



# oxyzo

## ANNUAL REPORT

### 2019 -2020



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# MESSAGE FROM MANAGEMENT

### Business Introduction

Oxyzo Financial Services Private Limited ('Oxyzo' or 'the Company') is a Reserve Bank of India (RBI) registered Non-Banking Financial Company (NBFC) that provides working capital funding to largely small and medium enterprises (SMEs). The funding is done for procurement of raw materials under the flagship brand "OfBusiness". Lending for raw materials to SMEs is a large opportunity: ~US\$ 300B in India. ~75% of this opportunity is served by intermediaries who supply material and charge an exorbitant IRR (40%+) as there are several of them in the supply chain. The balance is provided by banks, who are limited by their want of a collateral.

Oxyzo (along with OfBusiness) has a global, first of its kind model (Lender ++), in which it doubles up as a raw material ("RM") aggregator along with being the working capital financier. Its' focus segment are vintaged SMEs with credit history with annual revenue in INR 5-500 cr range, working in core sectors (manufacturing and contracting - including capital goods, consumer goods, packaging, electricals, water, healthcare, auto/ auto ancillaries, polymers, roads/ rails/ bridges). Oxyzo also prefers Business to Business (B2B) SMEs, where the SME delivers its product or service for a large corporation, wherein cash flows of the SMEs are relatively more stable and predictable.

### Macroeconomic Overview

On the assets' side, Oxyzo was faced with an increasingly gloomy picture as the year progressed in FY20. India's GDP growth in FY20 continued on a downward growth trajectory which had begun in Q1FY19. Before the COVID-19 pandemic and lockdown, both the RBI and the Central Statistical Office (CSO) of the Government of India had revised the GDP growth rate downwards. The RBI changed its full year GDP growth estimate from an initial 7.2% to 5% in December 2019 and ascribed the tapering of growth to a tight credit market impacting fresh investments, weak capital expenditure and a slowdown in manufacturing. In a similar vein, the second advance estimates of national income for FY2020 released by the CSO on 28 February 2020 was substantially lower: GDP growth for FY2020 was pegged at 5% compared to 6.1% in FY2019; and growth in gross value added was estimated at 4.9% in FY2020 versus 6% in FY2019. For the segments that Oxyzo serves, there have been several factors that have reduced the demand. India has had a decline in the auto/ auto components sectors largely driven by limited credit availability and slowing private and commercial consumption. Capital goods and heavy machinery have continued on their downward trend as in the previous years. On the liability side, credit squeezing continues for NBFCs with the overall economic scenario being bleak. This is reflected in the cost of borrowing having gone up for Oxyzo and all NBFCs of similar vintage and/ or scale. The COVID-19 induced lockdown/social distancing measures started in March 2020 and put 75% of the overall economic activity into standstill. It consequently hastened the downward trajectory of GDP growth in Q4FY20 to 3.1%. For FY20, India's GDP growth declined to 4.2% as compared to 6.1% in FY19. It suffices to say that Oxyzo's strong performance continued in FY20 in spite of the hurdles posed by an adverse economic scenario.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### The Covid-19 pandemic and lockdown

The episode of Covid-19 was unprecedented on all counts and had large repercussions on all forms of business. On 25<sup>th</sup> of March 2020, India went on to initiate the largest nation-wide lockdown in the world. The full lockdown lasted up to 3<sup>rd</sup> May 2020. Mobility, life and business came to a grinding halt across the country. While since then, the authorities have started relaxing norms of opening up and various parts of the economy and geographies, it must be said that all businesses were taken back by 3-6 months, wherein they had to rely on their reserves to keep their operational and financial obligations intact.

Public resources were stretched to the hilt. While the slowdown in GDP growth had an adverse impact on Government revenue collections in FY20, the COVID-19 induced lockdown further exacerbated the situation. As revenues went down, costs went northwards as the public bodies were engaged in virus containment efforts, public health measures and enforcement of lockdown norms. Actual fiscal deficit of the central government widened to 4.6% of GDP in FY20 which was significantly higher than its revised fiscal deficit target of 3.8% of GDP.

The Company had to react, and it did. It went on a 15-pronged agenda to last the pandemic and resultant downturn.

### Business Continuity

- Activating business continuity plans, with emergency response teams to monitor the situation and implementing actions in real time for all Company employees. These were shared with all internal and external stakeholders.
- Disbursing only secured loans for new customers.
- Continuing services for all current customers.
- Rationalizing fixed costs to meet reduced revenue.
- Moving the entire company machinery to focus on collections.
- Matching new loan disbursals to capital raised so that the Company cash reserves are maintained.
- Reaching out to customers to ensure that pending claims could be paid and they could get their servicing requirements met.

### Health and Safety

- Continuing operations under a strict, well-defined 'Work-from-Home' Protocol.
- Enforcing strict adherence to lockdown guidelines of the central, state governments and local municipal bodies as applicable.
- Providing safe means of transportation to all employees who were engaged in emergency and unavoidable services.
- Providing support to state government and district administration in areas like technology and provision and distribution of essential services and commodities for the needy. Under the above agenda, the Company launched a widely used service application for the masses in Haryana with Haryana Government called "Jan Sahayak", which connected the needy with the providers of essential services like medicines, testing and food. The Company and its employees also distributed food packets to several needy across the country.

### Data Safety

- Moving the IT infrastructure to ensure availability of adequate bandwidth, setting up virtual private networks, making laptops available where needed and creating multiple platforms for collaboration and team meetings over digital media.
- Ensuring full data security of each company's network as IT infrastructure was being moved.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

- Getting all stakeholders to quickly get on to digital platforms for two-way communication.
- Creating multiple channels of communication to stakeholders, both internal and external.

The government also introduced several programs for support to NBFCs and SMEs. The program for NBFCs was support in the form of cheaper credit, which Oxyzo has availed to the fullest. Given the strong asset quality, profitability and tight processes and controls, Oxyzo is one of the highest benefactors of these programs for NBFCs of its vintage, scale and rating. The RBI also introduced a 6-month moratorium program for SMEs at the discretion of the lender. Oxyzo, given its focus on relatively strong customers, had to dole out moratoriums to only a few of its customers (less than 5% of its portfolio) as they did not need any moratorium support.

