.98	-	311.98	9.12	9.12	-
Property, plant and equipment	47.87	-	47.87	43.55	-	43.55
Intangible assets under development	-	-	-	-	-	-
Intangible assets	-	-	-	0.49	-	0.49
Other non-financial assets	434.64	434.64	-	412.91	412.91	-

b) Maturity Pattern

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

As at 31 March 2024

	Within 12 months	1-2 years	2-5 years	Total
Trade payables	631.81	-	-	631.81
Other financial liabilities				
- Lease liability	87.85	92.25	233.01	413.11
- Payable to borrowers	446.23	-	-	446.23

As at 31 March 2023

	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

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 2024	As at 31 March 2023
Financial assets		
Bank balance other than cash and cash equivalents above	-	-
Loans and advances to customers	3,086.98	1,672.58
Investment securities	14,700.65	14,577.88
Other financial assets	37.37	38.79
Financial liabilities		
Lease Liability	268.17	-

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

(₹ in Lakhs)

Particulars	As at 31 March 2024		As at 31 March 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Cash and Cash Equivalents	5,370.84	5,370.84	5,577.17	5,577.17
Bank balance other than cash and cash equivalents	1,051.98	1,051.98	54.08	54.08
Total liquidity reserves	**6,422.82**	**6,422.82**	**5,631.25**	**5,631.25**

e) Disclosures in terms of RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019 have been given under Annexure-II to these financial statements:

Annexure-II - Disclosure on Liquidity Risk

(i) Funding Concentration based on significant counterparty (both deposits and borrowings)

Number of Significant Counterparties	Amount (₹ lakhs)	% of Total deposits	% of Total Liabilities
3	4,498.20	NA	66.22%

(ii) Top 20 large deposits (amount in ₹ lakhs and % of total deposits)

Not applicable. Niyogin Fintech Limited being a Non-Systemically Important Non-Deposit taking Non-Banking Financial Company registered with Reserve Bank of India.

(iii) Top 10 borrowings (amount in ₹ lakhs and % of total borrowings)

Total Amount (₹ lakhs)	% of Total Borrowings
4,498.20	100%

(iv) Funding Concentration based on significant instrument/product

Name of the instrument/product	Amount (₹ lakhs)	% of Total Liabilities
Term Loans	4,498.20	66.22%

(v) Stock Ratios

Particulars	Ratios
Commercial papers as a % of total public funds	NA
Commercial papers as a % of total liabilities	NA
Commercial papers as a % of total assets	NA
Non-convertible debentures (original maturity of less than one year) as a % of total public funds	NA
Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	NA
Non-convertible debentures (original maturity of less than one year) as a % of total assets	NA
Other short-term liabilities, if any as a % of total public funds	143.54%
Other short-term liabilities, if any as a % of total liabilities	95.05%
Other short-term liabilities, if any as a % of total assets	17.31%

(vi) Institutional set-up for liquidity risk management

The Company's Board of Directors has the overall responsibility of management of liquidity risk. The Board decides the strategic policies and procedures of the Company to manage liquidity risk in accordance with the risk tolerance/limits decided by it. The Company also has a Risk Management Committee, which reports to the Board and is responsible for evaluating the overall risks faced by the Company including liquidity risk. Asset Liability Management Committee of the Company consisting of the Company's senior management is responsible for ensuring adherence to the risk tolerance/limits as well as implementing the liquidity risk management strategy of the Company.

45. REVENUE FROM CONTRACTS WITH CUSTOMERS

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

(₹ in Lakhs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Type of income		
Bounce charges	2.54	5.86
Penal charges	2.13	2.30
Foreclosure charges	5.90	8.42

45. REVENUE FROM CONTRACTS WITH CUSTOMERS

Set out below is the disaggregation of the Company's revenue from contracts with customers and reconciliation to profit and loss account: (Contd.)

(₹ in Lakhs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Documentation Charges	8.30	12.42
Commission Income	418.78	158.67
Processing fees	395.08	35.75
Total revenue from contracts with customers	**832.73**	**223.42**
Geographical markets		
India	832.73	223.42
Outside India	-	-
Total revenue from contracts with customers	**832.73**	**223.42**
Timing of revenue recognition		
Services transferred at a point in time	832.73	223.42
Services transferred over time	-	-
Total revenue from contracts with customers	**832.73**	**223.42**

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

47. The ECL provision of ` 82.68 lakhs is retained by the Company as at 31 March 2024 towards management overlay.

48. OTHER ADDITIONAL INFORMATION

1. Company has complied with the charge creation or satisfaction registration with ROC within the statutory year.

2. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year 2023-2024.

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 Company has not defaulted in repayment of principal and interest during the year end and as at Balance sheet date 31st March, 2024.

9. 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.

10. The Company has no transactions with struck off Companies.

11. Ratios Analysis as required by Schedule III of the Companies Act, 2013:

Particulars	As at 31 March 2024	As at 31 March 2023	% Variance
Capital Ratio*	100.49%	140.53%	-28%
Tier I CRAR**	Not Applicable	Not Applicable	Not Applicable
Tier II 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 previous 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 July 20, 2022, corrigendum to which was pronounced on July 27, 2022. The certified copy of the said Order was received on August 12, 2022.

The appointed date of the Scheme was April 1, 2022 and the Scheme has become effective on August 18, 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. September 2, 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 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 October 14, 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 had been considered for the year ended March 31, 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 April 1, 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. DISCLOSURE OF DETAILS AS REQUIRED BY ANNEX VII - DISCLOSURES IN FINANCIAL STATEMENTS - NOTES TO ACCOUNTS OF NBFCS OF MASTER DIRECTIONS - RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY - SCALE BASED REGULATION) DIRECTIONS, 2023

(i) Sectorial Exposure

(₹ in Lakhs)

Sectors	31 March 2024			31 March 2023		
	Total Exposure (includes on balance sheet and off balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	**644.27**	**52.69**	**8%**	**36.14**	**5.06**	**14%**
2. Industry						
2.1 Micro and Small	6,770.75	1,028.37	15%	2,364.03	13.99	1%
Total of Industry	**6,770.75**	**1,028.37**	**15%**	**2,364.03**	**13.99**	**1%**
3. Services						
3.1 Trade - Wholesale Trade (other than Food Procurement)	6,047.12	284.44	5%	3,198.40	252.19	8%
3.2 Tourism, Hotel and Restaurants	-	-	-	108.00	14.09	13%
3.3 Professional Services	-	-	-	0.65	0.04	6%
3.4 Computer Software	-	-	-	2.00	-	0%
3.5 Other Services	1,219.79	10.91	1%	2,384.26	28.05	1%
Total of Services	**7,266.91**	**295.35**	**4%**	**5,693.31**	**294.37**	**5%**
4. Personal Loans	-	-	-	-	-	-
5. Others	-	-	-	-	-	-

(ii) Related Party Disclosure

(₹ in Lakhs)

Particulars	Parent		Subsidiaries		Key Management		Relatives of Key Management Personnel	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Borrowings	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-
Placement of Deposits	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-
Investments#	-	-	14,700.65	14,577.88	-	-	-	-
Purchase of fixed/ other assets	-	-	-	-	-	-	-	-
Sale of fixed/ other assets	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-
Commission Payable	-	-	-	73.78	-	-	-	-
Sitting Fees Payable	-	-	-	-	2.45	1.23	-	-
FLDG Receivable	-	-	-	384.99	-	-	-	-

#Maximum Investment in subsidiaries during the current year is ₹ 14,700.65 lakhs (previous year ₹ 14,577.88 lakhs)

(iii) Disclosure of compliants

(a) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

Sr. No.	Particulars	31 March 2024	31 March 2023
Complaints received by the NBFC from its customers			
1	Number of complaints pending at beginning of the year	-	-
2	Number of complaints received during the year	8	32
3	Number of complaints received during the year	8	32
3.1	Of which, number of complaints rejected by the NBFC	-	-
4	Number of complaints pending at the end of the year	-	-
Maintainable complaints received by the NBFC from Office of Ombudsman			
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman	7	5
5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	5	5
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	-	-
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

(b) Top five grounds of complaints received by the NBFCs from customers

For Ombudsman

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
		Current Year			
Ground – 1 – Recovery Agents	-	2	100%	-	-
Ground – 2 – Loans & Advances	-	2	50%	-	-
Ground – 3 - Others	-	2	-	-	-
Total	**-**	**6**	**-**	**-**	**-**
		Previous Year			
Ground – 1 - Loans & Advances	-	2	100%	-	-
Ground – 2 - Difficulty in operation of accounts	-	1	100%	-	-
Ground – 3 - Others	-	2	50%	-	-
Total	**-**	**5**	**-**	**-**	**-**

For Customer Compliants

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
		Current Year			
Ground - 1 - Others	-	8	-25%	-	-
Total	**-**	**8**	**-**	**-**	**-**
		Previous Year			
Ground - 1 - Others	-	32	-15%	-	-
Total	**-**	**32**	**-**	**-**	**-**

(iv) The value of unhedged foreign currency transaction as on March 31, 2024 is 2.45 lakhs which is on account of sitting fees payable to the directors of the Company.

51. Disclosure of details as required by Annex XI - Disclosures in Financial statements - Notes to Accounts of NBFCs of Master Directions - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023:

(₹ in Lakhs)

Particulars	As on 31 March 2024	As on 31 March 2023
Directors and their relatives	-	-
Entities associated with directors and their relatives	-	-
Senior Officers and their relatives	5.25	15.00

52. Previous year figures have been regrouped/reclassified to make them comparable with those of current year.

As per our report of even date

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

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

Sangeeta Gupta
Partner
Membership No: 064225
Mumbai
14 May 2024

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

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

Abhishek Thakkar
Chief Financial Officer

Mumbai
14 May 2024

Neha Daruka
Company Secretary
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 March 31, 2024, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements and on the other financial information of subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2024, 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 2024 – ₹124.49 Lakhs

Total ECL Provision as at March 31, 2024 – 822.91 Lakhs (including management overlay of ₹ 82.68 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
Impairment loss on loans is provided for using Expected Credit Loss (ECL) model under Ind AS. This involves a high degree of estimation uncertainty. Significant management judgement is required application of measurement principles in following areas: • Defining of thresholds for significant increase in credit risk and default • Selection and input of 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 forward looking 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. As at 31 March 2024, the gross carrying value of loans assets of ₹ 15,013.21 lakhs constituted 33% of the total assets of the Company. 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.	Our audit approach was a combination of test of internal controls and substantive procedures. 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 and determine the actions under the applicable laws and regulations.

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 ₹ 13,334.81 lakhs as at 31st March, 2024, total revenues of ₹ 15,756.76 lakhs and net cash inflow amounting to ₹ 1697.84 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 31st March, 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India are disqualified as on March 31, 2024 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 197 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 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 respective Managements of the Company and its Subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their 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 or any of such subsidiaries, to or in any other person or entity, outside the Group, 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 of any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

   (b) The respective Managements of the Company and its Subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us , that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries, from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries, 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.

vi. The Company and its subsidiaries, have used such accounting software for maintaining their respective books of account for the financial year ended 31 March 2024, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. During the course of our audit, we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31 March 2024.

