

**February 11, 2024**

**To**

**BSE Limited**

Phiroze Jeejeebhoy Towers

Dalal Street, Fort

Mumbai -400001

**BSE Scrip Code:** 538772

**Subject: Investor Presentation – Q3 FY24**

Dear Sir/Ma'am,

Pursuant to Regulation 30 (6) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations") read with Part A of Schedule III of the SEBI Listing Regulations, we are enclosing herewith the Investors' Presentation for Q3 FY24.

Pursuant to Regulation 46 (2) (o) of the SEBI Listing Regulations, the aforesaid information is also being made available on the website of the Company i.e. [www.niyogin.com](http://www.niyogin.com)

Yours truly,

**For Niyogin Fintech Limited**



**Neha Daruka**  
**Company Secretary & Compliance Officer**



*Encl: a/a*

**Niyogin Fintech Limited**

(CIN L65910TN1988PLC131102)

**Regd. office:** M.I.G 944, Ground Floor, TNHB Colony, 1st Main road, Velachery, Chennai, Tamil Nadu – 600042

**Corporate office:** Neelkanth Corporate IT Park, 311/312, 3rd Floor, Kirod Road, Vidyavihar (w), Mumbai – 400086

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# Niyogin Fintech Limited Investor Presentation Q3FY24



# Executive Summary

Key financial updates of the quarter

1

Consolidated revenue (ex-device sales) stood at INR 54.6 Crores; grew 15.7% sequentially in Q3FY24

2

Our adj. EBITDA (Ex-ESOP) loss reduced from INR 8.2 Crores to INR 1.4 Crores sequentially

3

Provisioning of INR 1.7 Crores undertaken towards ageing receivables in iSU in Q3FY24

4

Outstanding loan book grew by 17.5% QoQ and stood at INR 159.0 Crores as of Q3FY24

5

Gross Take rates at *34 bps* and Net Take rates at *~6 bps*; both improved sequentially

## Executive Summary

Key milestones achieved during the quarter

1

Q3FY24 GTV\* stood at INR 11,258.8 Crores a decrease of 2.6% sequentially. Monthly Transaction GTV stood at ~INR 3,450 Crores in January 2024

2

Finance professional partner network stood at 5,713 respectively in Q3FY24

## Business Updates

1

Successfully restored long term UPI product economics ahead of guided timelines w.e.f. Feb'24

2

Exploring strategic opportunities to acquire AI capabilities

3

Onboarded Karma Life as a new partner on the lending platform



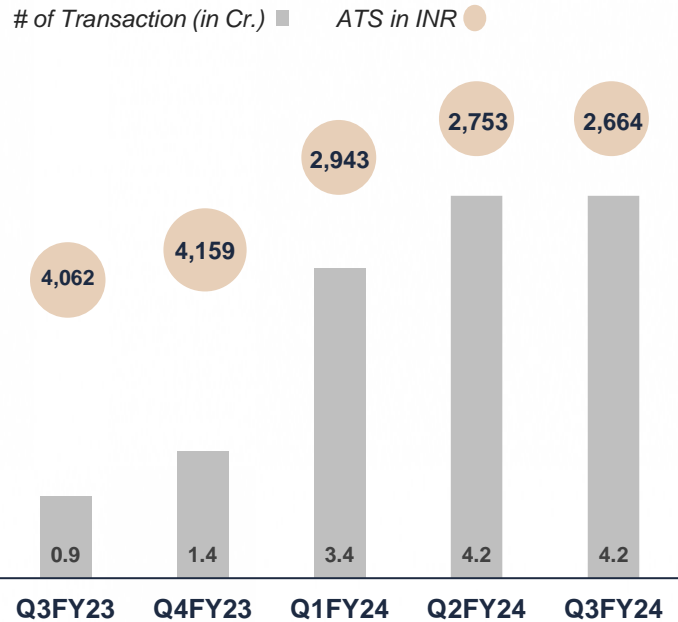
# **Quarterly Highlights**

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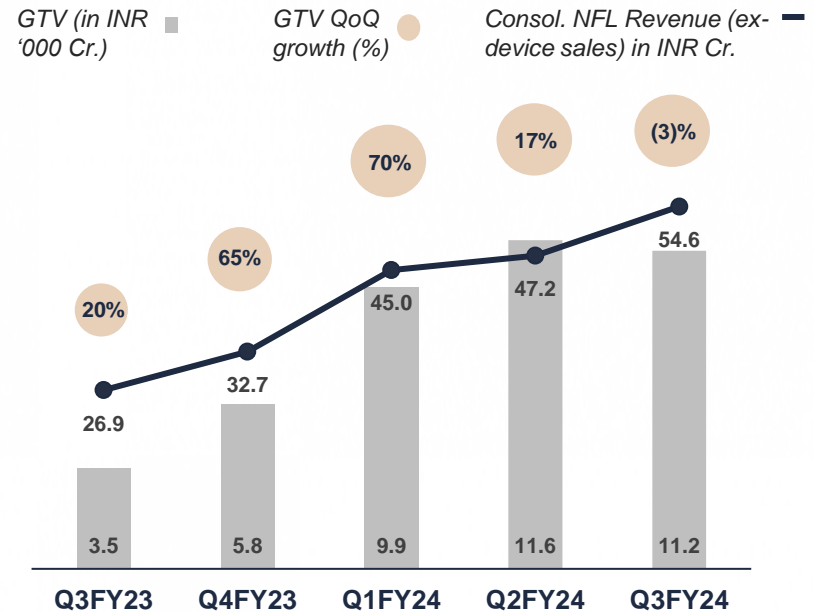
# Building scale..

Operating metrics continue to demonstrate strong growth trajectory

## iServeU Transaction Volumes



## GTV and Consol. Revenue growth trajectory

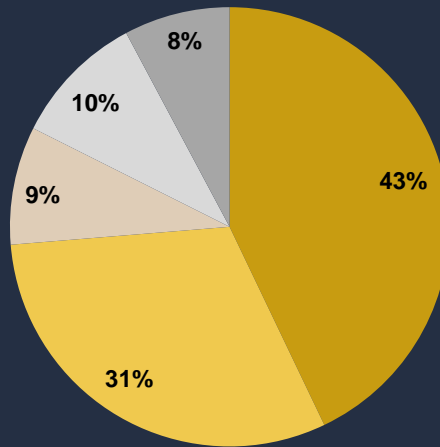


Revenue growth outpaced GTV due to:

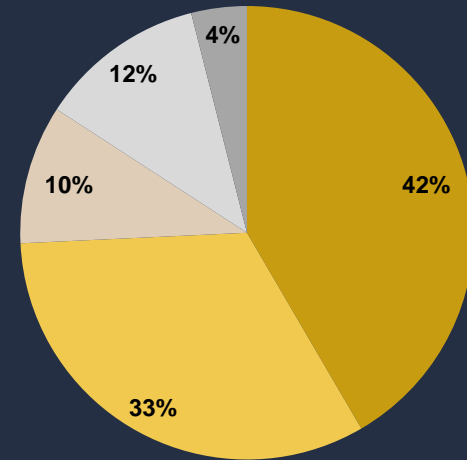
- One-off impact on account of lag in realization for services rendered last quarter
- Marginal sequential improvement in take rates

## Product-wise Break-up of GTV

Q2 FY24



Q3 FY24



GTV (INR Cr.)