The pandemic was an eye opener and a litmus test of the Company's business and operating model across leverage, profitability and asset quality. Today, Oxyzo can proudly

claim that it has waded through tough times and has emerged out stronger than ever before.

### **Outlook for FY 21**

As the pandemic has spread across the globe, the global macroeconomic outlook remains negative. Several multilateral agencies have projected recession for the global economy in the calendar year 2020 with the IMF (International Monetary Fund) warning of the worst global recession in almost a century.

Back in India, RBI estimates the real GDP growth of India to remain negative in FY21. Rating agencies and economic think-tanks have predicted a contraction in India's GDP from 2% to 5% on the back of extended lockdown, factory shutdowns, supply chain disruptions, travel restrictions, reduced discretionary spending and recessionary outlook for the global economy. India's particularly been affected more as the nationwide lock down was announced for the greater part of the 1<sup>st</sup> quarter of FY21 and the top 10 cities still reeling under the fear of spread of the virus and the consequent strain on public and health expenditure.

To avert steeper decline in economic growth, major countries have used a mix of monetary and fiscal tools to ensure liquidity and credit flow to their economies. In India, while the RBI has been doing the heavy lifting, various policy measures announced by the Government in its Economic Package are perceived to be more useful in the medium to long term. A lot of it also needs to reach the needy as the availing of relaxations have been largely confined to the large enterprises. Given the widening fiscal deficit forecasted in FY21, both Union and state borrowings are expected to borrow heavily, thus increasing the borrowing costs across the NBFC ecosystem.

In the kind of environment as above, we expect a huge flight to quality. Capital will flow to the richly deserving in lenders. And orders will flow to the deserving in SMEs, where there may be consolidation too. In this kind of an environment, we expect Oxyzo and its borrowers to stand-out and take a lion's share of the economic activity building on the strong fundamentals of their respective businesses. To reiterate, Oxyzo stands out as the clear leader in its peer set for profitability, asset quality and leverage and Oxyzo's customers stand out for their vintage, relatively stable B2B businesses and past reserves that the Company filters before lending.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Financial and Operational Performance

The Company entered FY 19-20 with focus on book building and growth with objective of profitability, asset quality and leverage as key drivers and operating efficiency and customer centricity as key measures. Oxyzo lived up to the targets that it defined for itself.

The key financial parameters are:

- Assets under Management (AUM) grew by 150% from INR 360 Crore as on March 31, 2019 to INR 898 Crore on March 31, 2020.
- Total revenue grew from INR 42 Crore in 2018-19 to INR 135 Crore in 2019-20.
- Profit Before Tax (PBT) increased by INR 23 Crore from INR 5 Crore in 2018-19 to INR 28 Crore in 2019-20.
- Profit After Tax (PAT) increased by INR 17 Crore from INR 4 Crore in 2018-19 to INR 21 Crore in 2019-20.
- Oxyzo's GNPA was 0.93% with a PCR of 69%. The net NPA at 0.29% as at 31 March 2020.
- Capital adequacy as at 31 March 2020 was 35.14%, which is well above the RBI norms.
- Debt-equity ratio as at 31 March 2020 was 1.96 compared to 2.56 as at 31 March 2019.

Net worth as at 31 March 2020 was INR 319 Crore compared to INR 102 Crore as at 31 March 2019.

### Borrowings

The borrowing book stood at INR 624.84 Crore as on March 31, 2020 against INR 260.86 Crore as of March 31, 2019. The year-end leverage was 1.96X with an average of 2.5X during the year.

The Company focused on diversified borrowing mix with reduced cost of borrowing through increased the share of bank borrowings in its mix. Borrowing summary is as below:

Particulars (INR Crores)	As at 31 March 2020	As at 31 March 2019
<b>Debentures (secured)</b>		
Non-convertible debentures	131.10	68.10
<b>Term loans (secured)</b>		
From Banks	249.76	58.67
From non-banking financial institutions	210.62	111.99
<b>Loans repayable on demand (secured)</b>		
Bank overdraft	18.10	10.98
Commercial papers	15.26	11.12
<b>Total</b>	<b>624.84</b>	<b>260.86</b>

- Continued focus on diversification; overall share of bank financing increased 150% on Y-o-Y basis; with plans to adding public-sector banks in the resource mix
- Company added 17 lenders including 9 Banks and 1 DFI during the period

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## Business Strengths

**Sizeable and banked customer segment:** Company serves sizeable and banked SME customers that are financially and operationally similar with B2B services to their end anchor; relatively more stable with financial discipline but a clear financing need.

- All customers of the Company are in core sectors of the economy i.e., manufacturing and contracting services
- All customers of the Company are sizeable, minimum size of INR 3 crores in manufacturing and INR 20 crores in contracting services.
- All customers of the Company are in B2B products or services themselves (i.e., they deliver a product or a service for a large anchor customer). Hence, their cash flows are more stable with no/ limited off book income (billing to anchors and hence GST compliant).
- All customers of the Company are high vintage; average age of 8+ years and profitable.
- Target segment of the Company are banked SMEs who have at least one banking line (CC/ OD limits for working capital) but meet their working capital requirements by purchasing material on credit from their creditors.
- All customers of the Company have highly standardized P&Ls (~65% in COGS of buying raw material) and Balance Sheets (~90-120 days of working capital).
- All customers of the Company have a very high dependency and engagement with Oxyzo because of its services of raw material fulfilment and marketing services.
- Most customers of the Company are in largely city peripheries and Tier II towns, which have been less affected by the Covid-19 pandemic.

## Unique business model and synergies:

Oxyzo (along with OfBusiness) has a global, first of its kind model called Lender ++. It doubles up as a raw material ("RM") aggregator along with being the working capital financier. The product offered is a cash flow matched "purchase financing line" product, where the SME draws down as much as it needs and pays for as long as it uses the capital. The other difference is that all the drawdowns are in the form of purchase RM (which are largely bulk materials like metals, plastics, diesel and bitumen), a significant proportion of which are aggregated by OfBusiness. Thus, the SME pays interest but saves on better RM procurement. The model itself takes care of guaranteed end use, higher engagement, better collections efficiency and higher business yield enhancing the Company's profitability. The Company and its sister concerns have also ventured into other services like BidAssist, a marketing engine for SMEs, which doubles up as the major lead acquisition engine for lending.