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

Sangeeta Gupta
Partner
Membership Number
UDIN: 24064225BKFQPR8737
Mumbai
May 14, 2024

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF NIYOGIN FINTECH LIMITED FOR THE YEAR ENDED MARCH 31, 2024

[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
UDIN: 24064225BKFQPR8737
Mumbai
May 14, 2024

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 March 31, 2024.]

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 March 31, 2024, 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 March 31, 2024, 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, and 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
UDIN: 24064225BKFQPR8737
Mumbai
May 14, 2024

Consolidated Balance Sheet

As at 31 March 2024

(₹ in Lakhs)

Particulars	Note	As at 31 March 2024	As at 31 March 2023
ASSETS			
Financial assets			
Cash and cash equivalents	4	7,789.09	6,297.59
Bank balance other than cash and cash equivalents above	5	5,197.56	2,646.92
Receivables	6		
(i) Trade receivables		1,529.55	2,291.50
(ii) Other receivables		1,144.72	782.30
Loans	7	14,169.40	7,380.11
Investments	8	163.42	701.57
Other financial assets	9	1,563.04	1,626.42
Total financial assets		**31,556.78**	**21,726.41**
Non-financial Assets			
Inventories	10	565.40	518.29
Income tax assets	11	571.07	487.54
Deferred tax assets (Net)	18	116.82	11.28
Right of use asset		2,392.36	1,538.11
Property, plant and equipment	12	184.56	197.94
Capital work-in-progress	12	-	10.50
Intangible assets under development	12	145.14	9.88
Intangible assets	12	3,102.48	3,438.85
Goodwill		5,952.85	5,952.85
Other non-financial assets	13	618.90	576.62
Total non-financial assets		**13,649.58**	**12,741.86**
TOTAL ASSETS		**45,206.36**	**34,468.27**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables	14		
(I) Trade payables			
a) total outstanding dues of micro enterprises and small enterprises		380.59	214.15
b) total outstanding dues of creditors other than micro enterprises and small enterprises		868.83	215.54
Borrowings (other than debt securities)	15	5,391.91	7.00
Other financial liabilities	16	7,733.89	3,973.57
Total financial liabilites		**14,375.22**	**4,410.26**
Non-financial liabilities			
Provisions	17	1,751.84	1,215.60
Deferred tax liabilities	18	9.42	31.94
Other non-financial liabilities	19	293.99	99.29
Total non-financial liabilites		**2,055.25**	**1,346.83**
EQUITY			
Equity share capital	20	9,514.15	9,433.93
Other equity	21	18,611.18	17,821.88
Equity attributable to owners of Niyogin Fintech Limited		**28,125.33**	**27,255.81**
Non-controlling interests		**650.56**	**1,455.37**
Total Equity		**28,775.89**	**28,711.18**
TOTAL LIABILITIES AND EQUITY		**45,206.36**	**34,468.27**
Material 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

Sangeeta Gupta
Partner
Membership No: 064225
Mumbai
14 May 2024

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

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

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

Abhishek Thakkar
Chief Financial Officer

Mumbai
14 May 2024

Neha Daruka
Company Secretary
Membership No: A41425
Mumbai

Consolidated Statement of Profit and Loss

For the year ended 31 March 2024

(₹ in Lakhs)

	Particulars	Note	Year ended 31 March 2024	Year ended 31 March 2023
	Revenue from operations			
(i)	Interest income	22	3,340.25	2,253.01
(ii)	Fees and commission Income	23	15,127.16	6,875.55
(iii)	Sales of Products	24	370.43	856.45
(iv)	Net gain on fair value changes	25	13.25	11.66
(v)	Others	26	725.47	870.62
(I)	**Total revenue from operations**		**19,576.56**	**10,867.29**
(II)	**Other income**	27	**223.04**	**850.46**
(III)	**Total income**		**19,799.60**	**11,717.75**
	Expenses			
(i)	Finance costs	28	465.20	81.77
(ii)	Fees and commission Expenses	29	13,116.24	6,850.50
(iii)	Impairment on financial instruments	30	903.81	460.58
(iv)	Purchases of Stock in trade	31	454.55	1,175.50
(v)	Changes in Inventories	32	(47.11)	(326.48)
(vi)	Employee benefits expenses	33	4,334.54	3,537.42
(vii)	Depreciation and amortization	34	810.41	610.14
(viii)	Others expenses	35	2,373.99	2,141.05
(IV)	**Total expenses**		**22,411.63**	**14,530.48**
(V)	**Loss before tax**		**(2,612.03)**	**(2,812.73)**
(VI)	**Tax expense:**	11		
	(1) Current tax		-	-
	(2) Deferred tax		(128.05)	25.90
	Total tax expense		**(128.05)**	**25.90**
	Loss for the year		**(2,483.98)**	**(2,838.63)**
(VII)	**Other comprehensive income**			
	(i) Items that will not be reclassified to profit or loss			
	a) Re-measurement of defined benefit plan		(0.85)	15.45
	b) Income tax relating to items that will not be reclassified to profit or loss		-	(2.82)
	Other comprehensive income		**(0.85)**	**12.63**
(VIII)	**Total comprehensive loss for the year**		**(2,484.83)**	**(2,826.00)**
	Profit is attributable to:			
	Owners of Niyogin Fintech Limited		(1,679.18)	(1,765.92)
	Non-controlling interests		(804.80)	(1,072.71)
	Other comprehensive income is attributable to:			
	Owners of Niyogin Fintech Limited		(0.85)	12.63
	Non-controlling interests		-	-
	Total comprehensive loss is attributable to:			
	Owners of Niyogin Fintech Limited		**(1,680.03)**	**(1,753.29)**
	Non-controlling interests		**(804.80)**	**(1,072.71)**
(IX)	**Earnings per equity share**			
	Basic (₹)		(1.78)	(1.87)
	Diluted (₹)		(1.75)	(1.87)

Material 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

Sangeeta Gupta
Partner
Membership No: 064225
Mumbai
14 May 2024

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
14 May 2024

Neha Daruka
Company Secretary
Membership No: A41425
Mumbai

Consolidated Statement of Cash Flows

For year ended 31 March 2024

(₹ in Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
CASH FLOW FROM OPERATING ACTIVITIES:		
Loss before tax:	**(2,612.03)**	**(2,812.73)**
Adjustments:		
Interest income on loans	(2,866.04)	(1,498.85)
Interest on investments	(12.68)	(410.78)
Interest on deposits with banks	(450.71)	(335.96)
Depreciation and amortisation	810.41	610.14
Net gain on fair value changes	(13.25)	(11.66)
Employee share based payments	295.11	479.41
Impairment on financial instruments	903.81	460.58
Interest expense on lease liability	268.57	75.79
Interest expense on loan liability	196.63	5.99
Interest income on security deposit	(10.82)	(7.42)
Operating profit before working capital changes	**(3,491.00)**	**(3,445.49)**
Adjustments for (increase)/decrease in operating assets:		
Bank balance other than cash and cash equivalents above		
Trade and other receivables	(379.80)	(229.90)
Loans	(6,836.23)	(2,091.25)
Other financial assets	74.20	(165.85)
Inventories	(47.11)	(326.48)
Other non-financial assets	(125.81)	(391.96)
Adjustments for increase/(decrease) in operating liabilities		
Trade payables	819.73	(33.91)
Other financial liabilities	2,783.47	(931.79)
Provisions	537.09	279.74
Other non-financial liabilities	194.70	(83.79)
Net cash used in operating activities	**(6,470.76)**	**(7,420.68)**
Income tax paid net of refund		
Cash inflow from interest income on loans	2,788.50	1,584.04
Net cash used in operating activities	**(3,682.26)**	**(5,836.64)**
CASH FLOW FROM INVESTING ACTIVITIES:		
Sale of investment	1,020.73	11,263.08
Purchase of investment	(474.94)	(5,768.14)
Proceeds from/(Investment in) of Fixed Deposits (net)	(2,557.73)	2,416.40
Purchase of property, plant and equipments and capital work-in-progress	(85.97)	(59.97)
Purchase of intangible assets and intangible assets under development	(151.98)	(35.73)
Income from Investment/fixed deposits	469.00	850.78
Net cash generated from investing activities	**(1,780.89)**	**8,666.42**
CASH FLOW FROM FINANCING ACTIVITIES:		
Proceed of issue of shares	80.22	12.78
Increase in securities premium	247.54	2.45
Repayment of lease liability	(486.38)	(257.14)
Increase in borrowing during the year (net)	5,188.28	(28.09)
Proceeds from issue of share warrants	1,924.99	-
Net cash generated from financing activities	**6,954.65**	**(270.00)**
NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES	**1,491.50**	**2,559.78**
Add: Cash and cash equivalents at beginning of the year	6,297.59	3,737.81
Cash and cash equivalents at end of the year	**7,789.09**	**6,297.59**

(₹ in Lakhs)

Particulars	For the year ended	
	Year ended 31 March 2024	Year ended 31 March 2023
Components of Cash and Cash Equivalents		
Cash and cash equivalents at the end of the year		
- Cash on hand	0.42	0.22
- Balance with bank in current account	7,788.67	6,297.37
Total	**7,789.09**	**6,297.59**

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'.

Material Accounting Policies - Note 3

See accompanying notes to the financial statements.

As per our report of even date.

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

Sangeeta Gupta
Partner
Membership No: 064225
Mumbai
14 May 2024

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

Amit Rajpal
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Managing Director &
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DIN: 06572282
Mumbai

Abhishek Thakkar
Chief Financial Officer

Mumbai
14 May 2024

Neha Daruka
Company Secretary
Membership No: A41425
Mumbai

Consolidated Statement of Changes in Equity

For the year ended 31 March 2024

A. EQUITY SHARE CAPITAL

	As at 31 March 2024		As at 31 March 2023	
	Number	₹ in Lakhs	Number	₹ in Lakhs
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year	**9,43,39,325**	**9,433.93**	**9,42,11,470**	**9,421.15**
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	1,44,590	14.46	1,27,855	12.79
- against share warrants	6,57,600	65.76	-	-
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	**9,51,41,515**	**9,514.15**	**9,43,39,325**	**9,433.93**

B. OTHER EQUITY

(₹ in Lakhs)

Particulars	Reserves and Surplus						Share Warrants
	Securities Premium	Retained Earnings	Special Reserve	Share based options outstanding account	General Reserves	Total	
Balance as at 31 March 2023	**23,254.36**	**(7,038.08)**	**1.89**	**1,584.66**	**19.05**	**17,821.88**	**-**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated balance as at 31 March 2023	**23,254.36**	**(7,038.08)**	**1.89**	**1,584.66**	**19.05**	**17,821.88**	**-**
Profit/Loss for the year	-	(1,679.18)	-	-	-	(1,679.18)	-
Total Comprehensive Income for the current year	-	0.85	-	-	-	0.85	-
Prior period adjustment	-	-	-	-	-	-	-
Securities premium proceeds received on issue of equity shares	247.54	-	-	-	-	247.54	-
Employee stock option (net)	-	-	-	295.10	-	295.10	-
Transfer to general reserve	-	-	-	(37.09)	37.09	-	-
Proceeds from share warrants	-	-	-	-	-	-	1,924.99
Balance as at 31 March 2024	**23,501.90**	**(8,716.41)**	**1.89**	**1,842.67**	**56.14**	**16,686.19**	**1,924.99**

B. OTHER EQUITY (Contd.)

(₹ 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**	**1,121.07**	**-**	**19,167.54**
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Restated balance as at 31 March 2022	**23,251.91**	**(5,207.33)**	**1.89**	**1,121.07**	**-**	**19,167.54**
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)	-	-	-	482.64	-	482.64
Transfer to general reserve	-	-	-	(19.05)	19.05	-
Balance as at 31 March 2023	**23,254.36**	**(7,038.08)**	**1.89**	**1,584.66**	**19.05**	**17,821.88**

Material accounting policies - Note 3

See accompanying notes to the financial statements

As per our report of even date.