11,562.7

11,258.8<sup>1</sup>

■ Cash-out ■ AePS ■ DMT ■ M-ATM ■ Others\*

Contribution from traditional products increased as UPI volumes were challenged to scale up

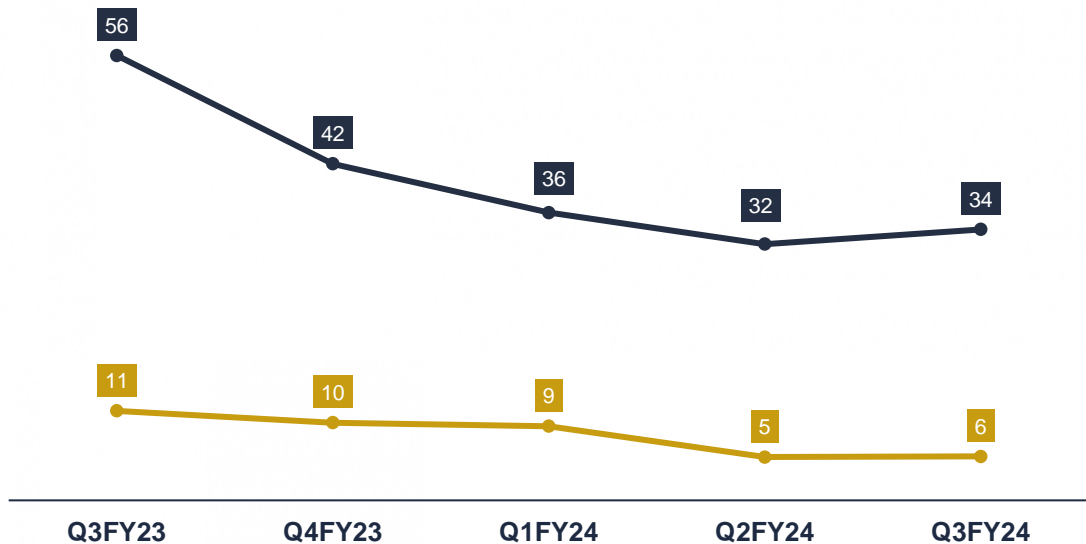
Note: 1. GTV for Q3FY24 as per business update released on 02-Jan-24 was INR 11,187.2 Cr, hence, difference was on account of reconciliation entries passed post 02-Jan-24; \*Others includes contribution from products like UPI, BBPS, Aadhar Pay, POS

# Take Rates

Sequential improvement in take rates despite challenges with UPI product economics

Partner-wise GTV Contribution vs Take Rate

Gross Take Rate<sup>1</sup> (bps) — Net Take Rate<sup>2</sup> (bps)



- UPI had the highest net take rate among all the products
- UPI take rates have normalized Feb'24 onwards
- The challenges with product economics had driven UPI's net take rate from <10 bps to > 4 bps
- These take rates exclude prior quarter's service revenue which was recognized in Q3FY24

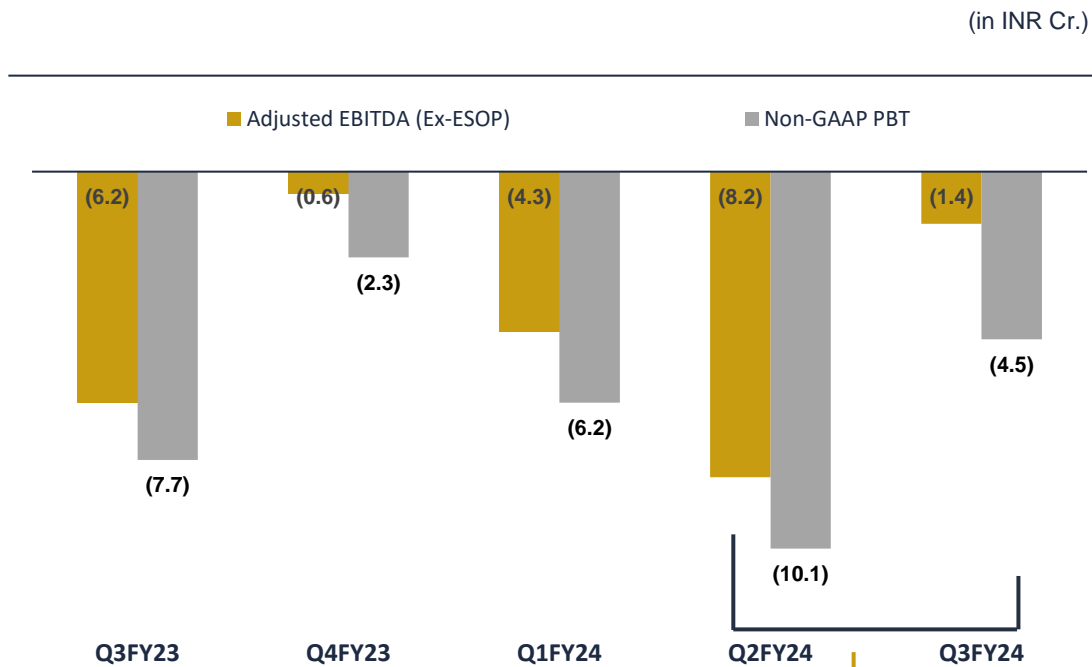
Take rates improved marginally; have normalized from Feb'24 onwards

1) Gross Take Rate = Gross Income (ex-device sales) / GTV; 2) Net Take Rate = Net Income (ex-device sales) / GTV, wherein Net Income = Gross Income – Merchant/Partner payout



# Path to profitability..

Loss gap consolidated sequentially



1 Top Line saw positive impact from prior quarter's service revenue

2 Additional provisioning of INR 1.7 Cr taken against ageing receivables in iServeU

3 One-off impact of reduction in ESOP cost on Non-GAAP PBT



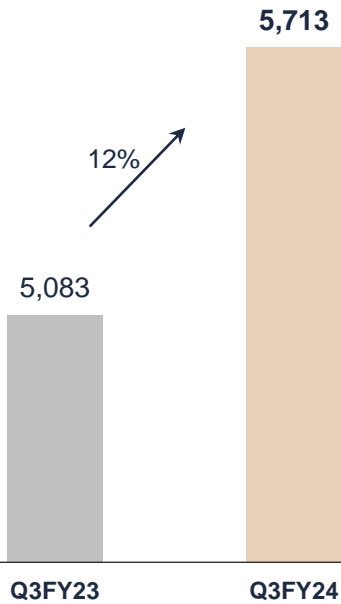
# Standalone NFL Updates

## Building network strength...

A healthy scale up of finance professional partner network and fintech partnerships has translated into robust lead flow into the platform

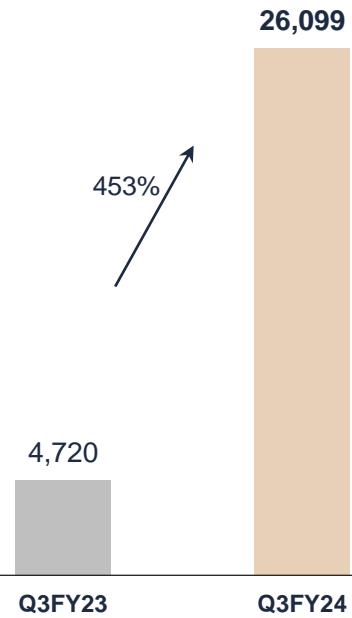
Niyogin partners

(#)



LTD Loans successfully processed through NFL network

(#)





# Marquee partnerships

Building a strong partner network

Consistently expanding our Partner network

## Lending Partner



## Lending Business



## Insurance Partner



## Payment



## Wealth Management



New partnership on boarded in Q3FY24

# Building the Ecosystem

Serving diverse set of customers



Note: \*The range is wide on account of varied partnerships.