Given its Lender++ model, OfBusiness has built a proprietary risk and monitoring framework that is suited to working capital lending. It does not take any inventory, quality or pricing risks in raw material aggregation. It suffices to say that the Company is aggressively marching ahead in its vision to create a SME network in which SMEs solve their capital needs while also getting their other essential services for growth.

## Business Update

The year FY20 was a significant one for the Company. The Company, apart from marching ahead on financial indices as already covered in the note, marched ahead operationally in many areas that will demonstrate both long-term and short-term value.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

One of the key reasons for the growth in FY20 was the expansion in West with headquarters in Mumbai. The Company opened new offices in Mumbai, Pune, Vapi, Indore and deepened its presence in Gujarat from its Ahmedabad office. The Company also started operations in the east with new locations like Bhubaneswar and Vizag. It also deepened presence in North with the opening of Chandigarh and Haridwar. The company follows a simple policy of following where the demand is in its segments and prioritizing new locations adjacent to where it operates. FY21 will largely be a consolidation year (with not more than 3-5 locations being opened across India) in new geographies given the spread of the Covid-19 pandemic and the rapid expansion in locations across the last 2 years. South remains a large focus area and we will further consolidate our presence in areas where we have set up offices.

The other key element of growth in FY20 was the large move towards a secured portfolio. Today, the Company's portfolio is more than 60% on the secured side, a trend that the Company intends to keep in the next foreseeable future. In lieu of this, the Company started its property backed financing products in FY20. The product has been well accepted in its pilot locations of where the Company has a stronghold. The Company also launched two other new products, drop line overdraft limits and sales bill discounting, in its strong hold locations, which has met with success. The Company continues to march ahead in deepening its presence across these core products in FY21. Each of these products have been launched with very tight risk guidelines and will be monitored closely for a year before they are pushed pan India.

There are several new raw materials that the Company started funding for aggregation. In addition to its core areas of metals, plastics and paper, the company launched SKUs in bitumen to strengthen its presence in petroleum products and several other products in industrial chemicals. All these products were launched for current customers in company served regions. These products will be taken pan India during the course of FY21.

To meet the growth targets for FY20, the Company's on the ground sales and operating forces grew in number by 40% and the same is expected to hold for FY21. It is to the Company's credit that productivity has enhanced to the extent that in FY20, the Company AUM grew by 160%. The Company's strong focus on enhancing field productivity through the use of 3Ts: technology, training and territory focus will continue in FY21.

### Business Outlook

FY21 is the year of the COVID-19 pandemic. We think of FY21 in three phases.

**Phase I (Quarter 1, FY21):** This is the phase of business continuity. In this phase, we will focus on making sure that we are affected as little as possible in the areas of company's financial health and asset quality while making sure that compliances, data security and stakeholder management across both physical and business health is maintained. We expect the Company to contract its business by nearly 10% year on year during this time while largely maintaining its leverage, profitability and asset quality. In this phase, the Company will keep serving its old customers with minimal growth aspirations for the book to take care of the macro environment.

**Phase II (Quarter 2, FY21):** This is the phase of business consolidation and growth. In this phase, all geographies will be started with new disbursements focused on only current geographies with secured products. This phase will ensure that all company functions and geographies are put back into operation. The Company expects to grow its business by about 50% year on year in this period while maintaining its



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

leverage, profitability and asset quality. Consequently, after the first two phases, the Company expects to have grown by 40% on a year on year basis.

**Phase III (Half 2, FY21):** This is the phase of rapid expansion and growth where the company will come back to full steam across regions, products, materials and also expand into the new avenues as covered. The Company expects to grow 150-160% year on year in this phase. Consequently, across the year, the Company expects to grow its AUM by 80-90% across the three phases while maintaining its focus leverage, profitability and asset quality. This will consolidate the leadership position that Oxyzo has in its peerset.

### Risk Management

Company has a well-defined risk governance structure which includes periodic reviews and close monitoring to enable building a sustainable business that takes care of the interests of all stakeholders. It has a clearly defined risk management policy that lays down guidelines for all operational areas. Comprehensive annual risk review exercises go towards continually updating the risk management policy. The policy defines role of the Company's Risk Management Committee which oversees all aspects of the business, especially credit underwriting.

**Underwriting:** The underwriting team in the Company is drawn from SME experienced underwriters of banks and NBFCs. The Company follows a "meet only" policy in which the underwriter has to meet the borrower at least once. The Company also has a no deviation policy to its "Risk bible", which is revised periodically but definitely once a quarter, when all proposed deviations are studied. The Company has a credit committee that sits daily to monitor all risk decisions being made. Lending is within a 200 km radius of its office; the Company has 14 offices across India.

**Collections:** The Company has a field staff of ~10% of its workforce engaged in collections that are responsible for any customer that is not pre-paying. It is strongly augmented in collections by an in-house calling team which uses both data and technology to increase collections efficiency. One of the strong company philosophies is that we are all in the business of collections, hence all field staff across operations, underwriting and sales augment the collections function.

**Risk, Monitoring and audit:** This is the strongest cell of OfBusiness where risk and monitoring is studied across 7 levels:

- End-user industry mix to see that no industry is >15% of the portfolio.
- Anchor mix to see that no individual anchor (the Company's borrower) is >2% on portfolio and no regional anchor is >10% of the regional portfolio.
- Anchor database is maintained and updated across 700+ anchors.
- A healthy mix of secured/ unsecured (60/40) is maintained.
- Payment behavior for interest, repayments and delays are studied to make predictive calls on SMEs, anchors, regions and the sector
- All our IT systems are in-house developed, with tight controls and monitoring. Most lenders would vouch for that.
- Statutory audit, Tax Audit by Big 4, GST Consultancy by Big 4 and internal audit by renowned firm.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **Regulatory Guidelines by RBI**

Oxyzo continues to comply with the guidelines issued by RBI regarding accounting guidelines, prudential norms for asset classification, income recognition, provisioning, capital adequacy, concentration of credit, credit rating, Know Your Customer (KYC) guidelines and Anti Money Laundering (AML) standards, fair practices code and real estate and capital market exposures. While compliance is mandatory, the Company has moved far ahead in introducing several practices that go beyond the call of law and statute and has initiated and strictly follows several processes that are built with the objectives of processes efficiency, abundant stakeholder communication and tightening of data security.