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

Sangeeta Gupta
Partner
Membership No: 064225
Mumbai
14 May 2024

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

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

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

Abhishek Thakkar
Chief Financial Officer

Mumbai
14 May 2024

Neha Daruka
Company Secretary
Membership No: A41425
Mumbai

Notes Forming part of the Consolidated Financial Statements

For the year ended 31 March 2024

1. CORPORATE INFORMATION

Niyogin Fintech Limited ('the Company') is a non-deposit taking non-systemically important Non-Banking Financial Companyand 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	54.94%	15,810.77	30.41%	(755.42)	100.04%	(0.85)	30.44%	(756.27)
Subsidiary	45.06%	12,965.12	69.59%	(1,728.56)	-0.04%	0.00	69.56%	(1,728.56)
Total	**100.00%**	**28,775.89**	**100.00%**	**(2,483.98)**	**100%**	**(0.85)**	**100.00%**	**(2,484.83)**

2.5 Use of estimates, judgements and assumptions

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Actual results may differ from the estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Following are the areas that involved a higher degree of estimates and judgement or complexity in determining the carrying amount of some assets and liabilities.

i) Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. For further details about determination of fair value refer note 3.8 and note 47.

ii) Effective interest rate ('EIR') method

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

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

iii) Impairment of financial asset

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

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

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

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

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

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

iv) Provisions and other contingent liabilities

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

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

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

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

2.6 Presentation of the consolidated financial statements

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

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

i) The normal course of business

ii) The event of default

3. SUMMARY OF MATERIAL 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 2024.

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.

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.

(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 2024	As at 31 March 2023
Cash on hand	0.42	0.22
Balance with banks		
- In current accounts	4,505.09	816.67
- In fixed deposits (with original maturity of less than 3 months)	3,283.58	5,480.70
Total	**7,789.09**	**6,297.59**

5. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS ABOVE

(₹ in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Fixed deposits (with original maturity of more than 3 months)	5,197.57	2,646.93
Less: Allowance for impairment loss	(0.01)	(0.01)
Total	**5,197.56**	**2,646.92**

Deposits amounting to ₹ 1,777.90 Lakhs (March 31, 2023 - NIL) are lien marked for borrowing facilities.

6. RECEIVABLES

(₹ in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
a) Trade receivables	2,290.90	2,573.22
b) Other receivables	1,157.80	782.30
Total	**3,448.70**	**3,355.52**
Secured - Considered good	-	-
Unsecured - Considered good	2,691.81	3,082.01
Receivables which have significant increase in Credit Risk	756.89	273.51
Receivables - Credit impaired	-	-
Total - Gross	**3,448.70**	**3,355.52**
(Less): Impairment loss allowance	(774.43)	(281.72)
Total - Net	**2,674.27**	**3,073.80**

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 2024								
(i) Undisputed Trade receivables – considered good	-	-	1,386.08	51.76	96.17	-	-	1,534.01
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	756.89	-	-	756.89
(iii) Undisputed Trade receivables – credit impaired	-	-	-	-	-	-	-	-

6.1 Trade receivables ageing (Contd.)

(₹ 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	
(iv) Disputed Trade receivables– considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-	-
Total	**-**	**-**	**1,386.08**	**51.76**	**853.06**	**-**	**-**	**2,290.90**

(₹ 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	-	-	-	-	273.51	-	-	273.51
(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**	**623.56**	**-**	**-**	**2,573.22**

7. LOANS

(₹ in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Loans at amortised cost		
Term Loans	14,992.31	8,093.48
Total (A) - Gross	**14,992.31**	**8,093.48**
(Less): Impairment loss allowance (Refer note no. 30)	(822.91)	(713.37)
Total (B) - Net	**14,169.40**	**7,380.11**
Secured by tangible assets	-	-
Secured by intangible assets	-	-
Covered by bank/government guarantees	-	-
Unsecured	14,992.31	8,093.48
Total (C) - Gross	**14,992.31**	**8,093.48**
(Less): Impairment loss allowance (Refer note no. 30)	(822.91)	(713.37)
Total (D) - Net	**14,169.40**	**7,380.11**
Loans in India		
- Public sector	-	-
- Others	14,992.31	8,093.48
Loans within India - Gross	**14,992.31**	**8,093.48**
Loans Outside India	**-**	**-**
Total (E) - Gross	**14,992.31**	**8,093.48**
(Less): Impairment loss allowance (Refer note no. 30)	(822.91)	(713.37)
Total (F) - Net	**14,169.40**	**7,380.11**
Loans at fair value through profit and loss		
Loans	-	-
Total (G)	**-**	**-**
Grand total - Gross [(A) + (G)]	**14,992.31**	**8,093.48**
Grand total - Net [(B) + (G)]	**14,169.40**	**7,380.11**

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

(₹ in Lakhs)

	As at 31 March 2024			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	7,541.15	238.91	313.42	**8,093.48**
Assets derecognised or repaid (excluding write offs)	(21,101.20)	(795.44)	(1,991.34)	**(23,887.98)**
Transfers from Stage 1	(1,881.67)	161.43	1,720.24	**-**
Transfers from Stage 2	3.24	(235.58)	232.34	**-**
Transfers from Stage 3	-	-	-	**-**
Amounts written off	-	-	(14.95)	**(14.95)**
New assets originated*	28,231.14	1,143.55	1,427.07	**30,801.76**
Gross carrying amount closing balance	**12,792.66**	**512.87**	**1,686.78**	**14,992.31**

7.1 An analysis of changes in the gross carrying amount and the corresponding ECL allowances
(Contd.)

(₹ in Lakhs)

	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.

7.2 Reconciliation of ECL balance is given below:

(₹ in Lakhs)

	As at 31 March 2024			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	321.30	98.85	293.22	**713.37**
Addition during the year	52.01	63.76	343.35	**459.12**
Reversal during the year	(201.01)	(96.59)	(51.98)	**(349.58)**
ECL allowance - closing balance	**172.30**	**66.02**	**584.59**	**822.91**

(₹ in Lakhs)

	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**

8. INVESTMENTS

(₹ in Lakhs)

Particulars	At amortised cost	At fair value through profit and loss	Total
As at 31 March 2024			
Investment in NCDs	-	41.00	41.00
Investment in Mutual funds	-	122.42	122.42
Total (A) - Gross	**-**	**163.42**	**163.42**
Less: Allowance for impairment loss	-	-	-
Total (A) - Net	**-**	**163.42**	**163.42**
Investments outside India	-	-	-
Investments in India	-	163.42	163.42
Total (B) - Gross	**-**	**163.42**	**163.42**
Less: Allowance for impairment loss	-	-	-
Total (B) - Net	**-**	**163.42**	**163.42**

8. INVESTMENTS (Contd.)

(₹ in Lakhs)

	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**

9. OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Security deposits	190.14	213.92
Advances to Employees	34.57	60.94
Advance Recoverable in cash or kind	803.47	-
Other assets	534.86	1,351.56
Total	**1,563.04**	**1,626.42**

10. INVENTORIES

(₹ in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Stock-in-Trade	565.40	518.29
Total	**565.40**	**518.29**

11. CURRENT TAX ASSETS

(₹ in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Advance Tax	571.07	487.54
Less: Provision for tax	-	-
Total	**571.07**	**487.54**

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 31/03/2022	**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
Deletions/Adjustments	-	1.81	-	3.81	-	5.62	-	-	-	-	-	-	-	-
As at 31/03/2023	**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**
Additions	-	15.75	-	38.81	-	54.56	47.52	-	22.49	-	-	-	-	70.01
Deletions/Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31/03/2024	**0.30**	**32.19**	**32.89**	**285.75**	**70.15**	**421.28**	**805.26**	**29.42**	**87.25**	**14.95**	**1,545.38**	**1,034.58**	**1,814.30**	**5,331.14**
Accumulated depreciation and impairment losses														
As at 31/03/2022	**0.30**	**2.23**	**13.22**	**91.85**	**5.11**	**112.71**	**720.26**	**7.59**	**26.01**	**7.43**	**628.70**	**31.59**	**-**	**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 31/03/2023	**0.30**	**3.40**	**18.71**	**132.98**	**13.39**	**168.78**	**730.62**	**8.94**	**31.74**	**10.32**	**937.78**	**102.88**	**-**	**1,822.28**
Charge for the year	-	3.49	2.02	54.08	8.35	67.94	13.59	0.50	8.99	2.93	309.08	71.29	-	406.38
Deletions/Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31/03/2024	**0.30**	**6.89**	**20.73**	**187.06**	**21.74**	**236.72**	**744.21**	**9.44**	**40.73**	**13.25**	**1,246.86**	**174.17**	**-**	**2,228.66**
Net carrying amount as at March 31, 2022	**-**	**4.41**	**17.49**	**107.11**	**65.04**	**194.05**	**22.70**	**21.83**	**38.75**	**6.95**	**916.68**	**1,002.99**	**1,814.30**	**3,824.20**
Net carrying amount as at March 31, 2023	**-**	**13.04**	**14.18**	**113.96**	**56.76**	**197.94**	**27.12**	**20.48**	**33.02**	**4.63**	**607.60**	**931.70**	**1,814.30**	**3,438.85**
Net carrying amount as at March 31, 2024	**-**	**25.30**	**12.16**	**98.69**	**48.41**	**184.56**	**61.05**	**19.98**	**46.52**	**1.70**	**298.52**	**860.41**	**1,814.30**	**3,102.48**

12.1 Capital work-in-progress with aging

(₹ in Lakhs)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2024					
Projects in Progress	-	-	-	-	-
Projects Temporarily Suspended	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**
As at 31 March 2023					
Projects in Progress	10.50	-	-	-	10.50
Projects Temporarily Suspended	-	-	-	-	-
Total	**10.50**	**-**	**-**	**-**	**10.50**