# Niyogin's AI Strategy

The role of AI in enhancing innovation and growth



Strategy

*Human-in-the-loop*: AI to augment human decision making rather than replacing it



Building Blocks

Plan to house all developed and acquired capabilities independently to cultivate them into monetizable AI assets with standalone revenue streams

## Focus areas of capability development

Phase  
1

### Customer acquisition and on-boarding

- KYC process automation
- OCR and document verification
- Low network/remote area on-boarding field-based solutions



Phase  
2

### Compliance

- Fraud detection and prevention
- Managing and storing customer data securely



Phase  
3

### Risk assessment and customer servicing

- Alternative data analytics
- Scorecard based lending
- Customized offering
- Digital assistants for finance professional network
- Customer service *finbots*

## Consolidated Financial Snapshot - Quarterly

Loss gap consolidation aided by improving performance of lending and distribution business

Consolidated Profit & Loss Statement (INR Cr)	Q3FY24	Q3FY23	YoY Change (%)	Q2FY24	QoQ Change (%)
Revenue (ex-device sales)	54.6	26.9	102.7%	47.2	15.7%
Total Income	53.8	27.0	99.3%	47.4	13.4%
Expenses	55.4	33.2	66.9%	55.6	(0.0)%
Adjusted EBITDA (ex-ESOP)	(1.4)	(6.2)	NM	(8.2)	NM
Reported Pre-Tax Profit/(Loss) (A)	(4.8)	(8.7)	NM	(11.2)	NM
Depreciation and Amortization	2.1	1.6	32.1%	2.0	5.9%
ESOP (B)	0.3	1.0	(71.6)%	1.1	(73.8)%
Non-GAAP PBT (C) = (A) + (B)	(4.5)	(7.7)	NM	(10.1)	NM

**~16% ↑ QoQ**

Revenue (ex-device sales) growth was driven by positive impact from prior quarter's service revenue

Adj. EBITDA (Ex-ESOP) loss gap also consolidated due to improving economics of the lending and distribution business

Consolidated Balance Sheet Excerpt (INR Cr)	Dec'23	Sep'23	QoQ (%)
Gross Loan Book	159.0	135.3	17.5%
Cash & Cash Equivalents	93.1	115.4	(19.4)%

**~18% ↑ QoQ**

Loan book growth remained steady as we continued to ramp up the lending business.



# Shareholding Pattern

Supported by investors who believe our growth potential

## Top Institutions

Think India Opportunities Master Fund

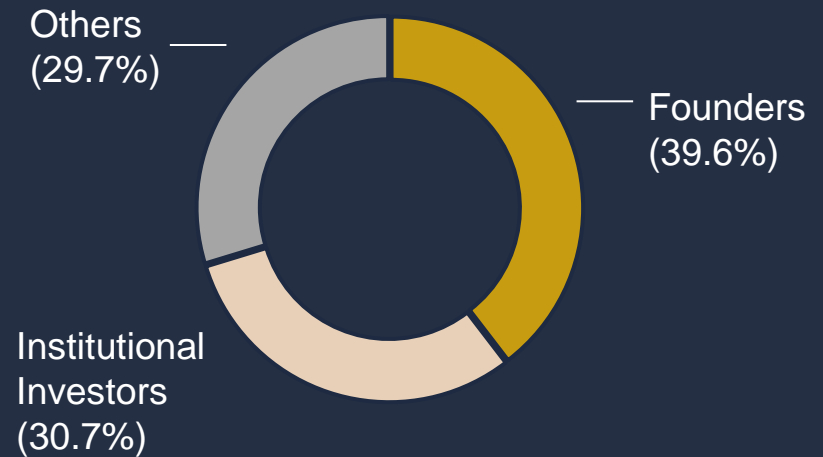
Strategic India Equity Fund

Vikasa India EIF I Fund

Alchemy Capital Management Pvt Ltd

UPS Group Trust

## Shareholding Pattern

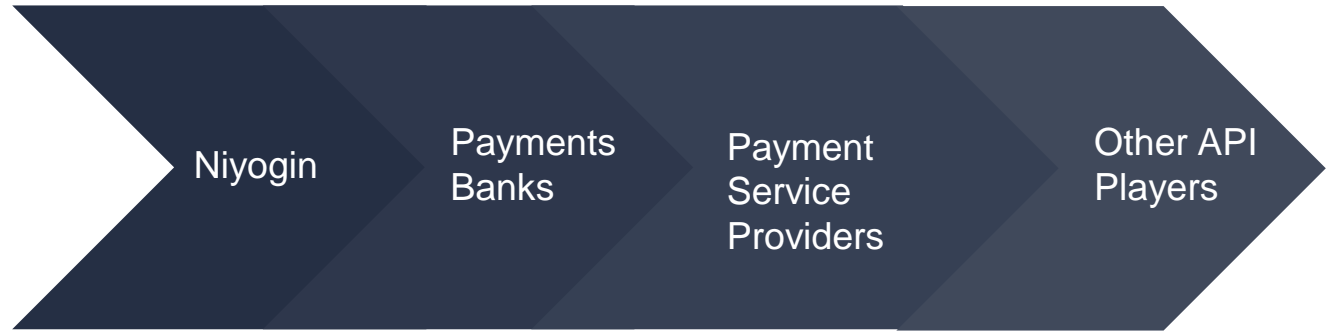




# **Our Positioning**

# Where do we Stand?

NFL group offers the most comprehensive stack of products/services across the fintech ecosystem



API Stack	Niyogin	Payments Banks	Payment Service Providers	Other API Players
Payments	✓	✓	✓	✓
Deposit	✓	✓	✓	✓
Lending	✓	x	✓	✓
Investments	✓	✓	✓	✓
<b>Credit</b>				
Underwriting	✓	x	x	x
Sourcing	✓	✓	✓	x

Source: Disclosed data of publicly listed companies



# **Our Right to Win**

# Investment Rationale

Building the “Neobank” platform infrastructure to power MSMEs



## Unique – API infrastructure provider with lending capability

- Go To partner for financial inclusion use cases
- Well-integrated hook product to higher margin product journey
- Strong cross-sell synergies among subsidiaries



## Large addressable market

- 63 Mn+ MSMEs\* and 89 Mn rural retailers~
- AePS Transactions value to touch ₹6.4 Lakh Cr by FY25 (exp 3-yr CAGR @ 23%)~
- DMT to touch ₹3.4 Lakh Cr by FY25 (exp 5-yr CAGR @11%)~
- Go^ focus on financial inclusion provides significant tailwinds



## Tech-centric model

A scalable tech platform powered by our own switching capabilities and with a partner-led distribution model across India gives us:

- Ability to process transactions at low cost
- Low CAC market access
- Fee/ commission-led revenue
- Opportunity for transaction-led credit



## Delivering impact

Profit with purpose enterprise to drive financial inclusion through our:

- Rural reach
- Accessibility to banking services
- Partner model enabling income augmentation



## Public Listed, Strong Board, Management & Investor support

- BSE Listed and professionally managed
- Received a BBB-/Stable rating from CRISIL
- Well aligned interests of management & stakeholders via ESOPs.
- High pedigree institutional shareholders support

Well Capitalized. Steadily moving towards Profitability

# Business Model

Adopting a Differentiated Approach towards the delivery of financial services



# Organization Structure

Leveraging through our subsidiaries

# niyogin

Our Subsidiaries



51%

60%

Our Facilitators

API/SDKs

NBFC License

NiyoBlu Platform

Product / Services

Banking as a Service

Unsecured Business Loan

Lead Sourcing

Wealth Tech Stack + Wealth Advisory

Our Stack

Financial Inclusion Stack

Other payment & Cards Stack

Others

(AePS, M-ATM, DMT)

(Prepaid Cards, Agency Banking Solution)

(Neo - Banking Stack)



# API Infrastructure Provider

Understanding iServeU's Business Model

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# Market Opportunity

India, a primarily cash-driven economy

## Cash in Circulation increased post-COVID.. <sup>1</sup>

(as a % of GDP\*)

**15%**  
FY19

**20%**  
FY23

## Deeper geographies still prefers cash ..

- Limited presence of banks
- Lack of digital literacy
- Connectivity issues



## M-ATM

Devices deployed by banks

**0.1 Cr <sup>1</sup>**

As on Dec 2023 (past 2-yr CAGR @ 52%)

