

22nd May 2019

To
The General Manager,
(Listing & Corporate Relations)
BSE Limited
25th Floor, Phiroze Jeejeeboy Towers,
Dalal Street, Mumbai – 400001

Ref.: Regulation 30 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements), 2015.

Sub: Outcome of Board Meeting of the Company held on Wednesday, 22nd May 2019.

Script Code: 538772

Dear Sir,

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and further to our letter dated on 9th May, 2019, we hereby inform that the Board of Directors, at its meeting held today i.e. May 22, 2019 has *inter alia* approved the following:

1. Audited Standalone Financial Results for the quarter/ year ended March 31, 2019 pursuant to Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015; and
2. Re-appointment of Protiviti India Member Private Limited as internal auditors of the Company for the Financial Year 2019-20.

The meeting of the Board of Directors commenced at 2.45 p.m. and concluded at 6.35 p.m.

Kindly take the same on your records.

Yours truly,

For Niyogin Fintech Limited

MANDAR S Digitally signed by
MANDAR S GODBOLE
Date: 2019.05.22
18:47:41 +05'30'
GODBOLE

Mr. Mandar Godbole

Company Secretary & Compliance Officer

ACS 30240

Encl: a/a

Niyogin Fintech Limited

(CIN L65910MH1988PLC239746)

Reg Office: Neelkanth Corporate IT Park, 311/312, 3rd Floor, Kiroli Road, Vidyavihar (w), Mumbai - 400086 |

email : info@niyogin.in | Website : www.niyogin.in

Chairman's Update to Investors: Q4-2019

FY19 has been the second year in our journey of building a best in class small business centric fintech platform. This was also the first year of our distribution and operations build and we ended FY19 with a loan book of INR 510M (USD7.2M), disbursement of INR 615M (USD8.8M), 612 partners and 434 customers - in-line with our revised guidance. Q4 2019 has been a satisfying quarter for us as our distribution build continued apace, accelerated growth and improved our activation rates even though credit markets remained turbulent. Overall, we are happy to report that we have quickly operationalised the business and we are now geared to drive scale in a broader based format in FY20.

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

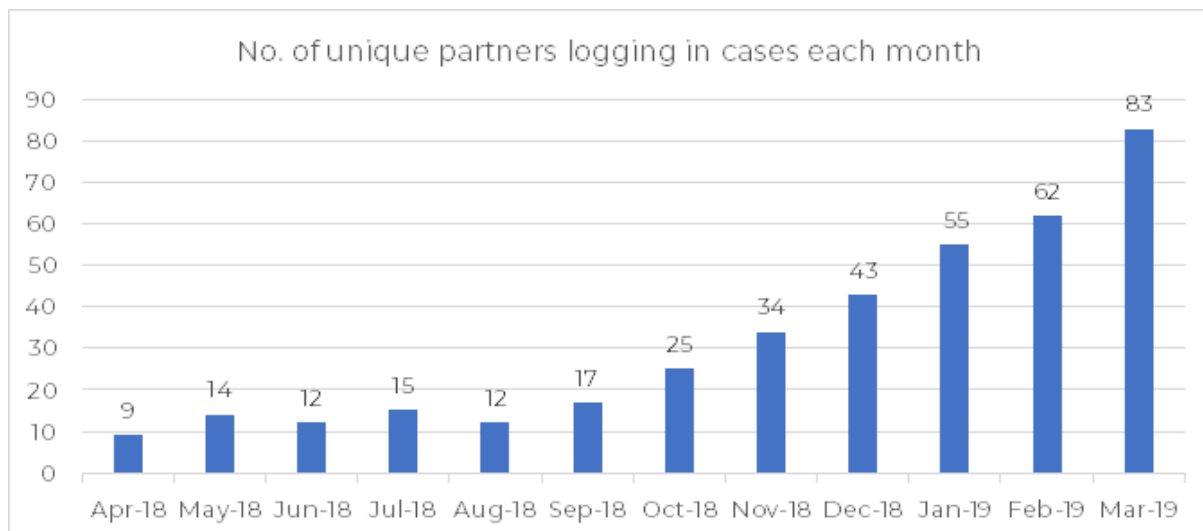
Partners

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

Through FY19 we used the wholesale channel on a very selective basis, given the natural tendency to push multiple loans. As we expand our partner distribution channel, we have decided to predominantly focus on our proprietary retail partner channel. Thus, we will be moderating the third-party wholesale channel as we step into Q1FY20.

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

We are pleased to state that our accumulated activation rate is 33% which results in an increased number of customer referral logins from our partners.