12.2 Intangible assets under development with aging

(₹ in Lakhs)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2024					
Projects in Progress	145.14	-	-	-	145.14
Projects Temporarily Suspended	-	-	-	-	-
Total	**145.14**	**-**	**-**	**-**	**145.14**
As at 31 March 2023					
Projects in Progress	9.88	-	-	-	9.88
Projects Temporarily Suspended	-	-	-	-	-
Total	**9.88**	**-**	**-**	**-**	**9.88**

13. OTHER NON-FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Prepaid expenses	167.82	133.75
Duties and taxes	436.49	422.84
Advance against salary	14.59	19.17
Other assets	-	0.86
Total	**618.90**	**576.62**

14. TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
a) total outstanding dues of micro enterprises and small enterprises	380.59	214.15
b) total outstanding dues of creditors other than micro enterprises and small enterprises	868.83	215.54
Total	**1,249.42**	**429.69**

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 year	2-3 years	More than 3 years	
As at 31 March 2024							
MSME	-	2.28	5.38	372.93	-	-	380.59
Others	-	-	827.55	1.76	3.37	36.15	868.83
Disputed dues - MSME	-	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-	-
Total	**-**	**2.28**	**832.93**	**374.69**	**3.37**	**36.15**	**1,249.42**

(₹ 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	-	-	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**

15. BORROWINGS (OTHER THAN DEBT SECURITIES)

(₹ in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Borrowings at amortised cost		
(a) Term loans		
Secured - In India		
(i) From Banks	1,621.81	-
(ii) From Others	2,876.39	-
(b) Loans repayable on demand		
Secured - In India		
(i) From Banks	893.71	-
(ii) From Others	-	7.00
Total	**5,391.91**	**7.00**

15.1 The Group has not defaulted in the repayment of borrowings (other than debt securities) and interest thereon for the year ended March 31, 2024.

15.2 The above borrowings from banks and others have a maturity period of 12 months.

15.3 The above term loans from banks and others have an exclusive security cover of 1.2x of the book debts and receivables.

15.4 Interest rate of term loans from banks amounting to ₹ 1621.81 Lakhs ranges from 11.75% p.a. to 12.00 p.a.

Interest rate of term loans from others amounting to ₹ 2,876.39 Lakhs is 13.25% p.a.

15.5 Interest rate of loans repayable on demand is secured against primary security of Book Debts of the subsidiary. The interest rate of the same is 9.90% p.a.

16. OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Payable to borrowers	446.23	150.73
Lease liability	2,523.08	1,552.09
Deposits	12.50	-
Loan from Others	41.12	52.60
Liabilities towards channel partners	4,710.96	2,176.66
Other financial liabilities	-	41.49
Total	**7,733.89**	**3,973.57**

17. PROVISIONS

(₹ in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Provisions for employee benefits		
Gratuity	124.18	71.28
Bonus	130.25	115.00
Provision for expenses	1,497.41	1,029.32
Total	**1,751.84**	**1,215.60**

18. DEFERRED TAX LIABILITIES/ASSETS

(₹ in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Deferred tax liabilities	9.42	31.94
Total	**9.42**	**31.94**
Deferred tax assets	116.82	11.28
Total	**116.82**	**11.28**

19. OTHER NON-FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Statutory dues payable	224.81	86.79
Revenue received in advance	69.18	12.50
Total	**293.99**	**99.29**

20. EQUITY

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number	₹ in Lakhs	Number	₹ in Lakhs
Authorised shares				
10,40,50,000 Equity Shares of ₹ 10 each (As at 31 March 2023: 10,40,50,000 Equity Shares of ₹ 10 each)	10,40,50,000	10,405.00	10,40,50,000	10,405.00
90,00,000 Preference Shares of ₹ 10 each (As at 31 March 2023: 90,00,000 Preference Shares of ₹ 10 each)	90,00,000	900.00	90,00,000	900.00
Issued, subscribed & fully paid-up shares				
9,51,41,515 Equity Shares of ₹ 10 each (As at 31 March 2023: 9,43,39,325 Equity Shares of ₹ 10 each)	9,51,41,515	9,514.15	9,43,39,325	9,433.93
Total	**9,51,41,515**	**9,514.15**	**9,43,39,325**	**9,433.93**

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

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number	₹ in Lakhs	Number	₹ in Lakhs
Outstanding at the beginning of the year	9,43,39,325	9,433.93	9,42,11,470	9,421.15
Issued during the year	8,02,190	80.22	1,27,855	12.78
Outstanding at the end of the year	**9,51,41,515**	**9,514.15**	**9,43,39,325**	**9,433.93**

*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 2024, the amount of per share dividend recognised as distributions to Equity Shareholders was Nil (31 March 2023: 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.

On August 23, 2023, the Board of Directors of the Company had approved the allotment of 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 per warrant aggregating upto ₹ 79,99,92,821.82 (Rupees Seventy-Nine Crore Ninety-Nine Lakhs Ninety-Two Thousand Eight Hundred Twenty-One and Eighty-Two paisa only), against the receipt of 25% of the issue price (i.e. ₹ 11.405 per warrant) aggregating to ₹ 19,99,98,205.46 (Ninety Crore Ninety-Nine Lakhs Ninety-Eight Thousand Two Hundred Five and Forty-Six Paisa Only). The Warrants will be convertible in equal number of equity shares of face value of ₹ 10/- each, on receipt of balance 75% of the issue price (i.e. ₹ 34.215 per warrant) within a period of 18 months from the date allotment of Warrants. During the quarter ended on 31 March 2024, the Company has allotted 6,57,600 equity shares upon receipt of a balance amount of aggregating to ₹ 2,24,99,784/- (Rupees Two Crores Twenty-Four Lakhs Ninety-Nine Thousand Seven Hundred and Eighty-Four Only) from one of the allottee pursuant to the exercise of his rights of conversion into equity shares in accordance with the provisions of SEBI (ICDR) Regulations, 2018.

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 2024		As at 31 March 2023	
	Number	%	Number	%
Equity shares				
Amit Vijay Rajpal	2,58,04,344.00	27.12%	2,58,04,344	27.35%
Jayashree M Patankar	72,67,954.00	7.64%	72,67,954	7.70%
WF Asian Reconnaissance Fund Limited	-	0.00%	1,21,69,500	12.90%
Strategic India Equity Fund	79,79,125.00	8.39%	80,39,125	8.52%
Vikasa India EIF I Fund	38,94,432.00	4.09%	56,60,715	6.00%
Carmignac Portfolio	4,00,000.00	0.42%	51,87,831	5.50%
Think India Opportunities Master Fund Lp	87,24,344.00	9.17%	-	0.00%
Madhuri Madhusudan Kela	50,20,000.00	5.28%	-	0.00%
	5,90,90,199.00	**62.11%**	**6,41,29,469.00**	**67.98%**

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 2024	Makarand Ram Patankar	43,30,032	4.55	(0.04)
	Jayashree M Patankar	72,67,954	7.64	(0.06)
	Amit Rajpal	2,58,04,344	27.12	(0.23)
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)

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 2024	As at 31 March 2023
Securities premium account	23,501.90	23,254.36
Retained earnings	(8,716.41)	(7,038.08)
Employee stock option reserve	1,842.67	1,584.66
Special Reserve under Section 45 IC of RBI Act, 1934	1.89	1.89
General Reserve	56.14	19.05
Share warrants	1,924.99	-
TOTAL	**18,611.18**	**17,821.88**

(₹ in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Securities premium account		
Opening balance	23,254.36	23,251.91
Add/(Less): Changes during the year	247.54	2.45
Closing balance	**23,501.90**	**23,254.36**
Retained earnings		
Opening balance	(7,038.08)	(5,207.33)
Add: Loss for the year	(1,679.18)	(1,765.92)
Add: Other comprehensive income for the year	0.85	12.63
Less: Transfer to Special Reserve under Section 45 IC of RBI Act, 1934	-	-
Prior period adjustmnet	-	(77.46)
Closing balance	**(8,716.41)**	**(7,038.08)**
Employee stock option reserve		
Opening balance	1,584.66	1,121.07
Add: Charge during the year	258.01	463.59
Closing balance	**1,842.67**	**1,584.66**
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**

21. OTHER EQUITY (Contd.)

(₹ in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
General Reserve		
Opening balance	19.05	-
Add/(Less): Addition on account of lapse of vested ESOPs	37.09	19.05
Closing balance	**56.14**	**19.05**
Share warrants		
Opening balance	-	-
Add: Amount received towards warrants	2,224.99	-
Less: Converted to equity shares	300.00	-
Closing balance	**1,924.99**	**-**
Total	**18,611.18**	**17,821.88**

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.

f) Share warrants

This refers to the amount received against issue of share warrants but not converted to equity shares.

22. INTEREST INCOME

(₹ in Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
On financial assets measured at amortised costs:		
Interest on loans	2,866.04	1,498.85
Interest on Investments	12.68	410.78
Interest on FD	450.71	335.96
Interst Income on security deposit	10.82	7.42
Total	**3,340.25**	**2,253.01**

23. FEES AND COMMISSION INCOME

(₹ in Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Processing fees on loan	395.08	35.76
Commission Income	14,732.08	6,839.79
Total	**15,127.16**	**6,875.55**

24. SALES OF PRODUCTS

(₹ in Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Device Sales	370.43	856.45
Total	**370.43**	**856.45**

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

(₹ in Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Net gain/(loss) on financial instruments at FVTPL	13.25	11.66
Total (A)	**13.25**	**11.66**

26. OTHERS (REVENUE FROM OPERATIONS)

(₹ in Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Bounce charges	2.54	5.86
Penal charges	2.13	2.30
Foreclosure charges	5.90	8.42
Discount Received	-	5.16
Brokerage received	38.23	83.70
Sale of subscription services	9.92	10.06
Sale of value added services for marketing	220.74	200.13
Documentation Charges	8.30	3.37
Sale AMC Services	76.04	66.06
Licensing Integration fees	361.67	485.56
Total	**725.47**	**870.62**

27. OTHER INCOME

(₹ in Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Bad debt recovery	35.34	82.22
Interest on Income Tax Refund	20.53	20.83
Marketing Fees	0.10	61.73
Provision write back	96.37	387.67
Other Income	58.77	93.65
Interest on Employee Advance	3.70	4.28

27. OTHER INCOME (Contd.)

(₹ in Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Service Income	0.17	186.59
Sponshorship Services	8.06	7.75
Net gain on Foregin Exchange	-	5.65
Rental Income	-	0.09
Total	**223.04**	**850.46**

28. FINANCE COST

(₹ in Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Interest expenses on other loans	23.75	5.99
Interest expenses on lease liability	268.57	75.78
Interest expenses on term loans	172.88	-
Total	**465.20**	**81.77**

29. FEES AND COMMISSION EXPENSES

(₹ in Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Commission expenses	13,116.24	6,850.50
Total	**13,116.24**	**6,850.50**

30. IMPAIRMENT ON FINANCIAL INSTRUMENTS

(₹ in Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
On financial instruments measured at amortised cost:		
Trade and other receivables	779.33	373.87
Loans	124.49	167.50
Investment	(0.01)	(80.79)
Total	**903.81**	**460.58**