### **Internal Audit and Control**

The Company's well-defined organizational structure, documented policy guidelines, defined authority matrix, and various internal controls help ensure efficiency of operations, compliance with internal policies, and applicable laws and regulations as well as protection of Company resources.

The structure is designed to provide a reasonable assurance with regard to reliability of financial reporting, monitoring of operations, protecting assets from unauthorized use or losses, compliances with regulations, prevention and detection of fraudulent activities etc. The Company has continued its efforts to align all its processes and controls with leading practices and regulations. The internal control system is supplemented by extensive internal audits, regular reviews by the management and standard policies and guidelines which ensure reliability of financial and all other records.

The Company has a robust internal audit program, where the internal auditors, an independent firm of chartered accountants to conduct audit risk based internal audit with a view to not only test adherence to laid down policies and procedures but also to suggest improvements in processes and systems. Over the past year, the Company has also built an in house internal audit team, which will supplement the work of the external auditors and do the system improvements on a real time basis.

The audit program and scope is agreed upon by the central audit committee. The Company has in material respect an adequate internal financial control over financial reporting and such controls are operating effectively.

### **Information Technology**

At Oxyzo, we have an in-house developed omni-channel, highly scalable, workflow-based, cloud based end-to-end loan origination and management platform which has been the backbone of the company since day one. Technology is core to the operations of the Company and plays a very important role in scaling businesses with increased productivity, reduced cost of delivery, fast turnaround time and increased customer satisfaction. An in-house platform offers tremendous advantages such as faster implementation, lower cost, ease of scalability and flexibility in operations.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT



During the year, the Technology team worked on various initiatives to enrich the capabilities of Oxyzo platform further. Some of the key projects implemented are:

1. Document identification and assessment engine: This uses AI to identify, auto categorize and read information from various formats of customer documents.
2. Auto analysis of credit reports, financials, banking and GST returns to auto create Loan Sheet to speed up the processing and underwriting.
3. Post sanction automation workflows to help speed up disbursements, manage the lifecycle of the loan and automate communications with the client.
4. Risk monitoring framework – We developed a risk monitoring framework where various data points about a customer are gathered periodically from multiple sources like MCA, GSTN, Bureaus, e-Courts websites, bank statements, Ledgers. On top of this data, various techniques/algorithms are being developed to identify the risks and raise alerts when any anomaly is discovered.
5. Fraud detection – Developed various techniques to identify fraudulent applications, forgery of data and documents to avail credit.
6. Multiple digital payment options: Integrated with various payment gateway's and banks to provide multiple digital payment options to customers like Virtual Accounts, BBPS, UPI, e-NACH.
7. Technology team also deployed a data lake infrastructure and provided an analytics engine on to generate reports across departments for better decision making.
8. Established disaster recovery and Business Continuity Plans to improve system resiliency.
9. Various functional and technology initiatives have been implemented in the domain of Cyber Security to detect and respond to threats such as unauthorized access, data breaches, malware, Denial-of-service

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

attacks etc. These initiatives include: defining Early Warning Signals, performing Vulnerability Assessment and Penetration Tests (VAPT) periodically, implementing WAF technologies, training and educating employees on various aspects of IT Governance.

### Material development in Human Resources

At Oxyzo, we believe that our employees are our most valuable assets and it's our endeavor to induct them, train them, groom them and help them realize their full potential. The Human Resource function plays a crucial role in supporting the organization in meeting its dynamic needs from recruitment, on-boarding and training to performance management, compensation and benefits, and organizational development. This year, our Company reached new milestones and scaled greater heights as our Human Resource team rose to meet dynamic needs of the organization. Few key initiatives for employment engagement and knowledge developments are as under.

- Complete management of employees' health, safety and motivation during the Covid-19 pandemic.
- Launched Career Enrichment Program (Learning and Development initiative) for freshmen OFBians to promote and build cross functional competency building
- Conducted the first ever virtual onboarding of all our Management Interns (26) and Management Trainees (23) on zoom
- Implemented core HRMS modules like Attendance/Leave Management, E-Onboarding and E-exit
- Onboarded 150+ new joiners in the Company FY 2019-20.
- Strengthened the performance management systems across the Company
- Staffed team across all new regions and products
- Conducted motivation led events like townhalls and offsites across India and functions

### Significant changes in key financial ratios

In compliance with the requirements of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, it is confirmed that there has been no significant change (i.e. 25% or more during the financial year 2019-20, as compared to financial year 2018-19) in the key financial ratios, as mentioned in these regulations.

### Cautionary Statement

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking' within the meaning of applicable laws and regulations. Actual results may differ from those expressed or implied. Important factors that could make a difference to the Company's operations include global economy, political stability, changes in government regulations, tax regimes, economic developments and other incidental factors. Except as required by law, the Company does not undertake to update any forward-looking statements to reflect future events or circumstances. Investors are advised to exercise due care and caution while interpreting these statements.

# Lending- Purchase Financing



## SMART FINANCING

Cashflow based product with guaranteed end use

- **Annual credit line with multiple drawdowns**
  - Multiple drawdowns
  - Max outstanding to the sanctioned limits
  - Each drawdown to be paid in 90-120 days
- **Commercial Savings for the SME**
  - 9-12% savings on financing cost in comparison to operational creditor
  - 4-5% savings on raw material purchase
- **End use guarantee**
  - Payment only to suppliers
  - One of them being OFB Tech
- **Pay only for what you use**
  - Interest on daily outstanding
  - No penalty for pre payment

