

2nd November, 2018

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 Friday, 2nd November, 2018.

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 24th October, 2018, we hereby inform that the Board of Directors, at its meeting held today i.e. 2nd November, 2018 at the registered office, has, *inter alia*, approved the Unaudited Financial Results for the quarter/ half year ended September 30, 2018 pursuant to Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. Please find enclosed the financial results and the Limited Review Report dated 2nd November, 2018 enclosed along with this letter.

The Board has also at the said meeting taken on record the resignation of Mr. Sandeep Kumar as the Chief Financial Officer w.e.f. close of business hours on 2nd November, 2018. Mr. Kumar has resigned due to personal reasons.

The meeting of the Board of Directors commenced at 02.15 p.m. and concluded at 6.15 p.m.

Kindly take the same on your records.

Yours Truly,

For Niyogin Fintech Limited

Mr. Mandar Godbole
Company Secretary & Compliance Officer
ACS 30240

Niyogin Fintech Limited

(CIN L65910MH1988PLC239746)

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

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Investor update : Q2-2019

We continue to build our first quarter performance and our execution focus has enabled us to expand our distribution across states and at the same accelerate our customer onboarding. The table below provides a summary of our performance for Q2 vs Q1 as wells our FY 2018-19 goals.

Goals (YTD)	FY 2018-19	Q1 Actuals	Q2 Actuals	Notes
Partners	500	203	333	<i>66% of full year target achieved</i>
Customers	1000+	50	166	<i>230% growth in our customer base over Q1.</i>
Approvals*	INR 1600M+	INR 117M	INR 303M	<i>Surpassed our Q2 target of INR 110M+</i>
Partnerships	2	1	2	<i>We have identified 3 new partnerships which we will progress</i>
Solutions beyond credit	1	0	0	<i>Wealth management acquisition announced</i>

**the Approval figures are for the quarter.*

Partners

We have achieved 66% of our annual partner onboarding target in the first half of the year with an additional 130 retail partners being onboarded this quarter versus our stated Q2 target of 100. We are now present across 106 locations across 10 states in India. The partner onboarding process is now extremely stable and we expect to end the year with more than our original stated goal of 500 partners for FY 2019.

Customers

We added on 116 new customers during Q2 continuing on the momentum that we had established in June 2019 , taking our total customer base to 166 as of September. I am pleased to state that as I write this note we have now onboarded 200+ customers with increasing confidence on the scalability of our customer onboarding platform.

Disbursals/Approvals

We had set ourselves a relatively aggressive target of INR 300M of approvals for Q2 which we achieved. This was important milestone for our franchise as it evidenced our ability to grow the business, meet the market demands of our distribution chain while remaining conservative on our credit decisioning.

Our credit decisioning process continues to have the manual overlay but now we are confident that the scorecarding logic, which forms the base for our decisioning is working effectively. While these are still early days, we now have a reasonable baseline to modify our scorecards to cater for new credit products, which we aim to roll out during the second half of FY 2019.

[We have disbursed over INR 300M of loans as end of Q2 with an outstanding loan book of INR 281m as of Sep 30, 2018.](#) Our portfolio average loan ticket size is ~ INR 1.8m with an average tenor of 23 months and an average yield of 20.21%. We have been actively pricing for risk as we go deeper into tier 2 and 3 geographies and is reflected in the increased average yield of 27 bps over Q1. [Our collection outcomes continue to be robust with no delinquencies as yet. We are actively tracking our](#)

cheque bounce rates and refining our early alert framework by correlating the same to our scorecard outcomes.

Partnerships

As we grow our presence in the market, potential partners have started reaching out to us and we have initiated discussions with pharma distribution chain, a hotel aggregator as well as one of the leading retail POS provider in Q2. We will be executing on these opportunities selectively as we build our capabilities on developing products that are customized for specific industry segments.

Solutions beyond Credit

We announced the acquisition (subject to due diligence completion) of Moneyfront on 5th September – one of the leading automated direct plan platform provider assisting clients invest in mutual funds and other fixed income instruments. The platform will enable users to consolidate their fund holdings digitally from traditional channels to direct channel with the aim of upselling higher value products along with building advisory capabilities. We are excited about this opportunity as it will allow us to take a significant step forward in building our knowledge and capabilities within the wealth solutions domain and take the first step towards being more than an accredited provider to our MSME customers.

Financial Highlights:

Our Q2 customer revenues have increased by 448% over Q1 with total expenses increasing by 32% over Q1.

