

BOARDS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Second Annual Report on the business and the operations of the company together with Audited Financial Statements of the Company for the period ended on 31st March 2018.

FINANCIAL RESULTS

Particulars	As on 31st March, 2018	As on 31st March, 2017
Revenue from Operations	36,990,348	-
Other Income	301,553	-
Total Income	37,291,901	-
Expenses	33,338,735	-
Profit/(Loss) before tax and prior period Adjustments	3,953,166	-
Profit/(Loss) before tax	3,362,506	-
Tax Expenses	1,701,622	-
Profit/(Loss) for the year	1,660,884	-

STATE OF COMPANY'S AFFAIRS, OPERATING RESULTS AND PROFITS:

During the period under review, being the second year since the company was incorporated on September 21, 2016, the company has earned revenue from operation of **Rs.36,990,348/-**. However, the company has incurred expenses of **Rs. 33,338,735**. The Directors are hopeful that in view of these financial results the efforts will be enhanced by the Company for promoting its services, the business of the company would further augment in the coming years.

MATERIAL ORDER PASSED BY REGULATOR

During the period under review, the Company has got an approval from Reserve Bank of India to commence and carry on its business by providing financial services as non-deposit taking and Non-Banking Finance Company vide its letter cum Certificate of Registration No. N-14.03380 dated October 18, 2017.

DIVIDEND AND TRANSFER TO RESERVES:

The Board of Directors of the Company has not recommended any dividend for the Financial Year 2017-18. Accordingly, there has been no transfer to general reserve.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

No dividend was declared during the period; hence, no unclaimed dividend was required to be transferred to Investor Education and Protection Fund in terms of Section 125 of the Companies Act, 2013.

EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, Extract of the Annual Return for the Financial Year ended March 31, 2018 made under the provisions of Section 92(3) of the Act is attached as **Annexure-I** attached herewith and which forms part of this Report.

CAPITAL STRUCTURE

Authorised Share Capital

As on the date of this report, the Authorised Share Capital of the Company is Rs. 29,10,00,000 (Rupees Twenty-Nine Crores Ten Lakhs Only) divided into 2,91,00,000 (Two Crores Ninety-One Lakhs) Equity Shares of Rs. 10/- each.

Issued, Subscribed and Paid Up Capital

As on the date of this report, the Issued, Subscribed and Paid up Capital of the Company is Rs. 29,04,53,080 (Rupees Twenty-Nine Crores Four Lakhs Fifty-Three Thousand and Eighty only) divided into 2,90,45,308 (Two Crores Ninety Lakhs Forty-Five Thousands Three Hundred and Eight) Equity shares Rs. 10/- each.

Changes in Shares Capital during the period under review

Authorized Share Capital

During the period under review and as on the date of the report the Authorised share capital of the company has been increased in following order:

Change during the period under review

- i) the Authorised Share capital of the company was increased from Rs. 5,00,00,000/- (Rupees Five Crores only) divided into 50,00,000 (Fifty Lakhs) Equity shares of Rs. 10/- each to Rs. 10,00,00,000 (Rupees Ten Crores only) divided into 1,00,00,000 (One Crores) Equity shares of Rs. 10/- each w.e.f. November 07, 2017,
- ii) Further, the Authorised Share Capital of the company was increased from Rs.10,00,00,000/- (Rupees Ten Crores only) divided into 1,00,00,000 (One Crores) Equity shares of Rs. 10/- each to Rs. 25,00,00,000/- (Rupees Twenty-Five Crores only) divided into 2,50,00,000 (Two crores and Fifty Lakhs) Equity Shares of Rs. 10/- each w.e.f. December 05, 2017,

Changes during end of the financial year and till the date of this report

- iii) Further, the Authorised Share Capital of the company was increased from Rs. 25,00,00,000 (Rupees Twenty-Five Crores only) divided into 2,50,00,000 (Two crores and Fifty Lakhs) Equity Shares of Rs. 10/- each to Rs. 28,50,00,000 (Rupees Twenty-Eight Crores and Fifty Lakhs) divided into 2,85,00,000 (Two Crores Eighty-Five Lakhs) Equity Shares of Rs. 10/- each w.e.f. July 10, 2018.
- iv) Further, the Authorised Share Capital of the company was increased from Rs. 28,50,00,000 (Rupees Twenty-Eight Crores and Fifty Lakhs) divided into 2,85,00,000 (Two Crores Eighty-Five Lakhs) Equity Shares of Rs. 10/- each to Rs. 29,10,00,000/- (Rupees Twenty-Nine Crores Ten Lakhs Only) divided into 2,91,00,000 (Two Crores Ninety-One Lakhs) Equity Shares of Rs. 10/- each w.e.f. July 20, 2018.