31. PURCHASES OF STOCK-IN-TRADE

(₹ in Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Purchases for Stock	454.55	1,175.50
Total	**454.55**	**1,175.50**

32. CHANGE IN INVENTORIES

(₹ in Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Opening stock	518.29	191.81
Less: Closing Stock	(565.40)	(518.29)
Total	**(47.11)**	**(326.48)**

33. EMPLOYEE BENEFIT EXPENSES

(₹ in Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Salaries	3,792.48	2,889.03
Contribution to provident fund	105.51	89.26
Employee stock option expense (Refer Note no.37 on ESOP)	295.11	479.41
Staff welfare expenses	88.13	44.49
Gratuity Expense	53.31	35.23
Total	**4,334.54**	**3,537.42**

34. DEPRECIATION AND AMORTIZATION

(₹ in Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Depreciation on property, plant and equipment	67.94	56.07
Amortisation of intangible assets	406.38	400.70
Amortisation of Right of use asset	336.09	153.37
Total	**810.41**	**610.14**

35. OTHER EXPENSES

(₹ in Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Legal and professional fees	302.01	296.82
Technology and software expenses	1,216.49	666.78
Commission and brokerage	32.22	35.11
Business development expenses	93.06	84.08
Training and recruitment	22.05	31.89
Lease rent	35.63	29.32
Loan origination cost	42.01	45.68
Office and administrative expenses	26.44	24.01
Travelling and conveyance	167.55	116.63
Director sitting fees	23.50	19.00
Payments to auditors	47.73	36.97
Communication expenses	52.84	67.21
Printing and stationery expenses	0.80	1.11
Annual listing fees	4.36	4.91
Repairs and maintenance	0.79	5.08
Advertisement and publicity	17.65	16.95
Miscellaneous expenses	143.46	127.05
Collection expenses	45.20	31.32
Insurance expenses	27.45	28.42
Bank Charges	72.75	99.60
Commitment Charges	-	373.11
Total	**2,373.99**	**2,141.05**

Breakup of Auditors' remuneration

(₹ in Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Statutory Audit and Limited Review	38.03	26.06
Tax audit	2.00	2.00
Other Services	5.00	5.04
Out of pocket expenses (including taxes)	2.70	3.87
Total	**47.73**	**36.97**

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:

(₹ in Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Net profit after tax available for equity shareholders (Amount in Lakhs)	(1,679.18)	(1,765.92)
Weighted average number of equity shares	9,44,79,266	9,43,10,244

b) The reconciliation between the basic and the diluted earnings per share is as follows:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Basic earnings per share (₹)	(1.78)	(1.87)
Diluted earnings per share (₹)	(1.75)	(1.87)

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 2024	Year ended 31 March 2023
Weighted average number of shares for computation of Basic EPS	9,44,79,266	9,43,10,244
Dilution (no. of shares)	13,31,725	2,39,337
Weighted average number of shares for computation of Diluted EPS	9,58,10,991	9,45,49,581

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 March 31, 2024, terms for tranch I of Plan 2020 was modified with respect to the excercise price being revised from ₹ 64.05 to ₹ 46.04.

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
XVI	Plan 2018	7,62,500	11-May-23	17.20	46.04
XVII	Plan 2018	1,50,000	09-Nov-23	12.09	69.74
I	Plan 2019	31,225	10-Nov-20	27.68	51.24
I	Plan 2020	34,39,416	10-Nov-20	31.72	64.05
I - Modification	Plan 2020	8,59,854	11-May-23	8.02	46.04
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 2024		Year ended 31 March 2023	
	Weighted Average exercise price	Number of options	Weighted Average exercise price	Number of options
Outstanding at the beginning of the year	57.56	61,07,679	59.00	50,87,305
Granted during the year	49.94	17,72,354	48.29	19,54,614
Exercised during the year	19.20	(1,44,590)	11.91	(1,27,855)
Forfeited during the year	64.05	(8,59,854)	-	-
Lapsed during the year	56.00	(8,22,250)	51.39	(8,06,385)
Outstanding at the end of the year	**55.53**	**60,53,339**	**57.56**	**61,07,679**
Exercisable at the end of the year	61.17	26,50,903	58.68	16,97,423

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
XVI - 2018	23.92%	3.10	6.81%	17.20	11-May-23
XVII - 2018	17.27%	2.10	7.07%	12.09	09-Nov-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
I-2020 - Modification	18.23%	2.05	6.77%	8.02	11-May-23
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 previous 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, XV, XVI and XVII.

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 2024	Year ended 31 March 2023
Employee stock option scheme (equity settled)	295.11	479.41
Total	**295.11**	**479.41**

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

(A) Contingent liabilities

There are no contingent liabilities as at 31 March 2024.

(B) Commitments

I) Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31st March 2024:Nil (As at 31st March 2023: Nil).

39. LEASES

Disclosures as required under Ind AS 116 - Leases

a) On adoption of Ind AS 116, the Group has recognized lease liabilities for all leases which were previously classified as operating leases under earlier GAAP. Ind AS 116 does not 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	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest expense on lease liability	268.57	75.79
Total	**268.57**	**75.79**

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:

Particulars	Amount in ₹ Lakhs
As at 31 March 2022	**104.81**
(+) Recognition of Right of use asset during the year	1,596.64
(+) 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	**1,538.11**
(+) Recognition of Right of use asset during the year	1,190.34
(+) Modification of (Gain)/loss during the year	-
(-) Derecognition of Right of use asset during the year	-
(-) Amortisation of Right of use asset	336.09
As at 31 March 2024	**2,392.36**

c) Low value lease assets

(₹ in Lakhs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
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	For the year ended 31 March 2024	For the year ended 31 March 2023
Short-term lease expense reognised in P&L	35.63	29.32
Total	**35.63**	**29.32**

Short-term lease commitment

(₹ in Lakhs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
For a period of one year from Balance sheet date	20.45	7.25
Total	**20.45**	**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)
	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)
	Abhishek Thakkar (Chief Financial Officer)
	Neha Daruka (Company Secretary)

Transactions with related parties are as follows:

(₹ in Lakhs)

Transaction with KMP	Year ended 31 March 2024			Year ended 31 March 2023		
	Salary/Bonus/ Sitting fees	ESOP	Total	Salary/Bonus/ Sitting fees	ESOP	Total
Salary/Bonus						
Tashwinder Singh	151.98	68.96	**220.94**	144.00	225.45	**369.45**
Raghvendra Somani	-	-	**-**	41.83	-	**41.83**
Abhishek Thakkar	60.00	-	**60.00**	26.76	4.35	**31.11**
Neha Daruka	22.60	3.02	**25.62**	18.97	12.61	**31.58**
Mohit Gang	60.00	-	**60.00**	49.86	-	**49.86**
Debiprasad Sarangi	24.00	-	**24.00**	20.70	-	**20.70**
Amit Tyagi	24.00	-	**24.00**	20.70	-	**20.70**
Sitting fees						
Kapil Kapoor	5.75	-	**5.75**	5.50	-	**5.50**
Eric Wetlaufer	5.50	-	**5.50**	5.00	-	**5.00**
Subhasri Sriram	9.50	-	**9.50**	5.00	-	**5.00**
Ashby Monk	2.75	-	**2.75**	3.50	-	**3.50**

(₹ in Lakhs)

Transaction with other than those KMP	Year ended 31 March 2024		
	Subsidiary	Entity having Significant Influence	Total
Other payments	-	-	**-**

(₹ in Lakhs)

Transaction other than those with KMP	Year ended 31 March 2023		
	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:

(₹ in Lakhs)

Particulars	As at 31 March 2024			
	Key Managerial Personnel	Subsidiary	Entity having Significant Influence	Total
Sitting fees payable	2.45	-	-	**2.45**
Remuneration payable	4.00	-	-	4.00
Loan from directors	4.00	-	-	4.00

(₹ in Lakhs)

Particulars	As at 31 March 2023			
	Key Managerial Personnel	Subsidiary	Entity having Significant Influence	Total
Sitting fees payable	1.23	-	-	**1.23**

(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:

(₹ in Lakhs)

Sr. No.	Name	As at 31 March 2024	Maximum balance outstanding during the year ended 31 March 2024	As at 31 March 2023	Maximum balance outstanding during the year ended 31 March 2023
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 2024	As at 31 March 2023
Principal amount payable to suppliers as at year-end	380.59	214.15
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 ₹ 105.51 Lakhs (31 March 2023: ₹ 89.26 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)

	As at 31 March 2024	As at 31 March 2023
i. Reconciliation of opening and closing balances of defined benefit obligation		
Present value of defined benefit obligations at the beginning of the year	71.28	59.02
Current service cost	48.09	32.00
Past service cost	-	-
Interest cost	5.22	3.23
Acquisition adjustment	-	-
Benefit paid	(1.26)	(18.37)
Change in demographic assumptions	-	-
Change in financial assumptions	1.81	(2.07)
Experience variance (i.e. Actual experience vs assumptions)	(0.96)	(13.38)
Other adjustments	-	10.85
Present value of defined benefit obligations at the end of the year	**124.18**	**71.28**
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	124.18	71.28
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	**(124.18)**	**(71.28)**

(₹ in Lakhs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
iv. Expenses recognised to the Statement of Profit & Loss		
Current service cost	48.09	32.00
Interest cost	5.22	3.23
Past service cost	-	-
Expenses recognised in the statement of profit and loss	53.31	35.23
v. Other comprehensive income		
Components of actuarial gain/losses on obligations:	(36.61)	(21.16)
Due to change in financial assumptions	1.81	(2.07)
Due to change in demographic assumption	-	-
Due to experience adjustments	(0.96)	(13.38)
Return on plan assets excluding amounts included in interest income	-	-
Closing amount Recognized in other comprehensive Income	**(35.76)**	**(36.61)**
vi. Amount recognized in balance sheet		
Present value of unfunded defined benefit obligation	124.18	71.28
Net defined benefit liability recognised in Balance Sheet	124.18	71.28

Particulars	As at 31 March 2024	As at 31 March 2023
vii. Principal actuarial assumptions		
Discount rate (per annum)	7.20%	7.45%
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 2024		For the year ended 31 March 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (-/+ 0.5%)	7.70%	6.70%	7.95%	6.95%
(% change compared to base due to sensitivity)	-5.01%	5.42%	-5.10%	5.52%
Salary growth rate (-/+ 0.5%)	7.50%	6.50%	7.50%	6.50%
(% change compared to base due to sensitivity)	5.22%	-4.92%	5.52%	-5.15%

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 12.17 years.