Rs in Mn

Particulars	For the quarter ended 30 Sept 2018	For the quarter ended 31 June 2018
Revenue *	59.10	54.71
Expenses**	72.57	54.88
(Loss)/Profit (A)	(13.47)	(0.17)
Depreciation & Amortization (non-cash) (B)	11.72	5.83
Cash Profit (A+B)	(1.75)	5.66

* Revenue

(A) Income from Loans = Q2- INR 12.95 Mn (Q1-2019: INR 3.17 Mn; Q4-2018: INR 0.51 Mn)

(B) Income from Treasury (including classified as operating) = Q2- INR 46.15 Mn; Q1-2019: INR 51.55 Mn; Q4-2018: INR 54.30 Mn.

(C) Sequentially from Q4-2018 to Q1-2019 contribution of customer asset revenues has increased from 6% to 22% to overall revenues whereas the contribution of treasury revenue has decreased from 94% to 78%

** Expenses - Expenses include amortization of ESOP expenses of INR 4.8m

Key Additional Highlights

We continue to execute on expanding our customer engagement channels with the launch of our digital channel which will allow us to connect with digital savvy MSME customers who would apply for loans on their own and in parallel enhance our internal technology and data sciences capabilities.

▪ Direct to Customer (D2C)

A key highlight of Q2 was the launch of our “Direct to Customer (D2C)” channel in Sep 2019. Our vision is to enable clients to engage with us in through their preferred channel and the D2C channel launch is an additional step in make us a truly omni-channel client centric platform.

The screenshot shows the Niyogin website's loan eligibility calculator. At the top, there's a navigation bar with the Niyogin logo, links for 'Our Company', 'Become a Partner', and 'Products', a phone number '1800-266-0266', and buttons for 'APPLY NOW' and 'LOGIN'. The main heading reads 'Getting quick business loans has never been so simple'. Below this is an illustration of a storefront with a man standing in front of it. A flow diagram shows a smartphone connected to the storefront. The calculator form has four sections: 'BUSINESS CONSTITUTION' with a dropdown menu showing 'Proprietorship', 'TURNOVER' with a text input field containing 'Turnover', 'GROSS MARGIN' with a range selector showing '10%' and plus/minus icons, and 'MONTHLY OBLIGATIONS' with a text input field containing 'Monthly Obligations'. A blue 'CALCULATE ELIGIBILITY' button is to the right of these fields. Below the form, there's a link 'Need help applying? We're always here.' and a 'CONTACT ME' button. A small note says 'If you have any doubts at all, drop in your details, and we'll get in touch!'.

We are niyogin

We have just started engaging with our MSME clients through our D2C channel but the early indication of over 10,000 individuals/entities checking their loan eligibility seems to suggest that this will be a key complement to our retail channel. We are extremely excited and will be able to provide more insights over the next couple of quarters.

▪ Technology and Data Sciences

As a fintech company, the continuous and agile development of our applications, technology infrastructure and data sciences capability is key to embedding our competitive edge as we grow the business.

- 26 new APIs developed which will allow us to drive paperless real-time data exchange with the partnerships that we aim to develop in the second half of this year.
- Perfios multiple bank integration enabling single window view across multiple bank statements.
- Stress testing conducted across all applications and integration layers
- Developed internal capabilities on Liferay enabling us to reduce TAT when we are implementing changes in our web front-end.

In conclusion, while we have met our goals for Q2 as well as the first half of FY 2019, we intend to proceed with caution in Q3 2019 given the turbulence in the Indian financial markets. The liquidity crunch could adversely impact some of our target customer segments as some of our competitors reduce their book size or significantly slow down loan disbursements. **While we remain cautious, we view the market shake out as medium term opportunity to gain market share while increasing our pricing power.**

Thank you for your continued support and we look forward to engaging with you post our Q3 results.

B S R & Co. LLP

Chartered Accountants

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Limited review report on unaudited quarterly financial results and year-to-date results pursuant to Regulation 33 of the Listing Regulations

To the Board of Directors of Niyogin Fintech Limited

We have reviewed the accompanying statement of unaudited financial results (the 'Statement') of Niyogin Fintech Limited (formerly known as M3 Global Finance Limited) (the 'Company') for the quarter ended 30 September 2018 and the year-to-date results for the period from 1 April 2018 to 30 September 2018 attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations').

This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial results based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* specified under section 143 (10) of the Companies Act, 2013 (the 'Act'). This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards prescribed under Section 133 of the Act and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

For B S R & Co. LLP
Chartered Accountants

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

Manoj Kumar Vijai
Partner

Membership No: 046882

Mumbai
2 November 2018

Niyogin Fintech Limited
Statement of Unaudited Financial Results for the quarter ended 30 September 2018