## Synergies with Group Companies



### PROCUREMENT

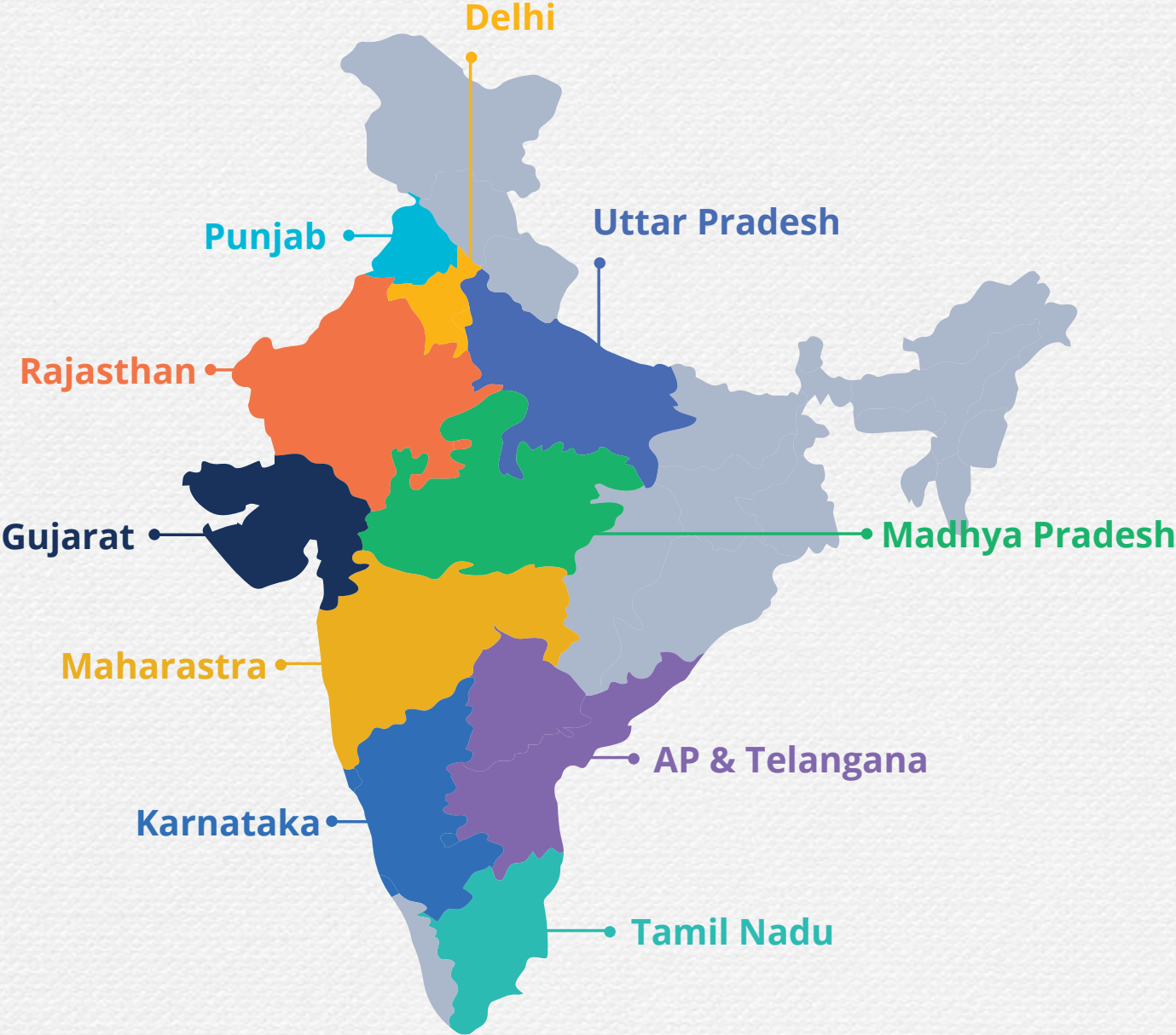
Bulk aggregation benefits



### BUSINESS DEVELOPMENT

Tender aggregation with match making

# DIVERSIFIED GEOGRAPHICAL PRESENCE



# OUR LENDING PARTNERS

Oxyzo is backed by reputed lenders who have provided total facilities of INR 1050 Crores. We raise capital through Term Loans, NCDs, Cash Credit Lines, External Commercial Borrowings and Commercial Papers.

Some leading institutions who have taken exposure on OXYZO include:

## PUBLIC SECTOR



## PRIVATE SECTOR BANKS



## SMALL FINANCE BANKS



## NBFCs



## WEALTH MANAGEMENT



## INTERNATIONAL INVESTORS

responsAbility

# BOARD OF DIRECTOR AND KEY MANAGERIAL PERSON



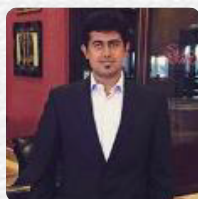
**Asish Mohapatra (Director)**

He brings deep operational expertise in managing and defining vision for new age businesses from his past roles as a Director at Matrix Partners, India as an Engagement Lead at McKinsey and as an Operations manager at ITC, where he led the turn-around of a production plant acquired by ITC and holds an MBA from Indian School of Business, Hyderabad and a B. Tech in Mechanical Engineering from Indian Institute of Technology, Kharagpur.



**Ruchi Kalra (CFO, WTD)**

Prior to leading finance at OfBusiness, was a Partner at McKinsey and adds an extensive experience in the financial services sector to the team. She has worked with numerous Banks and NBFCs on turnaround projects and led the Retail and SME banking service practice in India. Prior to McKinsey, Ruchi worked with Evalueserve in the Business Research Division and holds an MBA from Indian School of Business, Hyderabad and a B-Tech in Chemical Engineering from Indian Institute of Technology, Delhi.



**Vasant Sridhar (Director)**

As part of the Founding Team at OfBusiness and led the company's entry into the manufacturing vertical. Prior to OfBusiness, he headed the Business Excellence Function at ITC Limited – Agri Business Division (ILTD). A certified Lean Six Sigma Black Belt, he drove the deployment of advanced analytics and process excellence across multiple functions, mentoring 200+ managers and holds a Bachelors in Chemical Engineering from IIT Madras.



**Sathyan David (Independent Director)**

Sathyan was previously the Chief General Manager, Department of Non Banking Supervision, Reserve Bank of India and has designed regulatory frameworks over the entire NBFC sector In 35 years with RBI, David has served as a member chair of various committees and was RBI's Nominee Director at Indian Bank and Karur Vysya Bank



**Rohit Kapoor (Independent Director)**

Rohit is currently the Chief Executive Officer at OYO Hotels & Homes, world's third largest and fastest growing hospitality chain. Rohit was previously an Executive Director at MAX Healthcare. Rohit was also a financial services consultant with Mckinsey & Company and holds an MBA from Indian School of Business, Hyderabad.