	Cash flows	Distribution (%)
Expected cash flows over the next (valued on undiscounted basis):		
1st Following Year	5.37	1.57%
2nd Following year	5.40	1.58%
3rd Following Year	6.91	2.02%
4th Following Year	21.11	6.16%
5th Following Year	8.35	2.44%
6th Following Year	7.61	2.22%
7th Following Year	7.33	2.14%
8th Following Year	6.25	1.82%
9th Following Year	9.39	2.74%
Sum of years 10 and above	265.10	77.31%

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 2024	Mandatorily at FVTPL	Amortised cost	Total carrying amount
ASSETS			
Cash and cash equivalents	-	7,789.09	**7,789.09**
Bank balance other than cash and cash equivalents	-	5,197.56	**5,197.56**
Loans and advances to customers	-	14,169.40	**14,169.40**
Investment securities			
Measured at fair value	163.42	-	**163.42**
Measured at amortised cost	-	-	**-**
Receivables	-	2,674.27	**2,674.27**
Other financial assets	-	1,563.04	**1,563.04**
Total Financial assets	**163.42**	**31,393.36**	**31,556.78**
Trade Payables	-	1,249.42	**1,249.42**
Borrowings (other than debt securities)	-	5,391.91	**5,391.91**
Other financial liabilities	-	7,733.89	**7,733.89**
Total Financial liabilities	**-**	**14,375.22**	**14,375.22**

(₹ 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**

(₹ in Lakhs)

As at 31 March 2023	Mandatorily at FVTPL	Amortised cost	Total carrying amount
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**
Trade Payables	-	429.69	**429.69**
Borrowings (other than debt securities)	-	7.00	**7.00**
Other financial liabilities	-	3,973.57	**3,973.57**
Total Financial liabilities	**-**	**4,410.26**	**4,410.26**

46. FAIR VALUE MEASUREMENT

Financial Instrument by Category

(₹ in Lakhs)

	As at 31 March 2024		As at 31 March 2023	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Asset				
Investments				
- Bonds and Debentures	41.00	-	-	495.63
- Mutual Funds	122.42	-	205.94	-
Receivables	-	2,674.27	-	3,073.80
Loans	-	14,169.40	-	7,380.11
Cash And Cash Equivalents	-	7,789.09	-	6,297.59
Bank balance other than cash and cash equivalents	-	5,197.56	-	2,646.92
Other Financial Assets	-	1,563.04	-	1,626.42
Total Financial Assets	**163.42**	**31,393.36**	**205.94**	**21,520.47**
Financial Liability				
Trade Payables	-	1,249.42	-	429.69
Borrowings (other than debt securities)	-	5,391.91	-	7.00
Contract liabilities	-	-	-	-
Other financial liabilities	-	7,733.89	-	3,973.57
Total Financial Liabilities	**-**	**14,375.22**	**-**	**4,410.26**

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 2024

(₹ in Lakhs)

	Carrying amount	Fair value measurements using			
		Level 1	Level 2	Level 3	Total
Financial assets*					
Investments					
- Bonds and Debentures	41.00	-	41.00	-	**41.00**
- Mutual Funds	122.42	122.42	-	-	**122.42**
Loans and advances**	14,169.40	-	14,528.58	-	**14,528.58**

As at 31 March 2024 (Contd.)

(₹ in Lakhs)

	Carrying amount	Fair value measurements using			
		Level 1	Level 2	Level 3	Total
Receivables	2,674.27				
Cash And Cash Equivalents	7,789.09				
Bank balance other than cash and cash equivalents	5,197.56				
Security Deposits	190.14	-	190.14	-	**190.14**
Other Financial assets	1,372.90				
Total Financial Asset	**31,556.78**	**122.42**	**14,759.72**	**-**	**14,882.14**
Financial Liabilities*					
Borrowings (other than debt securities)	5,391.91				
Payables	1,249.42				
Lease Liability	2,523.08	-	2,523.08	-	**2,523.08**
Other financial liabilities	5,210.81				
Total Financial Liabilities	**14,375.22**	**-**	**2,523.08**	**-**	**2,523.08**

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	1,412.50				
Total Financial Asset	**21,726.41**	**205.94**	**8,447.22**	**-**	**8,653.16**
Financial Liabilities*					
Trade Payables	429.69				
Borrowings (other than debt securities)	7.00	-	7.00	-	**7.00**
Lease Liability	1,552.09	-	1,552.09	-	**1,552.09**
Other financial liabilities	2,421.48				
Total Financial Liabilities	**4,410.26**	**-**	**1,559.09**	**-**	**1,559.09**

*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.

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	Diversification of Group's investments into NCDs and FDs
		Credit ratings in case of investments held at amortized cost	Monitoring of credit risk on loans and advances basis the days past dues.
Liquidity risk	Trade liabilities	Maturity analysis	Maintaining sufficient cash and cash equivalents and marketable investments

The Company's board of directors is the highest decision-making body within the organisation. The Board of directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management committee is established to:

- Recommend changes to the risk Policy for approval by the Audit Committee.
- Monitors and supervises the ECL process, identifies and analyses the risks faced by the Company.
- Authorize any overrides on the provisioning model of assets to achieve provisioning objectives in line with the approval policy.
- Reviewing the adequacy of ECL training across the key departments.
- Establishing that the businesses comply with the risk Policy.
- Review and address concerns raised by the internal Credit Committee, Statutory Auditors or the Internal Auditors in any ECL exceptions.
- Delegate such roles and responsibilities to the Company's internal Credit Committee to ensure that this policy is in line with the board approved policy and the applicable accounting standards.

The audit committee oversees the recommmendations of the risk management committe and how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee ensures adequate provisioning for the financial statements in line with the approved policies and ensures that the scope of the External Auditor covers adequate assurance in complying with the Company's approved provisioning and risk policy.

A. Credit risk

Credit risk arises from loans and advances, cash and cash equivalents, investments carried at amortized cost and deposits held by the Group.

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities.

i) Credit risk management

The primary organizational Groups forming part of the Group risk governance are Board of Directors, Audit Committee, Risk committee and Credit committee. In regards to loans and advances of the Group, the credit risk is managed in accordance with the ECL policy by monitoring of credit risk basis the days past dues. For the investments, the ECL policy provides that the Group uses the external ratings for estimation of forward looking PDs to estimate ECL. The Group reviews the creditworthiness of these counterparties on an on-going basis.

The Group classifies its financial assets in following category:

Stage 1

As soon as a financial instrument originates or is purchased, it is categorized as Stage 1. This is applicable across all the loan facilities, investments and bank balances. Stage 1 would include all residual facilities, not impaired or, have not experienced a significant increase in credit risk since initial recognition.

Stage 2 and stage 3

Loans

The following staging criteria based on Days Past Dues (DPDs) fixed for Loan portfolio as per the Ind AS 109:

Stage 1 to Stage 2: More than 30 Days Past Due as criteria for Stage 2 classification.

Stage 2 to Stage 3: More than 90 Days Past Due as criteria for Stage 3 classification.

Investments and Balances with Bank

Following is the staging criteria for investments:

- For facilities with rating grade AAA to B, three notch downgrades (without modifiers) shall be taken as stage 2.
- Any financial instrument with rating grade CCC or below classified as Stage 2 at origination.

ii) Provision for expected credit losses

The Group provides for expected credit loss based on following:

Category	Description for category	Probability of default (PD)	Exposure at default (EAD)	Loss given default (LGD)
Loans	The Group is engaged in the business of providing unsecured loans to SMEs and individuals with proprietary businesses, the borrower profiles are having similar risk characteristics across the loan book.	The PD estimation is based on transition matrix approach, gross flow analysis and net flow analysis with application of single factor Vasicek model for incorporation of macro-economic factor (GDP). The Group has used cohort framework for computation of PDs on loans. As the default definition for loan portfolio is 90 days past due, the Company taken quarterly transition matrix for estimation of PDs across following behavioral buckets: Ranking 1: Current (DPD up to 0) Ranking 2: Up to 30 Days past due Ranking 3: Up to 60 days past due Ranking 4: Up to 90 days past due Ranking 5: Default PD estimates Grouped as per the above ranking grades. For Stage 3 assets PD is taken to be 100%. 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 2024

(₹ in Lakhs)

Particulars	Asset Group	Estimated gross carrying amount at default	Expected credit losses (%)	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Investments at amortised cost				
	- NCDs	-	0.00%	-	-
	- FD	5,197.57	0.00%	0.01	5,197.56
	Loans at amortised cost	12,792.66	1.35%	172.30	12,620.36
Loss allowance measured at life-time expected credit losses, not credit impaired	Investments at amortised cost				
	- NCD/PTC	-	-	-	-
	- FD	-	-	-	-
	Loans at amortised cost	512.87	12.87%	66.02	446.85
Loss allowance measured at life-time expected credit losses, credit impaired	Investments at amortised cost				
	- NCD/PTC	-	-	-	-
	- FD	-	-	-	-
	Loans at amortised cost	1,686.79	34.66%	584.59	1,102.20

Year ended 31 March 2023

(₹ in Lakhs)

Particulars	Asset Group	Estimated gross carrying amount at default	Expected credit losses (%)	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Investments at amortised cost				
	- NCDs	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

Investments in NCD, PTC and FD

The Group had invested in NCDs and FDs having Credit rating ranging from AAA to BBB-.

Measurement of Expected Credit Losses

The Group has applied a three-stage approach to measure expected credit losses (ECL) on debt instruments accounted for at amortised cost. Assets migrate through following three stages based on the changes in credit quality since initial recognition:

(a) Stage 1: 12 - months ECL: For exposures where there is no significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12- months is recognized.

(b) Stage 2: Lifetime ECL, not credit-impaired: For credit exposures where there has been a significant increase in credit risk since initial recognition but are not credit-impaired, a lifetime ECL is recognized. Marginal PDs are used to compute lifetime ECL.

(c) Stage 3: Lifetime ECL, credit-impaired: Financial assets are assessed as credit impaired upon occurrence of one or more events that have a detrimental impact on the estimated future cash flows of that asset. For financial assets that have become credit-impaired, a lifetime ECL is recognized and interest revenue is calculated by applying the effective interest rate to the amortised cost.

At each reporting date, the Group assesses whether there has been a significant increase in credit risk of its financial assets since initial recognition by comparing the risk of default occurring over the expected life of the asset. In determining whether credit risk has increased significantly since initial recognition, the Group uses information that is relevant and available without undue cost or effort. This is based on the historical default rates or delinquency status of account across various internal rating grades, products or sectors.

The portfolios for which external benchmark information represents a significant input into measurement of ECL are as follows:

(₹ in Lakhs)

	Exposure	External benchmarks used
Loans at amortised cost	14,169.40	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.