## AePS

Transaction Value

**₹6.4 Lakh Cr <sup>2</sup>**

By FY25 (exp 3-yr CAGR @ 23%)

↔  
**Growing adoption of financial inclusion IndiaStack**

## DMT

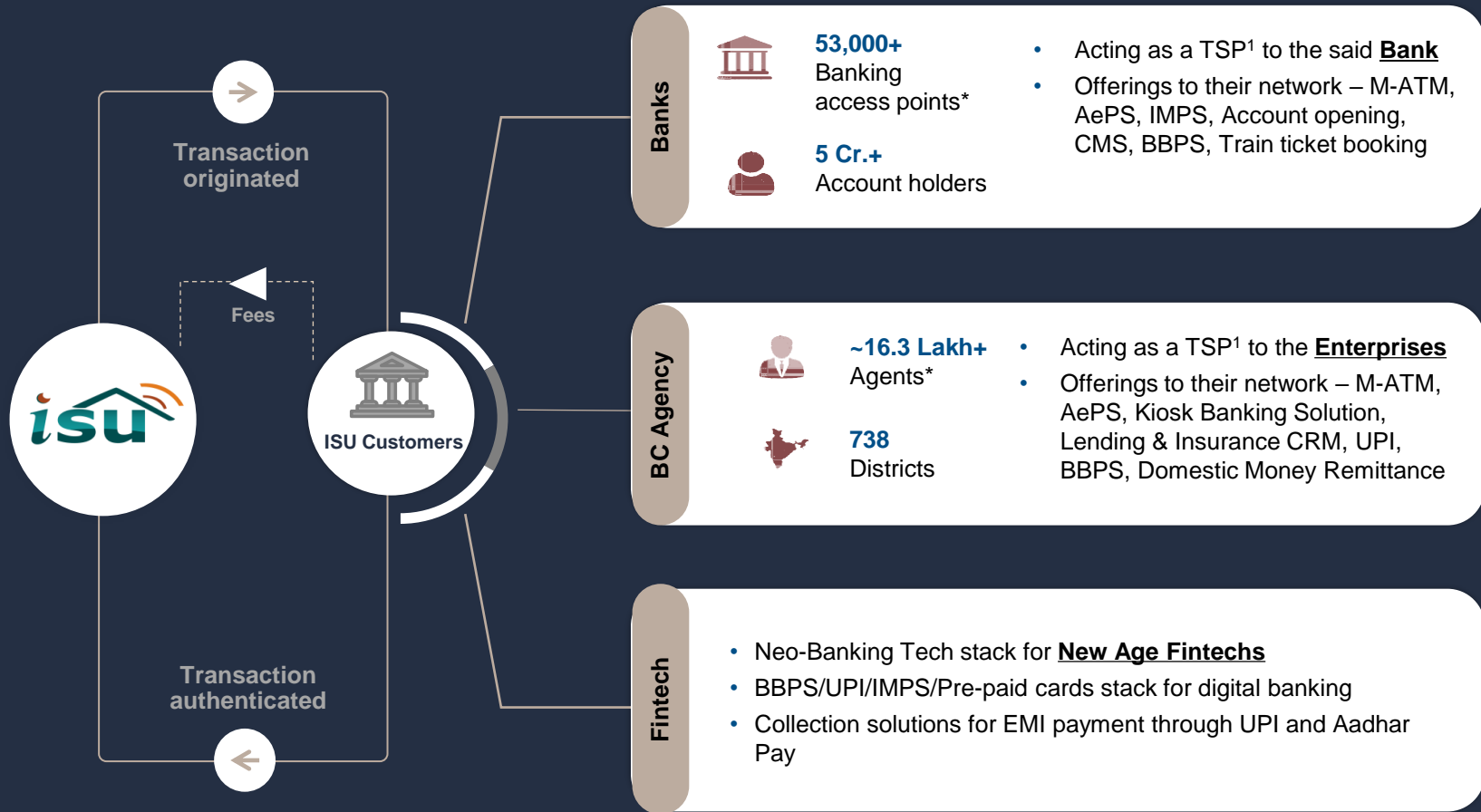
Transaction Value

**₹3.4 Lakh Cr <sup>2</sup>**

By FY25 (exp 5-yr CAGR @ 11%)

# Our Customers

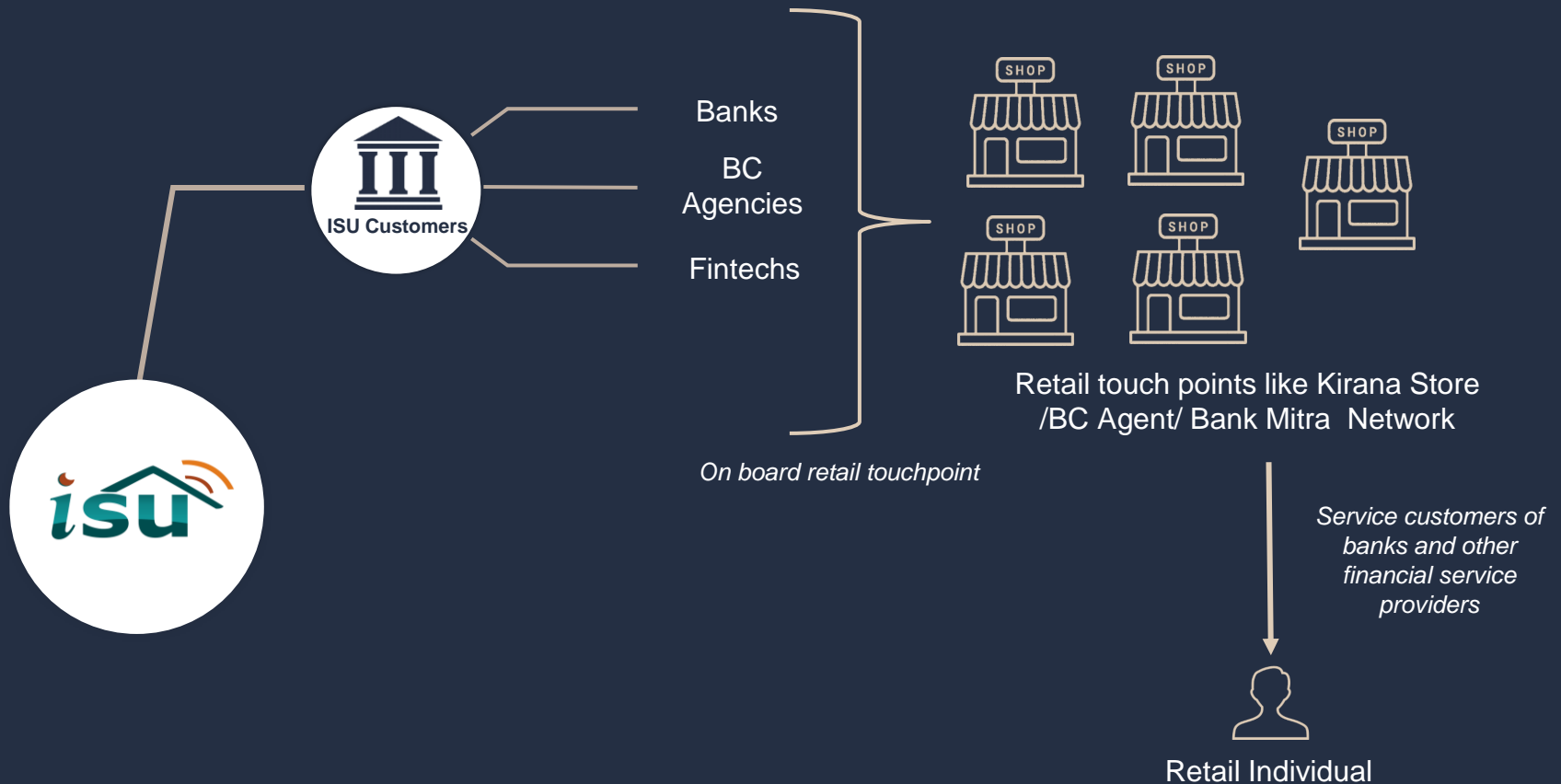
Serving various customers through our BaaS offerings