Paid-up Share Capital

During the period under review and as on the date of the report the Paid-up share capital of the company has been increased in following order:

- i) Consequent upon the allotment of 30,00,000 equity shares, the Paid-up share capital of the company has increased from Rs. 2,00,00,000/- (Rupees Two Crores only) to Rs. 5,00,00,000/- (Rupees Five Crores only) w.e.f. November 07, 2017,
- ii) Consequent upon the allotment of 50,00,000 equity shares, the Paid-up share capital of the company has increased from Rs. 5,00,00,000/- (Rupees Five Crores only) to Rs. 10,00,00,000/- (Rupees Ten Crores only) w.e.f. November 30, 2017,
- iii) Consequent upon the allotment of 60,00,000 equity shares, the Paid-up share capital of the company has increased from Rs. 10,00,00,000/- (Rupees Ten Crores only) to Rs. 16,00,00,000/- (Rupees Sixteen Crores only) w.e.f. December 20, 2017,
- iv) Consequent upon the allotment of 40,00,000 equity shares, the Paid-up share capital of the company has increased from Rs. 16,00,00,000/- (Rupees Sixteen Crores only) to Rs. 20,00,00,000/- (Rupees Twenty Crores only) w.e.f. January 17, 2018,
- v) Consequent upon the allotment of 50,00,000 equity shares, the Paid-up share capital of the company has increased from Rs. 20,00,00,000/- (Rupees Twenty Crores only) to Rs. 25,00,00,000/- (Rupees Twenty-Five Crores only) w.e.f. January 24, 2018,
- vi) Consequent upon the allotment of 16,18,123 equity shares, the Paid-up share capital of the company has increased from Rs. 25,00,00,000/- (Rupees Twenty-Five Crores only) to Rs. 26,61,81,230/- (Rupees Twenty-Six Crores Sixty-One Lakhs Eighty-One Thousand Two Hundred and Thirty only) w.e.f. July 20, 2018,
- vii) Consequent upon the allotment of 24,27,185 equity shares, the Paid-up share capital of the company has increased from Rs. 26,61,81,230/- (Rupees Twenty-Six Crores Sixty-One Lakhs Eighty-One Thousand Two Hundred and Thirty only) to Rs. 29,04,53,080 (Rupees Twenty-Nine Crores Four Lakhs Fifty-Three Thousand and Eighty only) w.e.f. August 06, 2018.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

The Company has not entered into any transactions related to loans, investments, guarantees and securities to which the provisions of Section 186 of the Act are applicable.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All the transactions/contracts/arrangements of the nature as specified in Section 188(1) of the Companies Act, 2013 entered by the Company during the year under review with related party(ies) are in ordinary course of business and on arm's length. The details of such transactions/contracts/arrangements which are material in nature are contained in the **Annexure-II** attached hereto in form **AOC-2**.

SUBSIDIARY COMPANIES/ JOINT VENTURE/ ASSOCIATE COMPANIES:

The Company does not have any subsidiary, joint venture or associate companies during the period under review.

NUMBER OF MEETINGS OF THE BOARD:

The Board has met Fourteen (14) times during the period ended on 31st March 2018 and the Attendance Sheet of Directors are as under:

Date of Meeting	Name of Director		
	Ms. Ruchi Kalra	Mr. Vasant Sridhar	Mr. Dhaval Radia
	03103474	07685035	07688760
02-05-2017	Y	Y	Y
11-08-2017	Y	Y	Y
04-10-2017	Y	-	Y
23-10-2017	Y	Y	Y
07-11-2017	Y	Y	Y
30-11-2017	Y	-	Y
06-12-2017	Y	-	Y
16-12-2017	Y	-	Y
20-12-2017	Y	Y	Y
05-01-2018	Y	-	Y
17-01-2018	Y	-	Y
24-01-2018	Y	-	Y
14-03-2018	Y	-	Y
27-03-2018	Y	-	Y

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information under Sec 134(3)(m) of The Companies Act, 2013 read with the Rule 8(3) of Companies (Accounts) Rules, 2014 for the Financial year ended 31st March 2018

(i) Conservation of Energy

The Company has generally taken reasonable steps to conserve energy and fuel in its operations. As Company's operations, do not involve any process of manufacture or production, no specific steps could be taken for conservation of energy.

(ii) Technology Absorption

A. Research & Development:

Company is investing in analytics and artificial intelligence capabilities to

- a) be able to connect to the customer in a hyper-personalised manner.
- b) improve credit decision process.