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 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**
Changes in loss allowances due to			
Assets originated or purchased	52.01	63.76	343.35
Write – offs	-	-	(14.95)
Addition/(Recoveries) for assets originated in Previous years	(201.01)	(96.59)	(37.03)
Loss allowance on 31 March 2024	**172.30**	**66.02**	**584.59**

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 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**	**-**	**-**
Changes in loss allowances due to			
Assets originated or purchased	-	-	-
Addition/(Recoveries) for assets originated in Previous years	(0.01)	-	-
Loss allowance on 31 March 2024	**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)

	As at 31 March 2024			As at 31 March 2023		
	Carrying amount	Within 12 months	After 12 months	Carrying amount	Within 12 months	After 12 months
Financial liabilities						
Trade payables	1,249.42	1,249.42	-	429.69	429.69	-
Borrowings (other than debt securities)	5,391.91	5,391.91	-	7.00	7.00	-
Other financial liabilities	7,733.89	5,925.21	1,808.68	3,973.57	2,702.35	1,271.22
Non-Financial liabilities						
Provisions	1,751.84	1,683.93	67.91	1,215.60	1,175.09	40.51
Deferred tax liabilities	9.42	-	9.42	31.94	-	31.94
Other non-financial liabilities	293.99	293.99	-	99.29	47.70	51.59
Financial assets						
Cash and cash equivalents	7,789.09	7,789.09	-	6,297.59	6,297.59	-
Bank balance other than cash and cash equivalents above	5,197.56	5,197.56	-	2,646.92	2,646.92	-
Receivables	2,674.27	2,674.27	-	3,073.80	3,073.80	-
Loans and advances to customers	14,169.40	10,772.04	3,397.36	7,380.11	5,707.53	1,672.58
Investment securities	163.42	163.42	-	701.57	701.57	-
Other financial assets	1,563.04	1,525.67	37.37	1,626.42	1,569.57	56.85
Non-financial Assets						
Inventories	565.40	565.40	-	518.29	518.29	-
Deferred tax assets	116.82	-	116.82	11.28	-	11.28
Income tax assets	571.07	571.07	-	487.54	487.54	-
Right of use asset	2,392.36	-	2,392.36	1,538.11	1,356.17	181.94
Property, plant and equipment	184.56	-	184.56	197.94	37.68	160.26
Capital work-in-progress	-	-	-	10.50	10.50	-
Intangible assets under development	145.14	145.14	-	9.88	3.30	6.58
Intangible assets	3,102.48	-	3,102.48	3,438.85	2.69	3,436.16
Goodwill	5,952.85	-	5,952.85	5,952.85	-	5,952.85
Other non-financial assets	618.90	618.90	-	576.62	576.62	-

b) Maturity Pattern

The table below summarises the maturity profile of the undiscounted cashflow of the Groups financial liabilities:

As at 31 March 2024

	Within 12 months	1-2 years	2-5 years	More than 5 years	Total
Trade payables	1,249.42	-	-	-	1,249.42
Borrowings (other than debt securities)	5,391.91	-	-	-	5,391.91
Other financial liabilities					
- Lease liability	345.90	403.67	930.74	842.78	2,523.08
- Payable to borrowers	446.23	-	-	-	446.23

As at 31 March 2023

	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

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 2024	As at 31 March 2023
Financial assets		
Loans and advances to customers	3,397.36	1,672.58
Other financial assets	37.37	56.85
Financial liabilities		
Lease Liability	1,808,68	1,271.22

d) The following table sets out the components of the Group's liquidity reserves:

(₹ in Lakhs)

Particulars	As at 31 March 2024		As at 31 March 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Cash And Cash Equivalents	7,789.09	7,789.09	6,297.59	6,297.59
Bank balance other than cash and cash equivalents	5,197.56	5,197.56	2,646.92	2,646.92
Total liquidity reserves	**12,986.65**	**12,986.65**	**8,944.51**	**8,944.51**

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 2024	For the year ended 31 March 2023
Type of income		
Services charges	0.17	186.59
Bounce charges	2.54	5.86
Penal charges	2.13	2.30
Foreclosure charges	5.90	8.42
Brokerage received	38.23	83.70
License integration fees	361.67	485.56
Sale of subscription services	9.92	10.06
Sale of value added services	220.74	200.13
Fees and commission Income	15,127.16	6,875.55
Total revenue from contracts with customers	**15,768.46**	**7,858.17**

48. REVENUE FROM CONTRACTS WITH CUSTOMERS (Contd.)

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 2024	For the year ended 31 March 2023
Geographical markets		
India	15,768.46	7,858.17
Outside India	-	-
Total revenue from contracts with customers	**15,768.46**	**7,858.17**
Timing of revenue recognition		
Services transferred at a point in time	15,499.40	7,377.69
Services transferred over time	269.06	480.48
Total revenue from contracts with customers	**15,768.46**	**7,858.17**

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

50. The ECL provision of ` 82.68 Lakhs is retained by the Company as at 31 March 2024 towards management overlay.

51. OTHER ADDITIONAL INFORMATION

1. Company has complied with the charge creation or satisfaction registration with ROC within the statutory year.

2. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year 2023-2024.

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 of India.

52. BUSINESS COMBINATION

During the previous 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 July 20, 2022, corrigendum to which was pronounced on July 27, 2022. The certified copy of the said Order was received on August 12, 2022.

The appointed date of the Scheme was April 1, 2022 and the Scheme has become effective on August 18, 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. September 2, 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 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 October 14, 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 had been considered for the year ended March 31, 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 April 1, 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. GOODWILL ON CONSOLIDATION

(₹ in Lakhs)

Particulars	**As on 31 March 2024**	**As on 31 March 2023**
Cost as at beginning of the year	5,952.85	5,952.85
Addition relating to acquisition of subsidiary	-	-
Cost as at end of the year	**5,952.85**	**5,952.85**
Impairment as at beginning of year	-	-
Charge for the year	-	-
Impairment as at end of the year	**-**	**-**
Net carrying value as at beginning of the year	**5,952.85**	**5,952.85**
Net carrying value as at end of the year	**5,952.85**	**5,952.85**

54. STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES (PURSUANT TO FIRST PROVISO TO SUB-SECTION (3) OF SECTION 129 READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014)

Part "A": Subsidiaries

Sr. No.	**Particulars**	**Amount**	**(in ₹)**	**(in ₹)**
1	Name of the Subsidiary	Investdirect Capital Services Private Limited (Investdirect)	Moneymap Investment Advisors Private Limited	Iserveu Technology Private Limited
2	The date since when subsidiary was acquired	19.08.2019	19.08.2019	18.12.2020
3	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	Reporting period of the subsidiary is the same as that of the holding Company i.e. April 1, 2023 to March 31, 2024		

Part "A": Subsidiaries (Contd.)

Sr. No.	Particulars	Amount	(in ₹)	(in ₹)
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	34.12	375.00	200.00
	Issued, Subscribed and paid-up	33.10	375.00	2.32
6	Reserves and Surplus	650.21	(317.81)	2,209.09
7	Total assets	730.14	98.79	12,932.38
8	Total liabilities	46.83	41.60	10,720.97
9	Investments	103.81	67.52	4,137.67
10	Turnover	345.94	13.19	15,397.62
11	Profit before taxation	4.10	(0.74)	(1,437.26)
12	Provision for taxation	-	-	(105.54)
13	Profit after taxation	4.10	(0.74)	(1,331.73)
14	Proposed Dividend	-	-	-
15	% of shareholding	60.76	100.00	51.00

A. Names of subsidiaries which are yet to commence operations: NA

B. Names of subsidiaries which have been liquidated or sold during the year: NA

Part "B": Associates and Joint Ventures

The Company has no Associates and Joint Ventures and therefore this is not applicable.

55. 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
14 May 2024

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

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

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

Abhishek Thakkar
Chief Financial Officer

Mumbai
14 May 2024

Neha Daruka
Company Secretary
Membership No: A41425
Mumbai

Notice

NOTICE is hereby given that the thirty-sixth Annual General Meeting (**'AGM'**) of the members of **Niyogin Fintech Limited** will be held on Wednesday, September 18, 2024 at 4.00 p.m. (IST) through Video Conferencing (**"VC"**)/Other Audio-Visual Means (**"OAVM"**) to transact the following businesses:

ORDINARY BUSINESS

1. **Adoption of standalone financial statements**

   To consider and if deemed fit, to pass the following as an **ORDINARY RESOLUTION**:

   "**RESOLVED THAT** the audited standalone financial statements of the company for the financial year ended March 31, 2024, the board's report including the independent auditors' report thereon, be and are hereby considered, approved and adopted."

2. **Adoption of consolidated financial statements**

   To consider and if deemed fit, to pass the following as an **ORDINARY RESOLUTION**:

   "**RESOLVED THAT** the audited consolidated financial statements of the company for the financial year ended March 31, 2024, including the independent auditors' report thereon, be and are hereby considered, approved and adopted."

3. **Appointment of Tashwinder Harjap Singh (DIN: 06572282) as a director, liable to retire by rotation and, being eligible, offers himself for re-appointment.**

   To consider and if deemed fit, to pass the following as an **ORDINARY RESOLUTION**:

   "**RESOLVED THAT** Tashwinder Harjap Singh (DIN: 06572282), who retires by rotation pursuant to the provisions of Section 152 of the Companies Act, 2013 and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a director of the company, liable to retire by rotation."

SPECIAL BUSINESS

4. **Approval of Investment(s), Loans, Guarantee and Security under Section 186 of the Companies Act, 2013**

   To consider and if deemed fit, to pass the following as a **SPECIAL RESOLUTION**:

   "**RESOLVED THAT** in supersession of the earlier resolution passed and pursuant to the provisions of Section 186 and other applicable provisions, if any, of the Companies Act, 2013 and the relevant rules made there under (including any statutory modification thereof for the time being in force and as may be enacted from time to time), and in accordance with the Memorandum and Articles of Association of the Company and subject to such approvals, consents, sanctions and permissions as may be necessary, the consent of the members be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute for this purpose or any person(s) authorized by the Board) for giving any loan to any person or body corporate, give any guarantee or provide security in connection with a loan to any other body corporate or person and make investments/ acquire by way of subscription, purchase or otherwise, the securities of any other body corporate in compliance with applicable limits and conditions as specified under Section 186 and other applicable provisions, if any, of the Companies Act, 2013 (including any exemptions thereof) and such other guidelines, regulations, as maybe applicable from time to time;

   RESOLVED FURTHER THAT for the purpose of giving effect to the above, any of the Directors and/or Key Managerial Personnel of the Company be and is hereby authorized to take decisions from time to time and to do all such acts, deeds and things in this connection and incidental thereto and to settle any question, difficulty or doubt that may arise in this regard including power to sub-delegate as they may in their absolute discretion deem fit in order to give effect to the aforesaid resolution."

Registered office
MIG 944, Ground Floor, TNHB Colony,
1st Main Road, Velachery, Chennai,
Tamil Nadu - 600042
CIN: L65910TN1988PLC131102
Website: www.niyogin.com
E-mail: investorrelations@niyogin.in

Place: Mumbai
Date: August 9, 2024

By order of the Board of Directors
For Niyogin Fintech Limited

Neha Daruka
Company Secretary
ACS 41425

Notes

1. The Ministry of Corporate Affairs ("MCA") has vide its General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 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 May 5, 2020, 10/2022 dated December 28, 2022 and subsequent circulars issued in this regard, the latest being 09/2023 dated September 25, 2023 in relation to "Clarification on holding of Annual General Meeting ("AGM") through Video Conferencing or Other Audio Visual Means", (collectively referred to as "MCA Circulars") permitted the holding of the 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 – 600042.