1 Technical Service Provider

# The Value Chain

How ISU powers last mile financial inclusion

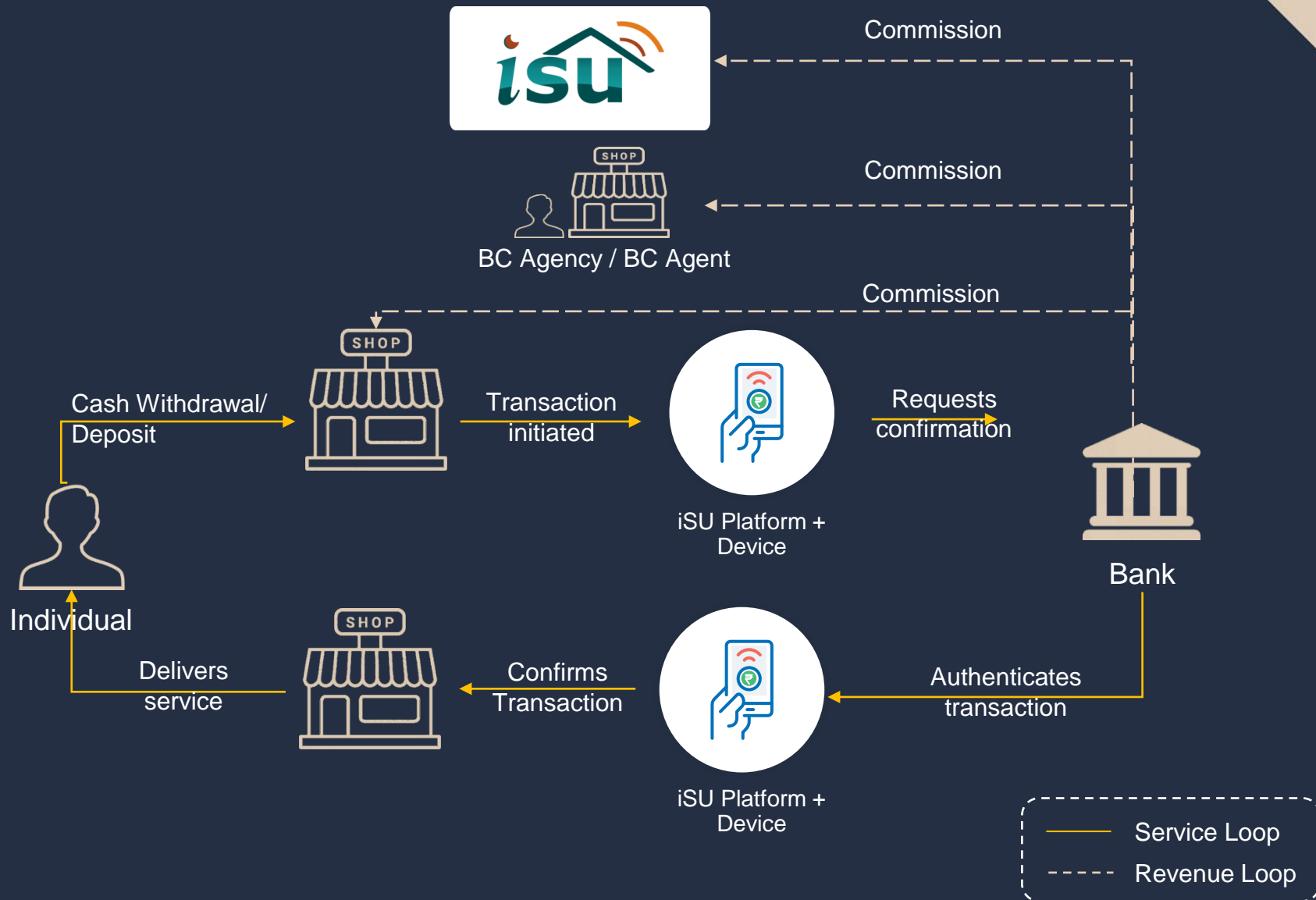


**ISU infrastructure layer power transactions by empowering retail touchpoints of Banks, BC Agencies and other Fintechs to service retail individuals in need of banking services**

↑ ↑ ↑ ↑ ↑ ↑ ↑ ↑ **ISU Support layer** ↑ ↑ ↑ ↑ ↑ ↑ ↑ ↑

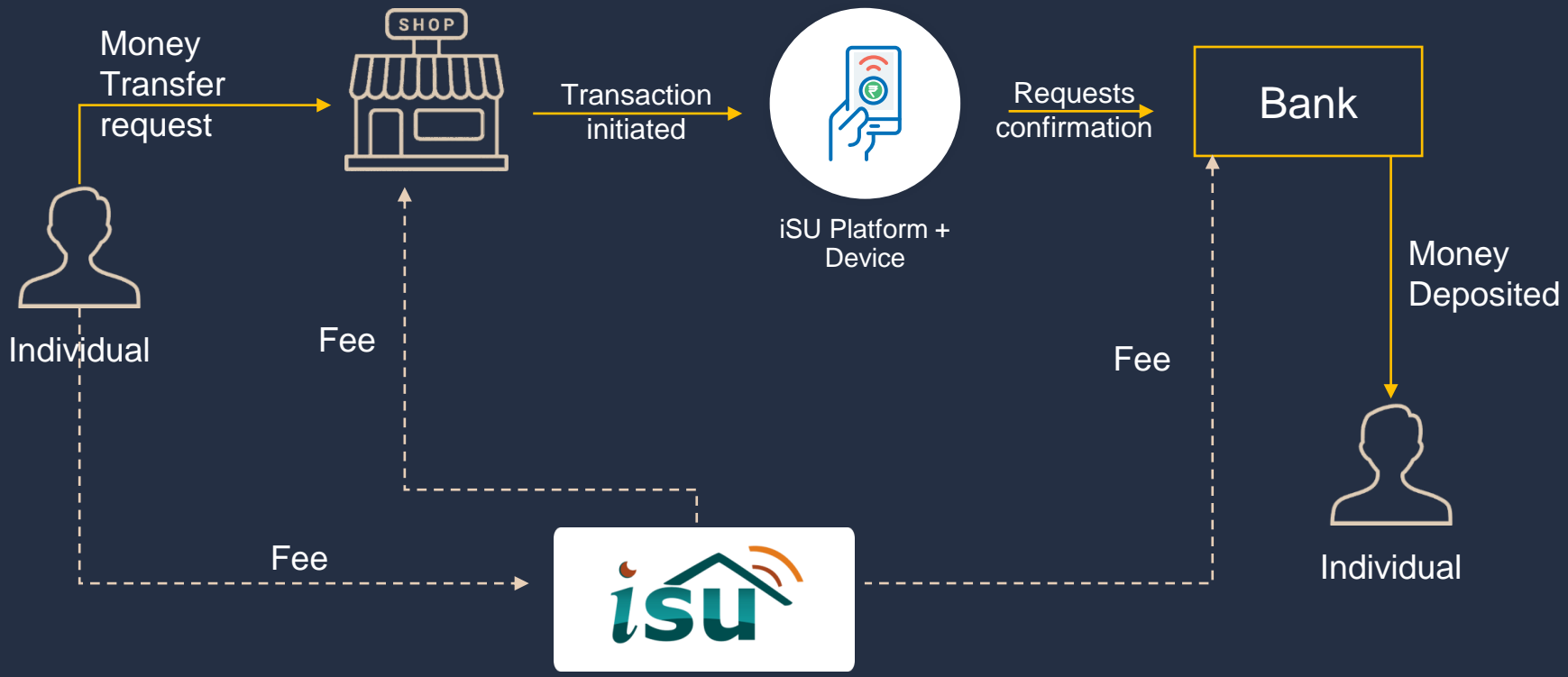
# Transaction & Revenue Flow (1/2)