**Akshat Pande (Independent Director)**

Akshat is the Founder and Managing Partner of Alpha Partners, a leading corporate and commercial law firm based in India and in his career of more than more than 15 year has represented leading corporates and MNCs in the field of corporate and commercial law. Akshat is also an angel investor with Inflection Point ventures.



**Brij Kishore Kiradoo (Compliance Officer)**

Prior to Ofbusiness, was working with Fortis Healthcare Limited, Gurgaon as a Company Secretary in one of its Subsidiary Company. After becoming a member of Institute of Company Secretaries of India in July 2015, he joined Religare Aviation Limited, New Delhi as Company Secretary and Compliance Officer. He is also a Law Graduate from Law College, Bikaner-Rajasthan.



# OUR VALUE



## Warrior Spirit

Learn from every opportunity



## Unrivalled Culture

People First



## Integrity

Stand for what's right!



## Industry Excellence

Excellence is a habit



## Customer Centricity

All our actions for customer delight

# OUR BELIEF



Tap **"Under Served"** SMEs, "Unserved" is smaller and riskier

All our SMEs are banked and have very little off book income



Build a business that **collects on its own**

Bounce rate < NPAs < 1%



**Build a network** than a transaction led lending business

Smart Financing as proposition gives strong network effects



**Customer acquisition** cost should be negative

Strongly leverages Tech capabilities, India's 2 nd largest Tender aggregation platform



Grow through **Leverage**

Best in class leverage metrics in new age companies



**Profitability** is the key

Consistent ~5% per tax RoA for the last 3 Years

# **INDEPENDENT AUDITOR'S REPORT**

## **To the Members of Oxyzo Financial Services Private Limited**

### **Report on the Audit of the Ind AS Financial Statements**

#### **Opinion**

We have audited the accompanying Ind AS financial statements of Oxyzo Financial Services Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the 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 financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### **Emphasis of Matter**

We draw attention to Note 41 to the Ind AS financial statements, which fully describes that the Company has recognised impairment on financial assets to reflect the adverse business impact and uncertainties arising from the COVID 19 pandemic. Such estimates are based on current facts and circumstances and may not necessarily reflect the future uncertainties and events arising from the full impact of the COVID 19 pandemic.

Our opinion is not modified in respect of this matter.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the 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.

Key Audit Matter	Auditor's Response
<p><b>First time adoption of Indian Accounting Standards (Ind AS):</b> (Refer Note 43 to the Ind AS financial statements)</p> <p>The Company has adopted Ind AS from April 1, 2019 with an effective date of April 1, 2018 for such transition. For periods up to and including the year ended March 31, 2019, the Company had prepared and presented its financial statements in accordance with the erstwhile generally accepted accounting principles in India (Indian GAAP). To give effect of the transition to Ind AS, these financial statements for the year ended March 31, 2020, together with the comparative financial information for the previous year ended March 31, 2019 and the transition date Balance Sheet as at April 1, 2018 have been prepared under Ind AS. The transition has involved significant change in the Company's policies and processes for financial reporting, including generation of supportable information and applying estimates to inter alia determine impact of Ind AS on accounting and disclosure requirements prescribed under extant Reserve Bank of India (RBI) directions.</p> <p>In view of the complexity involved, Ind AS transition and the preparation of financial statements subsequent to the transition date have been areas of key focus in our audit.</p>	<p><b>Principal audit procedures:</b></p> <ul style="list-style-type: none"> <li>● Read the Ind AS impact assessment performed by the Management and the resultant changes made to the accounting policies considering the requirements of the new framework.</li> <li>● Evaluated the exemptions and exceptions allowed by Ind AS and applied by the Management in applying the first-time adoption principles of Ind AS 101 in respect of fair valuation of assets and liabilities existing as at transition date.</li> <li>● Tested the accounting adjustments posted as at the transition date and in respect of the previous year to convert the financial information reported under erstwhile Indian GAAP to Ind AS.</li> <li>● Evaluated the appropriateness of the disclosures required for the first time adoption of Ind AS which includes the appropriateness of the reconciliations of the previously published retained earnings and profits with the restated Ind AS balances.</li> <li>● Tested the adequacy of required disclosures made as per Ind AS in the financial statements.</li> </ul>
<p><b>Allowances for Expected Credit Losses:</b> (Refer Note 2.13 and 41 to the Ind AS financial statements)</p> <p>As at March 31, 2020, loan assets aggregated ₹89,786.80 lakhs, constituting 93% of the Company's total assets. Significant judgement is used in classifying these loan assets and applying appropriate measurement principles. The allowance for expected credit losses ("ECL") on such loan assets measured at amortised cost is a critical estimate involving greater level of management judgement.</p> <p>As part of our risk assessment, we determined that the allowance for ECL on loan assets (including undisbursed commitments) has a high degree of</p>	<p><b>Principal audit procedures:</b></p> <p>We have examined the policies approved by the Board of Directors of the Company that articulate the objectives of managing each portfolio and their business models. We have also verified the methodology adopted for computation of ECL ("ECL Model") that addresses policies approved by the Board of Directors, procedures and controls for assessing and measuring credit risk on all lending exposures measured at amortised cost.</p> <p>Additionally, we have confirmed that adjustments to the output of the ECL Model is consistent with the documented rationale and basis for such adjustments and that the amount of adjustment has been approved by the Board of Directors</p>

estimation uncertainty, with a potential range of reasonable outcomes for the financial statements.

The elements of estimating ECL which involved increased level of audit focus are the following:

- Qualitative and quantitative factors used in staging the loan assets measured at amortised cost.
- Basis used for estimating Probabilities of Default ("PD"),
- Basis used for estimating Loss Given Default ("LGD")
- Judgements used in projecting economic scenarios and probability weights applied to reflect future economic conditions.

Adjustments to model driven ECL results to address emerging trends.