B. Technology Absorption, Adaptation & Innovation:

a) Efforts made towards technology Absorption, Adaptation & Innovation at Oxyzo:

1. Use of Lead management system to maintain and manage all the client leads
2. Use of Loan Management System to automate all pre sanction and post sanction business workflows.
3. Customer website and app where customers can request disbursements and manage their ledgers.
4. Automation of various flows across departments to increase efficiency and controls.

b) Benefits derived as a result of the above efforts:

1. Technology is making business operations and expansion much easier as the cost of administration becomes lower.
2. Reduction in data errors and TAT.
3. reduction in cost of acquiring new segments and servicing existing customers

C. Expenditure incurred on Research and Development:

The Company has incurred Rs. 20,21,460 on Research & Development expenditure during the period under review.

(iii) Foreign Exchange Earnings and Outgo

There is no Foreign Earnings and outgo during the period under review.

DETAILS OF DIRECTORS:

The Board of Directors of the Company as on date of this report comprise of Two Directors and as per the Company's Articles of Association none of the directors retire by rotation and none of directors of the Company are disqualified from being appointed as Director of the Company pursuant to Section 164 of the Companies Act, 2013 and this fact has been affirmed by the auditors in their report.

Further, the following changes took place in the directorship during the Financial Year 2017-18 and till the date of this report:

- a) The designation of Ms. Ruchi Kalra having DIN 03103474 has changed from Non-Executive Director to Executive Director with effect from November 01, 2017
- b) The designation of Mr. Vasant Sridhar having DIN 07685035 has changed from Executive Director to Non-Executive Director with effect from November 01, 2017
- c) Mr. Dhaval Dineshchandra Radia having (DIN 07688760) has resigned from the directorship of the Company w.e.f. July 31, 2018 due to personal unavoidable reasons.

PUBLIC DEPOSITS:

During the year under review, your company neither accepted any deposits nor there were any amounts outstanding at the beginning of the year which were classified as 'Deposits' in terms of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014 and hence, the requirement for furnishing of details of deposits which are not in compliance with the Chapter V of the Companies Act, 2013 is not applicable.

PARTICULARS OF EMPLOYEES:

The Detail of employees of the Company who falls in the category specified under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are contained in the **Annexure-III** attached hereto.

STATUTORY AUDITOR:

During the period under review there was a casual vacancy due to resignation of M/s Lodha & Co., Chartered Accountants, New Delhi, having Firm Registration No. 301051E from the Statutory Auditors of the Company vide their resignation letter dated November 30, 2017 and to fill that casual vacancy M/s. B S R & Associates LLP, Chartered Accountants (Firm Reg No. 116231W/ W-100024) has under Sec 141(1) of the Companies Act, 2013 furnished the certificate of their eligibility for their appointment by members.

The directors recommended that M/s. B S R & Associates LLP, Chartered Accountants (Firm Reg No. 116231W/ W-100024), be appointed as the statutory auditors of the company at the Extra-ordinary General Meeting of the Company held on January 01, 2018 and to hold office till the conclusion of the next Annual General Meeting of the Company held in the year 2018.

AUDITORS REPORT:

The Report of Statutory Auditors does not contain any qualification, reservation or adverse remark.

INTERNAL FINANCIAL CONTROLS:

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate.

During the year under review, no material or serious observation has been received from the Statutory Auditors and the Internal Auditors of the Company on the efficiency or inadequacy of such controls.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The provisions of Section 135 of Companies Act, 2013 related to Corporate Social Responsibility are not applicable on the Company.

AUDIT COMMITTEE

The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 are not applicable to the Company.

DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

Provisions relating to vigil mechanism for directors and employees as provided in Rule 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 is applicable on the company. And Your company has adopted a Vigil Mechanism Policy to provide adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairman.

NOMINATION AND REMUNERATION COMMITTEE:

The provisions of Section 178 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 are not applicable to the Company.

SIGNIFICANT AND MATERIAL ORDERS:

No significant and material orders have been passed by any Regulator or court or Tribunal which can have impact on the going concern status and the Company's operations in future.

RISK MANAGEMENT:

The Company has an elaborate risk management system to inform Board Members about risk assessment and minimization procedures.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company is committed to provide a safe and conducive work environment to its employees. Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

DIRECTOR'S RESPONSIBILITY STATEMENT:

In terms of Section 134(5) of the Companies Act, 2013, the directors would like to state that:

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- (b) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 loss of the Company for the period under review.
- (c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) The directors have prepared the annual accounts on a going concern basis.
- (e) The directors had 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) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

ACKNOWLEDGEMENTS:

We thank our Members, Bankers, Financial Institutions and also to the various Regulatory Authorities for their assistance, solidarity cooperation, continued trust and support. We are also thankful to our employees and other shareholders of the company.

**For and on behalf of Board of Directors
OXYZO Financial Services Private Limited**

**Ruchi Kalra
(Director)
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New Delhi-110016
380015**

**Vasant Sridhar
(Director)
DIN:07685035
Add: No.28, west CIT Nagar
1st Cross Street Chennai 600035**

Dated : September 04, 2018

Place: Gurugram