Understanding our Cash to Digital & Digital to Cash loop using M-ATM & AePS



# Transaction & Revenue Flow (2/2)

Understanding our money transfer loop using DMT



# Our Products

Built a comprehensive stack with a recurring revenue model

Revenue Model	Financial Inclusion Stack	Other payment & Cards Stack	Others
<ul style="list-style-type: none"><li>Transaction-led</li></ul>	<ul style="list-style-type: none"><li>Micro-ATM</li><li>Aadhaar Enabled Payment System(AePS)</li></ul>	<ul style="list-style-type: none"><li>Prepaid Cards</li></ul>	Neo-banking
<ul style="list-style-type: none"><li>Revenue</li></ul>	<ul style="list-style-type: none"><li>Domestic Money Transfer (DMT)</li></ul>	<ul style="list-style-type: none"><li>BBPS</li><li>Recharge</li><li>POS</li></ul>	
<ul style="list-style-type: none"><li>Subscription</li></ul>	<ul style="list-style-type: none"><li>Agency Banking Solution</li></ul>		<ul style="list-style-type: none"><li>CRM Solution</li></ul>



# Lender to MSMEs

Understanding Niyogin Fintech Limited's Business Model

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# Market Opportunity

MSME lending the next frontier for growth

## Backbone of the Indian Economy

- 6.3 Cr+ MSMEs in India <sup>1</sup>
- ~30% Contribution to India's GDP <sup>2</sup>
- ~40% Contribution to Exports <sup>4</sup>
- ~11 Cr employment opportunities created <sup>4</sup>

## MSME sector is credit starved

- ~Rs. 20 Lakh Cr<sup>2</sup> of overall credit gap in the MSME sector
- Low credit access; working capital is the primary concern

## Poised for growth through Government support

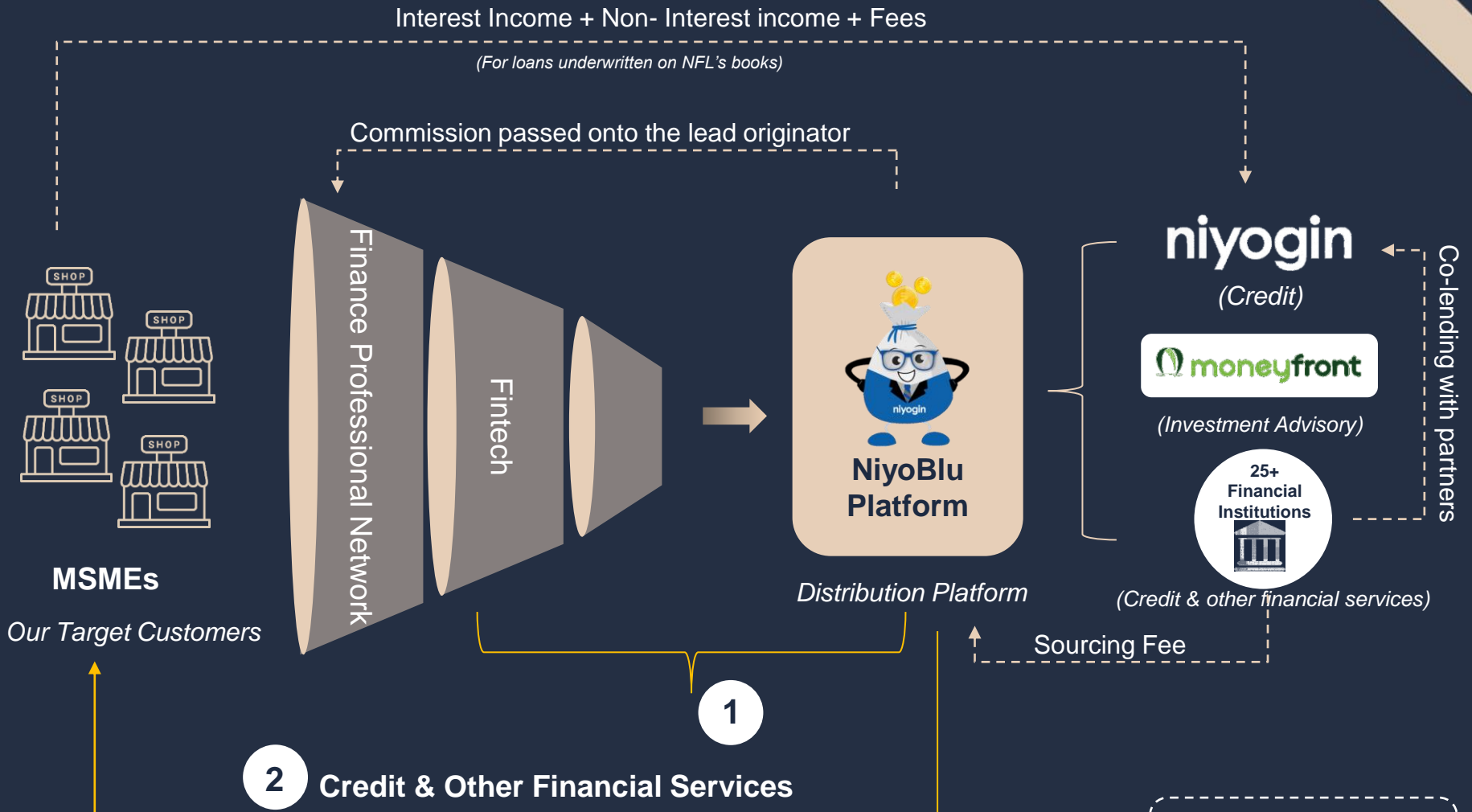
- Continued implementation of reforms like GST and JAM Trinity <sup>3</sup>
- Push for Make in India

Source/Note: 1. GoI MSME 2023 Report, 2. (Forty Sixth Report of the Standing Committee of Finance (17th Lok Sabha on March '22), 3. Goods & Service Tax, Jan Dhan Aadhaar Mobile, 4. Disclosed data of publicly listed companies