Our audit procedures related to the allowance for ECL included the following, among others:

- Tested the design and effectiveness of internal controls over the:
  - Completeness and accuracy of the Exposure at Default ("EAD") and the classification thereof into stages consistent with the definitions applied in accordance with the policy approved by the Board of Directors including the appropriateness of the factors applied for such staging.
  - Completeness and accuracy of information used in the estimation of the PD for the different stages depending on the nature of the portfolio; and
  - Computation of the ECL including adjustments to the output of the ECL Model.
- Also, for samples of ECL on loan assets tested:
  - We tested the input data from the period of default report used in estimating the PD, using Information System specialists to gain comfort on data integrity and other related information;
  - We evaluated reasonableness of LGD estimates by comparing actual recoveries post the loan asset becoming credit impaired with estimates of LGD.
  - We evaluated the incorporation of the applicable assumptions into the ECL Model and tested the mathematical accuracy and computation of the allowances by using the same input data used by the Company with the help of risk advisory specialist.
- We also tested the adequacy of the adjustment after stressing the inputs used in determining the output as per the ECL Model and ensured that the adjustment was in conformity with the amount approved by the Board of Directors.
- We also assessed the adequacy of disclosures made in relation to the ECL allowance in accordance with confirm compliance with the provisions of Ind AS 107.

**Information Technology and General Controls :**

The Company is highly dependent on technology due to the significant number of transactions that are processed daily across multiple and discrete Information Technology ("IT") systems. The audit approach relies extensively on automated controls and therefore on the effectiveness of controls over IT systems. IT application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner. Appropriate controls contribute to

**Principal audit procedures:**

- We obtained understanding of Management's key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations.
- We tested the design, implementation and operating effectiveness of the significant accounts-related IT automated controls which are relevant to the accuracy of system calculation, completeness and accuracy of reports.
- Access rights were tested over applications, operating systems and databases relied upon for financial

<p>mitigating the risk of potential fraud or errors as a result of changes to applications and data.</p>	<p>reporting. Specifically, the tests were designed to cover the following:</p> <ul style="list-style-type: none"> <li>- New access requests for joiners were reviewed and tested for appropriate authorisation;</li> <li>- User access rights were removed/changed on a timely basis when an individual left or moved role;</li> <li>- Access rights to applications, operating systems and databases were periodically monitored for appropriateness; and</li> <li>- Highly privileged access is restricted to appropriate personnel.</li> </ul> <ul style="list-style-type: none"> <li>● Other areas that were independently assessed includes password policies, security configurations, controls over changes to applications and databases and that business users and developers did not have access to change applications, the operating system or databases in the production environment.</li> </ul>
<p><b>Revenue recognition :</b></p> <p>(Refer Note 2.4 and 21 to the Ind AS financial statements)</p> <p>Revenue is the most significant balance in the statement of profit and loss. Revenue is made up of interest income, fees and commission income. We focused on this area because revenue requires significant time and resources to audit due to magnitude, revenue transaction near to the reporting date. The interest income on loans is recognised using the effective interest rate ('EIR') method which spreads directly attributable cash flows over the expected lives of the loans. This includes the one-time non-refundable fee earned by the Company and costs incurred to generate loans. The Company carries out the necessary computations for making relevant adjustments, after making judgements and assumptions for tenor, portfolio segregation, rate of interest etc.</p> <p>The assumptions in calculations are:</p> <ul style="list-style-type: none"> <li>- expected life of instruments</li> <li>- usage pattern, and redemption profiles of loans informed by past customer behaviour</li> <li>- grouping of portfolios</li> </ul> <p>Further, manual process to recognise income on impaired assets including Non-Performing assets and provisioning of the same.</p>	<p><b>Principal audit procedures:</b></p> <ul style="list-style-type: none"> <li>● Performed process walkthroughs to identify the key systems, applications and controls used in the revenue recognition processes with specific focus on whether an interest income is recorded as per EIR model over the contract term on a straight-line basis or other applicable basis as per the terms of the contract.</li> <li>● Evaluated and tested design and operating effectiveness of controls addressing this risk.</li> <li>● Tested the relevant general IT and applications controls over key systems used in the revenue recognition processes</li> <li>● Inspected samples to ensure that pricing structure, fees and costs are appropriately incorporated into the EIR models as required by the relevant accounting standards.</li> <li>● Tested the manual workings prepared by the management for EIR and accrued interest calculation as at reporting date.</li> <li>● Considered the sensitivity of the EIR model to changes in key assumptions.</li> <li>● Assessed the appropriateness of the Company's revenue recognition policy by comparing with applicable accounting standards and prudential norms laid down by RBI.</li> </ul>

In view of above mentioned judgements and computations carried out by management, we have considered this as a key audit matter.	
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### **Information Other than the 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 Director's Report, but does not include the financial statements and our auditor's report thereon.

- Our opinion on the 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 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 financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes 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 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management 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 management 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 Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 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 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 financial 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 adequate internal financial controls system 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 the 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

### **Other Matters**

The comparative financial information of the Company for the year ended March 31, 2019 and the related transition date opening balance sheet as at April 1, 2018 included in these financial statements, have been prepared after adjusting previously issued the financial statements prepared in accordance with the Companies (Accounting



Standards) Rules, 2006 to comply with Ind AS. The previously issued financial statements were audited by the predecessor auditor whose report for the year ended March 31, 2019 and March 31, 2018 dated May 30, 2019 and June 29, 2018 respectively expressed an unmodified opinion on those financial statements. Adjustments made to the previously issued financial statements to comply with Ind AS have been audited by us.

Our report is not modified in respect of this matter.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit 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 Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, section 197 of the Act related to the managerial remuneration is not applicable.
  - h) 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:





# Deloitte Haskins & Sells

- i. The Company does not have any pending litigations which would impact its financial position. (Refer note 48 to the Ind AS financial statements)
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. (Refer note 49 to the Ind AS financial statements)
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. (Refer note 50 to the Ind AS financial statements)
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For Deloitte Haskins & Sells**  
**Chartered Accountants**  
(Firm's Registration No. 015125N)

Place: Gurugram  
Date: June 25, 2020

SD/-  
**Jaideep Bhargava**  
(Partner)  
(Membership No. 090295)  
(UDIN: 20090295AAAADL8862)

## **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

**(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)**

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of Oxyzo Financial Services Private Limited (“the Company”) as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

#### **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 over financial reporting 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. 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 Companies Act, 2013.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company 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 Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, 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 adequate internal financial controls over financial reporting 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 adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 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 system over financial reporting.