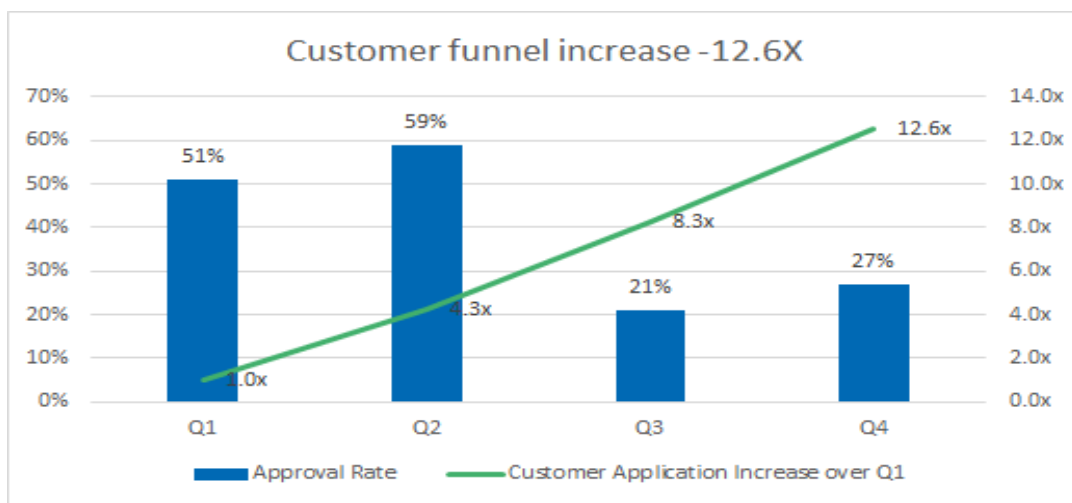


Customers

In our last update we had mentioned that we took a watchful stance in extending credit given the ongoing challenges in the NBFC sector in India. The liquidity squeeze and macro-economic slowdown continues to have an impact on the sector and the SMB segment has seen extension of their debtor days cycle. Given this backdrop we continue to refine our underwriting algorithm to reflect underlying market realities. We remain squarely focused on our target customer segment of micro/small business with turnover of upto INR 250M per annum and our distribution expansion continues to provide us with opportunity to tap into the underserved segment. We ended the year with 434 customers on board, with 177 acquired in Q4FY19, ahead of our revised target of 400+ customers for FY19. Through FY20 we will be accelerating our platform play by extending products across credit (in partnership with leading financial institutions) and beyond credit as we progress to build a best in class MSME centric digital ecosystem. We are excited by the opportunities that the platform can create to acquire new customers who are looking for solutions beyond credit as well as cross sell into our fast-growing customer base.

Disbursals/Approvals

We had enhanced our credit parameters in Q3, which had naturally led to a drop-in approval rate. We have also reduced our average tickets for loans made this quarter further to approximately INR 1.1M against the previous quarter average of approximately INR 1.3M as we have seen better portfolio performance with small tickets. Our channels have re-calibrated accordingly and we have since then seen a pick-up in approval rates to approx. 27% during Q4. We achieved our approval target for FY19 inspite of these changes which is a reflection of our pace of loan pipeline build. Our customer funnel in Q4FY19 recorded a growth of 12.6x over Q1FY19 driven by expanding distribution and platform adoption. Our total disbursement for Q4FY19 stood at INR 194.5M vs INR 129.6M in Q3, a solid growth of 50% QoQ.



We also continue to proactively price for risk as our Q4 disbursal yields inched up again by approximately 58bps QoQ to 21.37% with an average tenor of 19 months. We are focused on building and enhancing our collections capability as we expand our geographical foot print, which we believe will differentiate us from competition in the years to come. We had 5 customers in the 90 DPD+ bucket resulting in a gross NPA ratio of 1.84% and net NPA ratio of 0.74%. These customers were higher ticket loans, and we have seen better asset quality performance in smaller tickets.

Digital Channel and Partnerships

We started to build our direct digital lending and partnership-based business lines in FY19 and we have made steady progress through the year. These channels open up access to a wider set of customers and create opportunities to accelerate market share gains given our ability to customise product coupled with our flexible technology architecture.

Through the direct digital channel, we serve a younger customer base and we spent the foundation year in understanding the channel nuances and created a sustainable go to market framework. We have seen early success in adoption trends but we remained conservative given the nascency of the channel. We currently are keeping this channel on low burn as we continue to learn and build greater product-market fitment.