# Business Model

Overview of Niyogin's lending and Niyoblu's distribution business



**1** We partner with Finance professionals through Niyoblu Platform and Fintechs for low CAC reach

**2** MSMEs are afforded access to a wide range of financial services through institutional partners of Niyoblu platform



# Lending strategy

Scaling the book while managing opex and risk

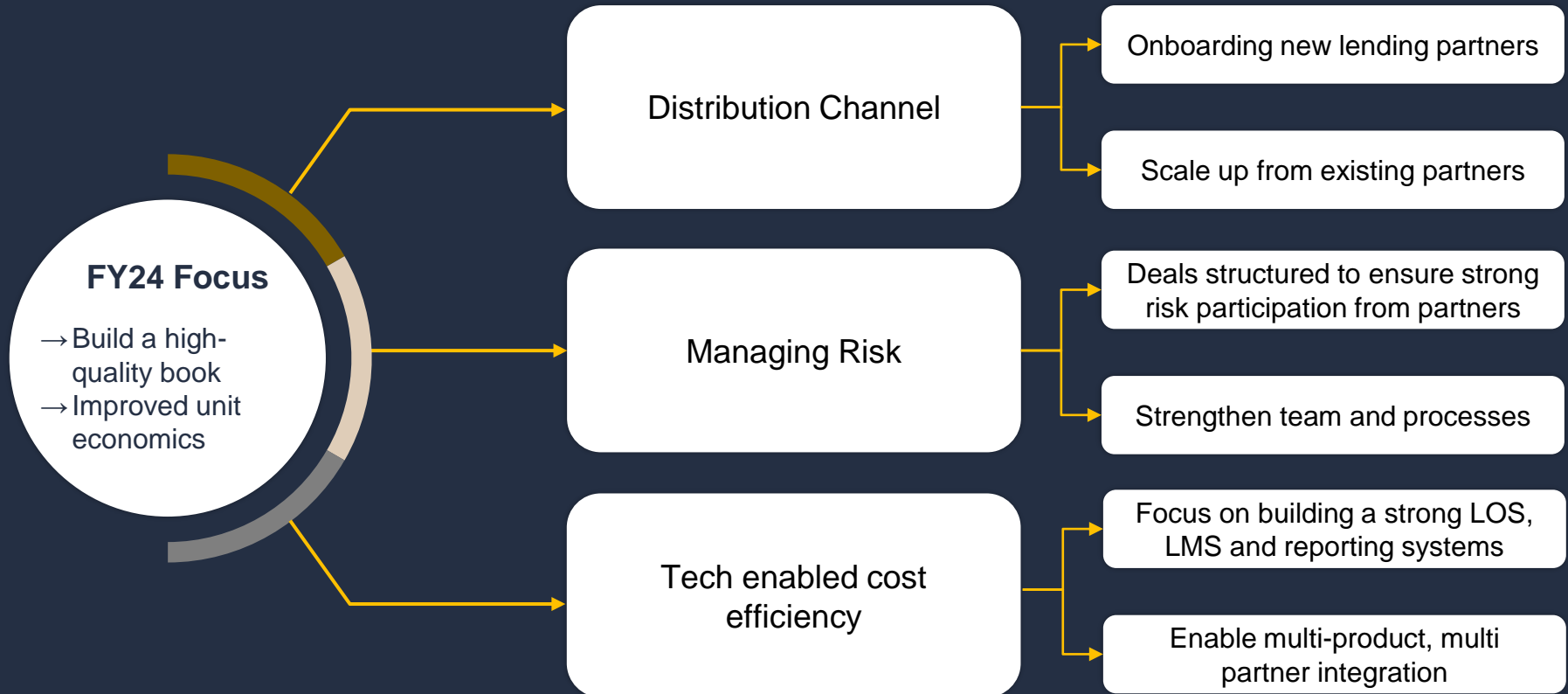
Large MSME  
Opportunity



Differentiated  
Business Model

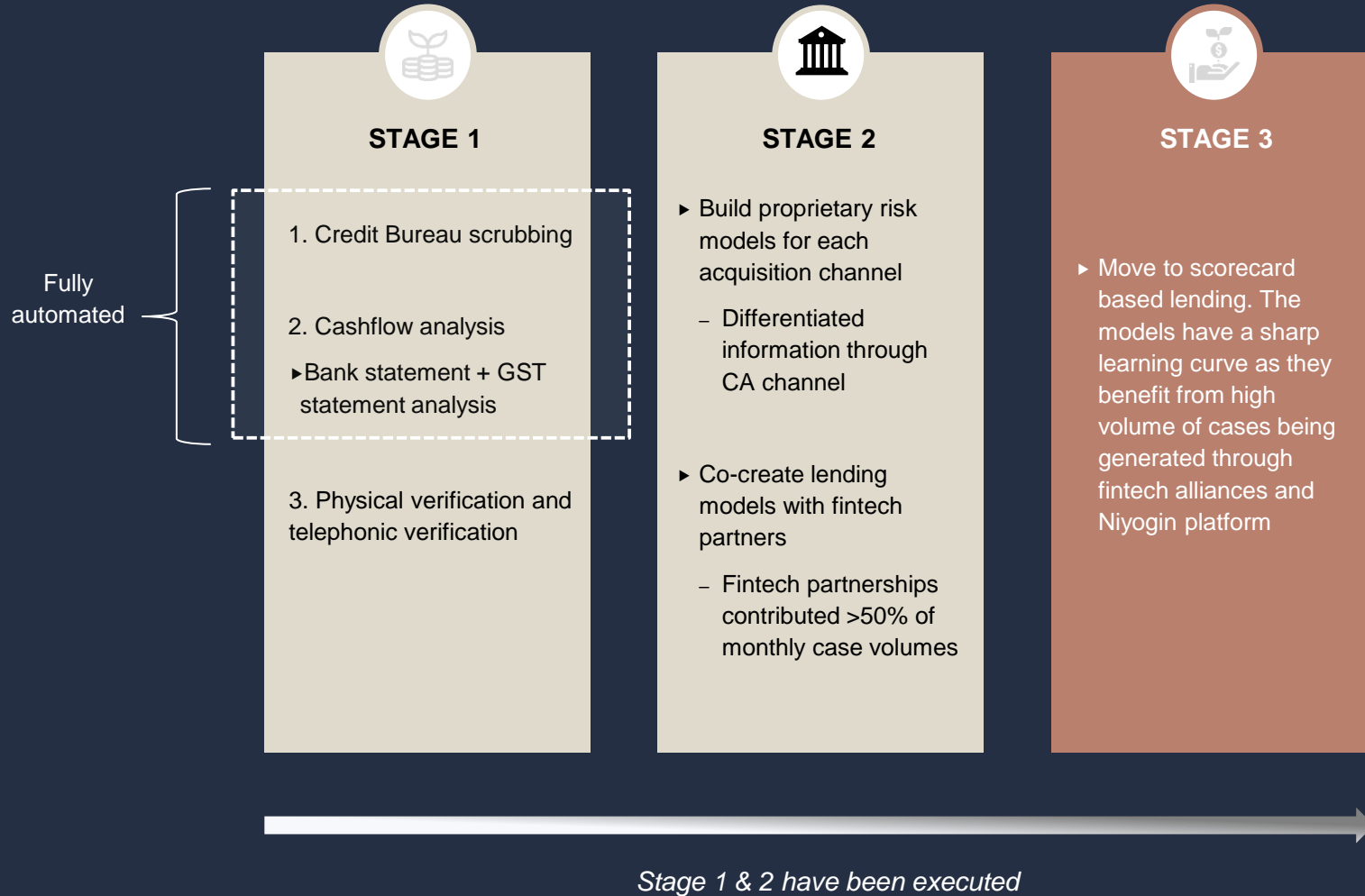


Scale



# Managing Risk

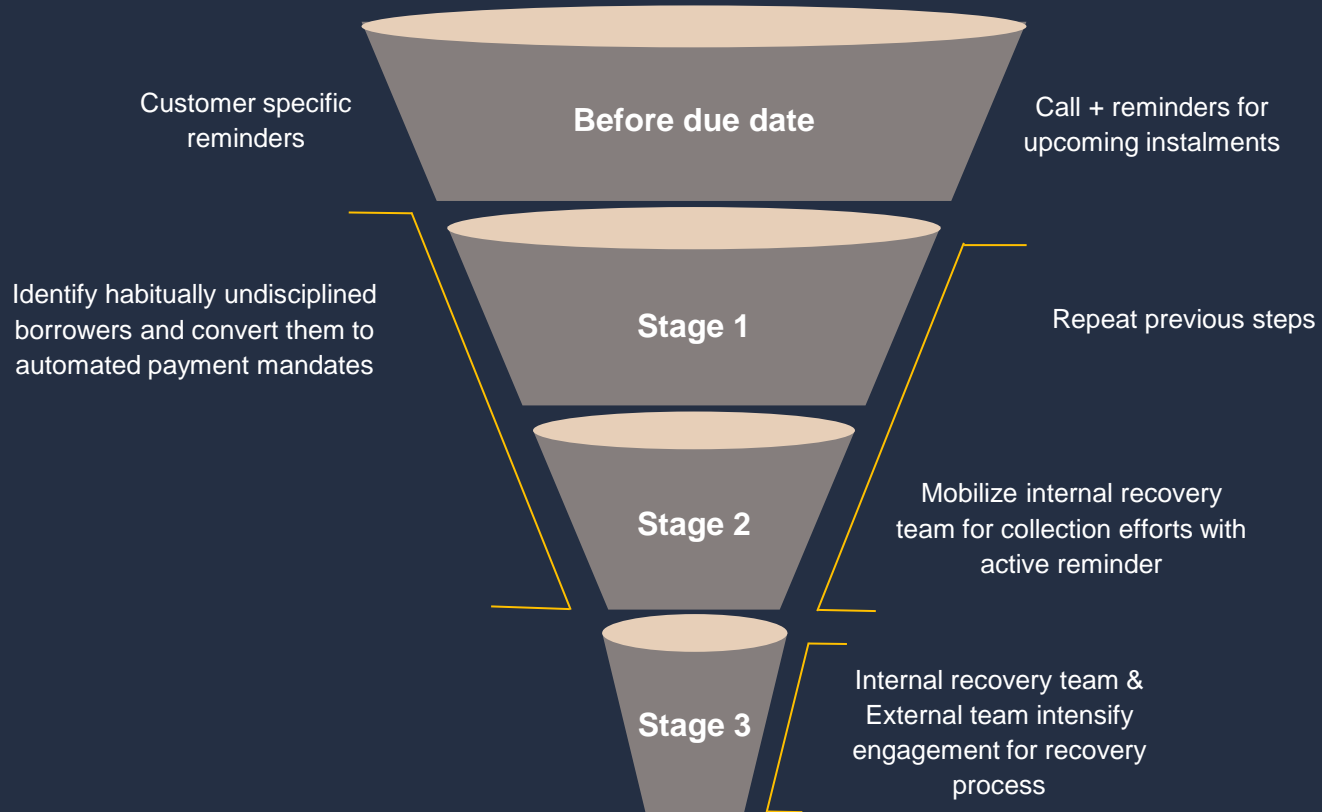
Moving towards predictive risk models with sharp learning curves



# Collection Process

Employed robust recovery mechanisms

**> 96% cases\* have NACH mandate**



\*for CA channel as of December 2023



# **Our Team & Journey**

## Board of Directors



**Amit Rajpal**  
NON-EXECUTIVE CHAIRMAN,  
CO-FOUNDER

CEO – Marshall Wace Asia;  
Ex-Morgan Stanley



**Gaurav Patankar**  
NON-EXECUTIVE DIRECTOR,  
CO-FOUNDER

Ex-BNY Mellon, Lockheed Martin



**Tashwinder Singh**  
MANAGING DIRECTOR,  
CHIEF EXECUTIVE OFFICER

Ex-Citigroup, KKR



**Subhasri Sriram**  
INDEPENDENT DIRECTOR