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 businesses to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited ("NSDL") for facilitating voting through electronic means, as the authorized e-voting 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. 4 of the Notice, is annexed hereto. Further, the relevant details with respect to Item No. 3 pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and SS-2, in respect of the Director seeking re-appointment at this AGM are also annexed. Requisite declarations and consents have been received from the Director seeking 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. In accordance with the aforesaid MCA Circulars and Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 and SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023 issued by Securities Exchange Board of India (collectively referred to as "SEBI Circulars"), the Notice of the AGM along with the Annual Report for FY 2023-24 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories". 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"), https://linkintime.co.in/.

6. Members who have not registered their e-mail address with the Company or Depository Participant(s), may complete the e-mail registration process as detailed below. Members are also requested to intimate changes/updates, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc. in the manner as detailed below:

   i) **For shares held in electronic form:** to their Depository Participants ("DPs")

   ii) **For shares held in physical form:** to the Registrar and Share Transfer Agent of the Company at Link Intime India Private Limited, C-101, Embassy 247, LBS Marg, Vikhroli (West), Mumbai – 400083 in prescribed Form ISR-1 and other forms pursuant to SEBI Master Circular No. SEBI/HO/MIRSD/SECFATF/P/CIR/2023/169 dated October 12, 2023. To mitigate unintended challenges on account of freezing of folios, SEBI vide its Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 dated November 17, 2023, has done away with the provision regarding freezing of folios not having PAN, KYC, and Nomination details.

7. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in 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 at https://linkintime.co.in/. It may be noted that any service request can be processed only after the folio is KYC compliant.

8. 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.

9. **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 ("DP") with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to RTA.**

10. 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.

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. 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 to RTA in case the shares are held in physical form.

13. SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated July 31, 2023, and SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/135 dated August 4, 2023, read with Master Circular No. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/145 dated July 31, 2023 (updated as on August 11, 2023), has established a common Online Dispute Resolution Portal ("ODR Portal") for resolution of disputes arising in the Indian Securities Market.

    Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievances with the RTA/Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal (https://smartodr.in/login).

14. Members seeking any information/clarification 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 September 16, 2024 through e-mail on investorrelations@niyogin.in. The same will be replied by the Company suitably.

15. Members attending the meeting through VC/OAVM shall be counted for the purpose of determining the quorum under Section 103 of the Act.

16. 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 investorrelations@niyogin.in.

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 investorrelations@niyogin.in and evoting@nsdl.com. 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. 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 or a person authorised by him in writing, 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 and on the website of NSDL https://www.evoting.nsdl.com immediately. The Company shall simultaneously forward the results to BSE Limited, where the equity shares of the Company are listed.

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 upto the date of AGM. Members can inspect the same by sending an email to investorrelations@niyogin.in.

22. **Instructions for e-voting and joining the AGM are as follows:**

(A) VOTING THROUGH ELECTRONIC MEANS:

i) In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI Circular no. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 in relation to "e-voting Facility Provided by Listed Entities", the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below.

ii) 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.

iii) 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 Thursday, September 12, 2024 to Wednesday, September 18, 2024 (both days inclusive).

iv) The remote e-voting period commences on Thursday, September 12, 2024 at 09:00 A.M. IST and ends on Tuesday, September 17, 2024 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. Wednesday, September 11, 2024, 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 September 11, 2024.

The e-voting module shall be disabled by NSDL for voting thereafter. Members have the option to cast their vote on any of the resolutions using the remote e-voting facility, either during the period commencing from Thursday, September 12, 2024 to Tuesday, September 17, 2024 or e-voting during the AGM. Members who have voted on some of the resolutions during the said voting period are eligible to vote on the remaining resolutions during the AGM.

v) 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 AGM. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

vi) Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the User ID and Password by sending a request at evoting@nsdl.com. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and Password for casting the vote. In case of individual shareholders holding securities in dematerialized mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under "**Login method for remote e-voting and joining virtual meeting for individual shareholders holding securities in dematerialized mode.**"

vii) The details of the process and manner for remote e-voting are explained herein below:

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.

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

Details on Step 1 are mentioned below:

A) Login method for remote e-voting and joining the virtual meeting for individual shareholders holding securities in dematerialized mode.

In terms of SEBI Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 on "e-voting facility provided by Listed Entities", Individual shareholders holding shares of the Company in demat mode can cast their vote, by way of a single login credential, through their demat accounts/websites of Depositories and Depository Participants (DPs). Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in the e-voting process. Shareholders are advised to update their mobile number and e-mail address with their DPs to access e-voting facility.

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. 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. 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. 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.

Type of shareholders	Login Method
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.

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.com or call at 022 - 4886 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 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'?

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

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

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

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

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

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com 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.

Details on Step 2 are given below:

How to cast your vote electronically 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.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-voting period.

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. 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 https://www.evoting.nsdl.com to reset the password.

2. 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 or send a request to Mr. Sagar S Gudhate at evoting@nsdl.com

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail 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 evoting@nsdl.com

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 (Company email id). If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-voting for Individual shareholders holding securities in demat mode**.

3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated July 11, 2023 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.

(B) INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Members will be able to attend the AGM through VC/OAVM or view the live webcast of AGM provided by NSDL at https://www.evoting.nsdl.com following the steps mentioned above for login to NSDL e-voting system. After successful login, you can see VC/OAVM link placed under Join meeting menu against company name. You are requested to click on VC/OAVM link placed under "Join Meeting" menu.

   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. Further Members can also use the OTP based login for logging into the e-voting system of NSDL.

2. Facility of joining the AGM through VC/OAVM shall open 15 minutes before the time scheduled for the AGM.

3. Members who need assistance before or during the meeting, can contact NSDL on evoting@nsdl.com +91 22 48867000 or contact Amit Vishal, Deputy Vice President – NSDL at evoting@nsdl.com or Sagar Gudhate, Senior Manager-NSDL at Sagarg@nsdl.com.

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 e-mail address mentioning their name, DP ID and Client ID/Folio number, PAN, mobile number at investorrelations@niyogin.in from Thursday, September 12, 2024 (9:00 a.m. IST) to Monday, September 16, 2024 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

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

ITEM NO. 4:

The provisions of section 186(3) of the Companies Act, 2013 and rules made there under ("Act") requires the Company to obtain prior approval of the Shareholders/Members by way of special resolution passed at the General Meeting in case the amount of investment, loan, guarantee or security already made and proposed to be made is more than the higher of sixty percent of the paid up share capital, free reserves and securities premium account or one hundred percent of free reserves and securities premium account. The Company being a Non-Banking Financial Company established with the object of and engaged in the business of financing industrial enterprises, is exempted from compliance of the provisions under Section 186 of the Act except sub-section (1).

Keeping in view the future plans of the Company and to fulfil long term strategic and business objectives and to enable optimal financing structure, the approval of the Shareholders is sought for giving any loan to any person or body corporate, give any guarantee or provide security in connection with a loan to any other body corporate or person; and make investments/acquire by way of subscription, purchase or otherwise, the securities of any other body corporate in compliance with applicable limits and conditions as specified under Section 186 and other applicable provisions, if any, of the Companies Act, 2013 (including any applicable exemptions thereof) and such other guidelines, regulations, as maybe applicable from time to time.

Shareholders are requested to note that for enhanced corporate governance, the Company had established a limit for making investment, providing loans or give guarantee or provide security in connection with loans for an amount not exceeding ₹ 500 Crore (Rupees Five Hundred Crore). The proposed resolution, if approved, shall supersede all the earlier resolutions passed in this regard.

It may be noted that pursuant to Section 110 of the Act read with Rule 22 of the Companies (Management and Administration) Rules, 2014, the item proposed in Item No. 4 can be transacted only by means of voting through a postal ballot unless the Company provides the facility of e-voting to its Members. Since the Company has provided e-voting facility to transact the said business, the option of postal ballot is not provided.

None of the Directors or Key Managerial Personnel or their relative(s) is/are in any way concerned or interested, directly or indirectly, financially or otherwise, in passing of the above-mentioned resolution except to the extent of their directorships and shareholding in the Company (if any).

The Board recommends the Special Resolution at Item No. 4 of the accompanying Notice for 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. Tashwinder Harjap Singh**
Director Identification Number (DIN)	06572282
Date of Birth and age	March 11, 1970 (54 years)
Date of appointment (Initial appointment)	February 02, 2022 Appointed as the managing director of the Company for a period of three years.
Qualification	• Master in Business Administration degree from Faculty of Mgmt. Studies (Delhi University). • BE (Electrical) from Delhi College of Engineering.
Experience	Mr. Singh comes with more than 30 years of leadership experience in both strategic and operational roles with significant background in Banking, General Management and Private Capital Investing. He has been associated with Citigroup, KKR and O3 Capital in his previous roles. He is an accomplished team-builder with a passion for setting the corporate vision, defining and implementing future-driven strategy and growing businesses through entrepreneurial innovation and a customer centric approach. He has proven abilities across all levels of organizational management to build, 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.
Expertise in specific functional areas	Rich experience in various areas of business in the financial services.
Terms and Conditions of Re-appointment	Re-appointment in terms of Section 152(6) of the Companies Act, 2013.
Details of Remuneration sought to be paid	₹ 130.52 lakhs subject to other terms and conditions as per employment contract.
Details of remuneration last drawn	Please refer to the Corporate Governance Report which is a part of this Annual Report.
Number of shares held in the Company	2,49,704 equity shares of face value ₹ 10/- each.
Inter-se relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Nil
Number of meetings of the Board attended during the year	Attended all 5 out of 5 meetings of the board held during the year.
Memberships/Chairmanships in Committees of other companies	NRB Bearings Limited* - Audit Committee (Chairman) - Risk Management Committee (Member) - Nomination & Remuneration Committee (Member)

Name of Director	Mr. Tashwinder Harjap Singh
Directorships held in other companies in India	1. Standard Industries Limited 2. NRB Bearings Limited* 3. Iserveu Technology Private Limited 4. Investdirect Capital Services Private Limited 5. Moneymap Investment Advisors Private Limited 6. Niyogin AI Private Limited
Listed Entities from which he has resigned as Director in past 3 years	Please refer Note 2 below.

Notes:

1. *The Director being re-appointed above is not disqualified from being re-appointed as such.*
2. **The Director shall cease to be an Independent Director of the Company with effect from August 10, 2024 upon completion of his term.*
3. *For other details of the above Director, please refer to the Corporate Governance Report, which is a part of this Annual Report.*

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

Registered office
MIG 944, Ground Floor, TNHB Colony
1st Main Road, Velachery, Chennai
Tamil Nadu - 600042
CIN: L65910TN1988PLC131102
Website: www.niyogin.com
E-mail: investorrelations@niyogin.in

Neha Daruka
Company Secretary
ACS 41425

Place: Mumbai
Date: August 9, 2024

niyogin

CORPORATE OFFICE ADDRESS

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

REGISTERED OFFICE ADDRESS

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