Our partnership strategy gives us cost efficient market access, accelerates our go to market and product development capabilities. We intend to drive a concentrated approach to partnerships - focus on a few and scale rapidly. We primarily focus on small retail, supply chain and platform-based partnerships. Our pilot which we started in Q3 with an established payments provider that services small retail stores “Kirana” has been successful and we will be scaling this partnership rapidly in FY20.

Solutions beyond Credit

Our service oriented modular tech architecture and the strong customer relationships that our distribution channel brings, allows us to expand our product construct beyond credit and truly deliver a digital platform to our partners and customers. In FY19 we took the first step of expanding our offerings beyond credit with the acquisition of MoneyFront, a digital wealth platform. We see this as an exciting opportunity given low financial savings beyond metro areas in India and the alignment with our distribution channel that is naturally geared towards beyond metros. Once we complete the regulatory approvals, we will accelerate integration of wealth platform into our ecosystem in FY20. Enrichment of our digital ecosystem is our primary focus and we will expand our beyond credit product portfolio to 3 in FY20. We are creating and partnering with exciting companies to bring innovative solutions to market across domains of technology, financial and business services.

Our approach to product creation is ecosystem centric as our offerings are customised and suited to our partners and SMB customers. We see opportunities to leverage the product ecosystem across our three channels - Retail, Direct to Customer and Partnerships.

Technology, Data and Platformification

In the very first year of operations, we are excited to report that not only have we achieved the stability in our platform build but also begun to leverage features such as microsite for our distribution partners. Our end to end digital lending platform captures seamless data flow across customer's loan life cycle which creates superior customer engagement. Our technology construct is geared to carry multiple product offerings, and we will leverage our technology to platformise and quicken our go to market with new product offerings. We are accelerating investments in our analytics and data sciences capability as business growth along with partnerships gives us access to broader data sets. We are leveraging our big data capabilities to drive focus around customer and partner acquisition across specific locations with impactful outcomes.

Financial Highlights

FY19 was the first full -year of distribution and loan book build. We ended FY19 with disbursal of INR 615M and loan book of INR 510M. This is inline with our revised full year target for FY19. We delivered a revenue of INR 242M, a growth of 98% YoY and our cash burn remains moderate driven by our continued focus on cost management even as we continue to invest in building the business and accelerating growth.

INR M	FY2019 (31 Mar 2019)	FY2018 (31 Mar 2018)	YoY Change
Revenue	242.3	122.3	98%
Expenses	308.4	148.8	107%
Reported Profit/(Loss) (A)	(66.1)	(26.5)	-
Depreciation and amortization (B)	26.1	5.2	402%
ESOP (C)	36.8	-	-
Cash Profit/(Loss) (A+B+C)	(3.2)	(21.3)	-
Non-GAAP Profit/(Loss) – Ex ESOP charges (A+C)	(29.3)	(26.5)	-

Q4FY19, saw revenue growth of 1% QoQ as contribution from customer revenues continued to move up. Contribution from customer revenues continues to grow and stood at 38% vs. 30% on Q3FY19 and we had a small cash profit of INR0.2M for the quarter.

INR M	Q4 FY2019 (31 Mar 2019)	Q3 FY2019 (31 Dec 2018)	QoQ Change
Revenue	64.5	63.9	0.9%
Expenses	87.9	92.9	-5.4%
Reported Profit/(Loss) (A)	(23.4)	(29.0)	—
Depreciation and amortization (B)	6.7	6.6	1.5%
ESOP (C)	16.9	15.14	11.6%
Cash Profit/(Loss) (A+B+C)	0.2	(7.3)	—
Non-GAAP Profit/(Loss) – Ex ESOP charges (A+C)	(6.5)	(13.86)	—

Notes

- 25% Q-o-Q increase in customer revenues
- 9% Q-o-Q decrease in non-ESOP core operating expenses

Business Outlook

We remain focused on expanding our distribution channel and in FY20 we expect to exit with 1800 partners. Strong partner addition, rising adoption and digital + partnerships channel will drive strong approval growth in FY20.

	FY19A	FY20E
Partners	612	1800
Customers	434	2400+
Approvals/ Disbursals	INR 615M+ (USD8.8M)	INR 1500M+ (USD21.6M)
Partnerships	4	7
Solutions beyond Credit	1	3

Note: FY19- based on average USD/INR=69.99. FY20E based on USD/INR = 69.18 as on 29 Mar 2019 closing rates.