Director – TVS Electronics;  
Ex-Shriram City Union Finance



**Eric Wetlaufer**  
INDEPENDENT DIRECTOR

Director – TMX group;  
Ex-CPPIB; Fidelity



**Kapil Kapoor**  
INDEPENDENT DIRECTOR

Chairman-InfoEdge India;  
Ex-Nestle; ex-Global COO, Timex



**Ashby H.B. Monk**  
INDEPENDENT DIRECTOR

Senior Research Engineer, School of  
Engineering, Stanford University;  
Co-founder-Long Game Savings

# Management



**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



**Sonal Patni**  
CHIEF TECHNOLOGY  
OFFICER

Ex-SMEcorner, Avaya,  
Cognizant, Tech Mahindra



**Hitesh Jain**  
CHIEF RISK OFFICER

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



**Trivenika Avasthi**  
INVESTOR RELATIONS  
OFFICER

Ex-L&T, Yes Bank,  
Equirus Capital



**Salima Charania**  
MARKETING HEAD

Ex-Times Professional  
learning



**Neha Agarwal**  
COMPLIANCE OFFICER

Ex-Essel Infraprojects

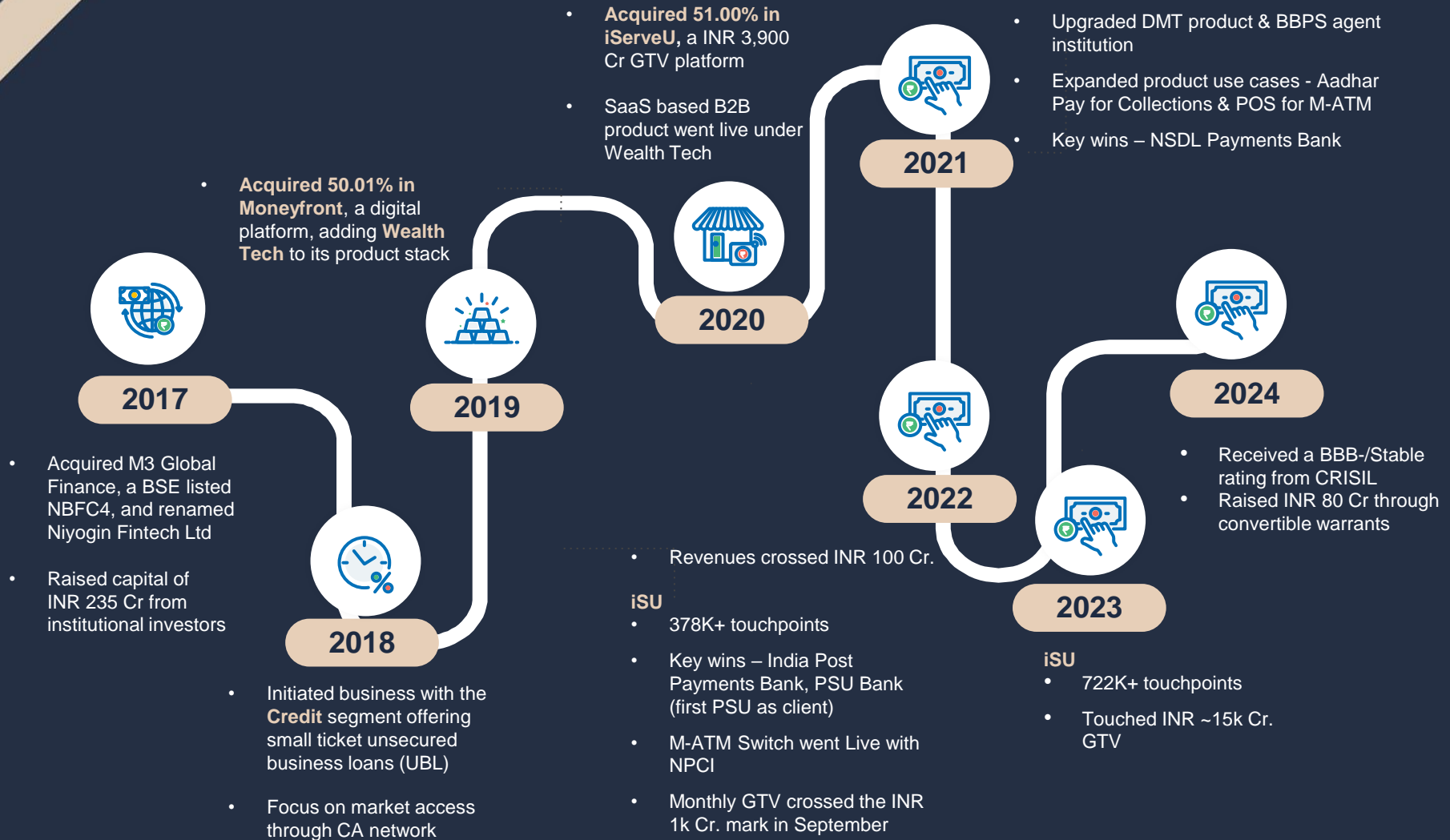


**Noorallah Charania**  
CHIEF OPERATING  
OFFICER

Ex-Aditya Birla Group, RBS,  
HDFC Bank

# Our Journey

How did we get here?





# Disclaimer

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