Rs. In Lac

Sr. No.	Particulars	For the quarter ended 30 September 2018	For the quarter ended 30 June 2018	For the quarter ended 30 September 2017	For the half ended 30 September 2018	For the half ended 30 September 2017	For the year ended 31 March 2018
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
I	Revenue from operations	450.93	364.56	-	815.49	-	515.50
II	Other income	140.05	182.58	170.47	322.63	193.71	707.62
III	Total revenue (I+II)	590.98	547.14	170.47	1,138.12	193.71	1,223.12
IV	Expenses						
(a)	Employee benefits expense	368.10	272.23	192.48	640.33	323.08	786.51
(b)	Finance cost	-	-	-	-	-	-
(c)	Depreciation and amortisation expense	69.07	58.32	2.85	127.38	4.90	51.96
(e)	Other expenses	288.53	218.27	139.28	506.81	239.41	649.84
	Total expenses	725.70	548.82	334.61	1,274.52	567.39	1,488.31
V	Profit / (loss) before exceptional and extraordinary items and tax (III-IV)	(134.72)	(1.68)	(164.14)	(136.40)	(373.68)	(265.19)
VI	Exceptional items	-	-	-	-	-	-
VII	Profit / (loss) before extraordinary items and tax (V+VI)	(134.72)	(1.68)	(164.14)	(136.40)	(373.68)	(265.19)
VIII	Extraordinary items	-	-	-	-	-	-
IX	Profit / (loss) before tax (VII-VIII)	(134.72)	(1.68)	(164.14)	(136.40)	(373.68)	(265.19)
X	Tax expense:						
(1)	Current tax	-	-	-	-	-	-
(2)	Deferred tax	-	-	-	-	-	-
XI	Profit / (loss) for the period / year from continuing operations (IX-X)	(134.72)	(1.68)	(164.14)	(136.40)	(373.68)	(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)	(134.72)	(1.68)	(164.14)	(136.40)	(373.68)	(265.19)
VIII	Earning per share (EPS) - Refer note 8						
(1)	Basic (Rs.)	(0.1617)	(0.0020)	(0.2440)	(0.1638)	(1.0494)	(0.4591)
(2)	Diluted (Rs.)	(0.1617)	(0.0020)	(0.2440)	(0.1638)	(1.0494)	(0.4591)

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



Mr. Amit Rajpal
Chairman and Non-Executive Director
DIN- 07557866

Mumbai
2 November 2018



Niyogin Fintech Limited		
BALANCE SHEET AS AT 30 SEPTEMBER 2018		(Rs. In Lac)
Particulars	As at 30 September 2018	As at 31 March 2018
IEQUITY AND LIABILITIES		
(1) Shareholders' funds		
(a) Share capital	8,476.69	8,476.69
(b) Reserves and surplus	17,472.81	17,561.10
(2) Non Current Liabilities		
(a) Long term borrowings	-	-
(b) Deferred tax liability (Net)	-	-
(c) Other long term liabilities	-	-
(d) Long term provisions	25.13	8.00
(3) Current Liabilities		
(a) Short-term borrowings	-	-
(b) Trade payables	25.70	97.28
(c) Other current liabilities	33.17	45.17
(d) Short-term provisions	247.61	222.11
TOTAL	26,281.11	26,410.35
IIASSETS		
Non-Current Assets		
(a) Property, Plant and Equipment		
(i) Tangible assets	47.57	40.99
(ii) Intangible assets	551.28	595.73
(iii) Capital work-in-progress	-	-
(iv) Intangible assets under development	1.32	51.35
(b) Non current Investment	-	1,512.60
(c) Deferred tax assets (net)	-	-
(d) Long-term loans and advances	2,740.78	89.89
(e) Other non-current assets	2,050.12	10.29
(2) Current Assets		
(a) Current investments	18,711.04	22,385.01
(b) Inventories	-	-
(c) Trade receivables	-	-
(d) Cash and Bank Balances	1,577.40	1,032.79
(e) Short-term loans and advances	99.10	99.72
(f) Other current assets	502.50	591.98
TOTAL	26,281.11	26,410.35

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

Mr. Amit Rajpal

Chairman and Non-Executive Director

DIN- 07557866

Mumbai
2 November 2018



Notes:

1. There has been no material change in the accounting policies adopted during the quarter and half year ended 30 September 2018 as compared to those followed for the year ended 31 March 2018.
2. 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.
3. During the quarter ended on 30 September 2018, the Company has granted an aggregate of 911,406 stock options under the NFL Employees Stock Options Plan 2018.
4. For the year ended 31 March 2018, employee benefits expenses of Rs. 20.66 lac and other expenses of Rs. 28.07 lac pertain to prior periods.
5. Pursuant to a 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.
6. 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.
7. 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.
8. For the quarter and half year ended 30 September 2017, other expenses of Rs. 5.04 lac and Rs. 10.28 lac, respectively, pertain to prior periods.
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 financial results for the quarter ended 30 September 2018 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at its meeting held on 2 November 2018.
11. The financial results for the quarter ended 30 September 2018 have been subjected to a 'Limited Review' by the Statutory Auditors of the Company.
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. Amit Rajpal
Chairman & Non-Executive Director
DIN- 07557866

Mumbai
2 November 2018