In summary, FY19 has been an exciting year as we achieved tech platform stability, began building a robust distribution network and started our journey in two additional business lines of direct digital and partnerships. Despite a mixed external environment our focus in FY20 remains on accelerating the distribution build, scale across the business lines and expand our platform offerings. There is significant growth potential in this space and we are confident about the long-term success.

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

Thank You.

Amit Rajpal

Non-Executive Chairman and Co-founder

Niyogin Fintech Limited

Statement of Audited Financial Results for the quarter and year ended 31 March 2019

(Currency in Indian Rupees in Lac)

Sr. No.	Particulars	For the quarter ended 31 March 2019 (Audited)	For the quarter ended 31 December 18 (Unaudited)	For the quarter ended 31 March 18 (Audited)	For the year ended 31 March 2019 (Audited)	For the year ended 31 March 2018 (Audited)
I	Revenue from operations	550.85	515.15	296.94	1,881.49	515.50
II	Other income	94.36	124.21	251.19	541.20	707.62
III	Total revenue (I+II)	645.21	639.36	548.13	2,422.69	1,223.12
IV	Expenses					
(a)	Employee benefits expense	418.89	473.43	265.98	1,532.65	786.51
(b)	Finance cost	-	-	-	-	-
(c)	Depreciation and amortisation expense	67.49	65.60	38.79	260.48	51.96
(e)	Other expenses	393.15	390.67	214.55	1,290.62	649.84
	Total expenses	879.53	929.70	519.32	3,083.75	1,488.31
V	Profit / (loss) before exceptional and extraordinary items and tax (III-IV)	(234.32)	(290.34)	28.81	(661.06)	(265.19)
VI	Exceptional items	-	-	-	-	-
VII	Profit / (loss) before extraordinary items and tax (V+VI)	(234.32)	(290.34)	28.81	(661.06)	(265.19)
VIII	Extraordinary items	-	-	-	-	-
IX	Profit / (loss) before tax (VII-VIII)	(234.32)	(290.34)	28.81	(661.06)	(265.19)
X	Tax expense:					
(1)	Current tax	-	-	-	-	-
(2)	Deferred tax	-	-	-	-	-
XI	Profit / (loss) for the period / year from continuing operations (IX-X)	(234.32)	(290.34)	28.81	(661.06)	(265.19)
XII	Profit / (loss) from discontinuing operations	-	-	-	-	-
XIII	Tax expense of discontinuing operations	-	-	-	-	-
XIV	Profit / (loss) from discontinuing operations (after tax) (XII-XIII)	-	-	-	-	-
XV	Profit / (loss) for the period / year after tax (XI+XIV)	(234.32)	(290.34)	28.81	(661.06)	(265.19)
VIII	Earning per share (EPS)					
(1)	Basic (Rs.) (refer note 12)	(0.28)	(0.35)	0.04	(0.79)	(0.46)
(2)	Diluted (Rs.) (refer note 12)	(0.28)	(0.35)	0.03	(0.79)	(0.46)



Audited balance sheet

(Currency in Indian Rupees in Lac)

Particulars	As at 31 March 2019	As at 31 March 2018
I. EQUITY AND LIABILITIES		
1. SHAREHOLDERS' FUNDS		
(a) Share capital	8,476.69	8,476.69
(b) Reserves and surplus	17,268.13	17,561.10
2. NON-CURRENT LIABILITIES		
(a) Long term provisions	94.06	8.00
3. CURRENT LIABILITIES		
(a) Trade payables		
- Total outstanding dues of micro and small enterprises	13.31	2.88
- Total outstanding dues of creditors other than micro and small enterprises	61.05	94.40
(b) Other current liabilities	38.15	45.17
(c) Short-term provisions	214.00	222.11
TOTAL	26,165.39	26,410.35
II. ASSETS		
1. NON-CURRENT ASSETS		
(a) Fixed Assets		
(i) Tangible assets	25.15	40.99
(ii) Intangible assets	369.70	595.73
(iii) Intangible assets under development	1.32	51.35
(b) Non current Investment	-	1,512.60
(c) Long-term loans and advances	4,529.27	89.89
(d) Other non-current assets	55.13	10.29
2. CURRENT ASSETS		
(a) Current investments	16,340.93	22,385.01
(b) Cash and cash equivalents	3,118.71	1,032.79
(c) Short-term loans and advances	691.23	99.72
(d) Other current assets	920.41	591.98
TOTAL	26,051.85	26,410.35



Notes:

1. There has been no material change in the accounting policies adopted during the year ended 31 March 2019 as compared to those followed for the year ended 31 March 2018.
2. The Board of Directors at its meeting held on 11 February 2019 and shareholders vide postal ballot dated 27 March 2019 have approved issuance of up to 1,143,277 equity shares of the Company to the shareholders of InvestDirect Capital Services Private Limited ('InvestDirect') for a total consideration not exceeding Rs. 8.60 crore in consideration for acquiring 50.01% stake in InvestDirect. As on 31 March 2019, the said acquisition is pending for Securities and Exchange Board of India (the 'SEBI') approval, which has to be obtained by MoneyMap Investment Advisors Private Limited (wholly owned subsidiary Company of InvestDirect) in terms of Regulation 15 (11) of the SEBI (Investment Advisers) Regulations, 2013.
3. In accordance with the resolution approved by the shareholders vide postal ballot dated 8 July 2018, the Company has approved the Niyogin Employees' Stock Options Plan-2018 (the 'Scheme') for its employees. Nomination and Remuneration Committee ('NRC') has approved grant of stock options at its meetings held on 13 August, 2018, 5 September 2018 and 11 February 2019 to eligible employees. As per the Scheme, each stock option is converted into one equity share having face value of Rs 10. During the year, the Company has granted an aggregate of 918,559 options, out of which 11,954 options have lapsed.
4. The Board of Directors, at its meeting held on 28 May 2018 approved allotment of 4,732,433 equity shares to a non-promoter investor pursuant to conversion option exercised by the investor in respect of 4,732,433 Compulsorily Convertible Non - Cumulative Preference Shares ('CCPS') held by it in the Company.
5. For the year ended 31 March 2018, employee benefits expenses of Rs. 20.66 lac and other expenses of Rs. 28.07 lac pertained to prior periods.
6. Pursuant to the Board resolution passed on 5 September 2017, the Company had allotted 7,321,450 equity shares on a preferential basis at a price of Rs. 50 per share amounting to Rs 3,660 lac on 5 September 2017.
7. Pursuant to the Board resolution passed on 11 July 2017, the Company had allotted 37,113,000 equity shares on a preferential basis at a price of Rs. 50 per share amounting to Rs. 18,557 lac on 11 July 2017. On 11 July 2017, the Company had also received 75% of the balance consideration on the 29,500,000 share warrants amounting to Rs. 2,213 lac and the share warrants were converted into equity shares in the ratio of 1:1.
8. Pursuant to the Board resolution passed on 11 July 2017, the Company had converted 2,500,000 Compulsorily Convertible Preference Shares in to 2,500,000 equity shares in the ratio of 1:1.
9. The Company is primarily engaged in the business of financing, accordingly, there are no separate reportable segments as per Accounting Standard 17 on 'Segment Reporting'.
10. The above results for the quarter / year ended 31 March 2019, which have been subjected to audit by the Auditors of the Company, were reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on 22 May 2019.



11. Figures for the last quarter ended 31 March 2019 and the corresponding quarter ended in the previous year as reported in these annual financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end of the third quarter of the relevant financial year.
12. Earnings per share for the interim periods is not annualized.
13. Previous periods / year figures have been regrouped / reclassified wherever necessary, to conform to current period presentation.

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



**Mr. Makarand Patankar
Whole-Time Director
DIN-01584128**

**Mumbai
22 May 2019**



B S R & Co. LLP

Chartered Accountants

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Independent Auditor's Report on Annual Financial Results of Niyogin Fintech Limited pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To Board of Directors of Niyogin Fintech Limited

We have audited the annual financial results of Niyogin Fintech Limited (formerly known as M3 Global Finance Limited) for the year ended 31 March 2019 (the 'Company'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations'). Attention is drawn to the fact that figures for last the quarter ended 31 March 2019 and the corresponding quarter ended in the previous year as reported in these annual financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end of the third quarter of the relevant financial year. Also the figures up to the end of the third quarter had only been reviewed and not subjected to audit.

These annual financial results have been prepared on the basis of the annual financial statements and reviewed quarterly financial results which are the responsibility of the Company's management. Our responsibility is to express an opinion on these annual financial results based on our audit of the annual financial statements which have been prepared in accordance with the recognition and measurement principles laid down in applicable accounting standards notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the standalone annual financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

In our opinion and to the best of our information and according to the explanations given to us these financial results:

- (i) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- (ii) give a true and fair view of the net loss and other financial information for the year ended 31 March 2019.

For **B S R & Co. LLP**
Chartered Accountants

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

 Sameer Mota

Sameer Mota
Partner

Membership No: 109928

Mumbai
22 May 2019