## **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the criteria for internal financial control over financial reporting 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.

**For Deloitte Haskins & Sells**  
**Chartered Accountants**  
(Firm's Registration No. 015125N)

Place: Gurugram  
Date: June 25, 2020

SD/-  
**Jaideep Bhargava**  
(Partner)  
(Membership No. 090295)  
(UDIN: 20090295AAAADL8862)

## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) The property, plant and equipment were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land which are freehold, are held in the name of the Company as at the balance sheet date.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the Order is not applicable.
- (iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) Pursuant to Proviso (b) to Section 185(1) and Section 186(1)(a) of the Companies Act, 2013 read with Rule 11(2) of the Companies (Meetings of the Board and its powers) Rules, 2014 the loan made, guarantee given or security provided by a Non-Banking Finance Company (NBFC) registered with Reserve Bank of India is exempt from the applicability of provisions 185 and 186 of the Act. Hence, reporting under clause (iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has neither accepted any deposit during the year nor has any unclaimed deposits within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and hence reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax and other material statutory dues applicable to it to the appropriate authorities. We are informed that the operations of the Company during the year did not give rise to any liability for provisions of Customs Duty.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
  - (c) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, and Goods and Services Tax as on March 31, 2020 on account of disputes.

In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and dues to debenture holders. The Company has not taken loan from the Government.

- (viii) In our opinion and according to the information and explanation given to us, money raised by way of term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised money by way of initial public offer or further public offer (including debt instruments).
- (ix) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (x) The Company is a private company and hence the provisions of section 197 of the Companies Act, 2013 do not apply to the Company.
- (xi) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiii) In our opinion and according to the information and explanations given to us, during the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of Order is not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xv) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

**For Deloitte Haskins & Sells**  
**Chartered Accountants**  
(Firm's Registration No. 015125N)

Place: Gurugram  
Date: June 25, 2020

SD/-  
**Jaideep Bhargava**  
(Partner)  
(Membership No. 090295)  
(UDIN: 20090295AAAADL8862)

**OXYZO FINANCIAL SERVICES PRIVATE LIMITED**  
**Balance Sheet as at March 31, 2020**  
**(All amounts in Lakhs of ₹ unless otherwise stated)**

Particulars	Notes	As at March 31,2020	As at March 31,2019	As at April 1, 2018
<b>A ASSETS</b>				
<b>1 Financial assets</b>				
(a) Cash and cash equivalents	3	5,085.63	492.56	331.14
(b) Bank balances other than (a) above	4	131.52	50.59	-
(c) Loans	5	89,786.80	35,945.16	8,206.35
(d) Investments	6	-	757.83	-
(e) Other financial assets	7	638.66	84.38	11.72
		<b>95,642.61</b>	<b>37,330.52</b>	<b>8,549.21</b>
<b>2 Non-financial assets</b>				
(a) Current tax assets (Net)		7.00	7.00	2.26
(b) Deferred tax assets (Net)	8	350.68	87.01	9.76
(c) Investment property	9	149.92	13.32	-
(d) Property, plant and equipment	10	60.37	37.89	5.83
(e) Other non-financial assets	11	253.33	275.48	42.53
		<b>821.30</b>	<b>420.70</b>	<b>60.38</b>
<b>TOTAL ASSETS</b>		<b>96,463.91</b>	<b>37,751.22</b>	<b>8,609.59</b>
<b>B LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
<b>1 Financial liabilities</b>				
(a) Payables				
(I) Trade payables				
(i) Total outstanding dues to micro and small enterprises		-	-	-
(ii) Total outstanding dues of creditors other than micro and small enterprises		174.32	80.70	95.33
(II) Other payables				
(i) Total outstanding dues to micro and small enterprises		-	-	-
(ii) Total outstanding dues of creditors other than micro and small enterprises	12	92.00	487.25	7.97
(b) Debt securities	13	14,635.91	7,921.64	-
(c) Borrowings (Other than debt securities)	14	47,847.95	18,164.85	5,808.81
(d) Other financial liabilities	15	991.31	494.85	128.28
		<b>63,741.49</b>	<b>27,149.29</b>	<b>6,040.39</b>
<b>2 Non-financial liabilities</b>				
(a) Current tax liabilities (Net)	16	370.04	-	-
(b) Provisions	17	112.11	50.32	9.61
(c) Other non-financial liabilities	18	375.52	323.23	78.79
		<b>857.67</b>	<b>373.55</b>	<b>88.40</b>
<b>EQUITY</b>				
(a) Equity share capital	19	4,774.80	3,552.69	2,500.00
(b) Other equity	20	27,089.95	6,675.69	(19.20)
		<b>31,864.75</b>	<b>10,228.38</b>	<b>2,480.80</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>96,463.91</b>	<b>37,751.22</b>	<b>8,609.59</b>

See accompanying notes forming part of the Ind AS financial statements

1-53

In terms of our report attached  
**For DELOITTE HASKINS & SELLS**  
Chartered Accountants

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

**Jaideep Bhargava**  
Partner

**Ruchi Kalra**  
Whole-time director and Chief Financial Officer  
DIN: 03103474

**Asish Mohapatra**  
Director  
DIN: 06666246

**Brij Kishore Kiradoo**  
Company Secretary  
M.No.: A40347  
Place: Gurugram  
Date : 25 June 2020

Place : Gurugram  
Date : 25 June 2020

**OXYZO FINANCIAL SERVICES PRIVATE LIMITED**  
**Statement of Profit and Loss for the year ended March 31, 2020**  
**(All amounts in Lakhs of ₹ unless otherwise stated)**

Particulars	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Revenue from operations			
(i) Interest income	21	13,094.33	4,185.13
(ii) Fee and commission income	22	397.52	57.03
(iii) Net gain on fair value changes	23	25.66	3.67
(b) Other income	24	1.50	-
<b>I Total Income (a+b)</b>		<b><u>13,519.01</u></b>	<b><u>4,245.83</u></b>
<b>Expenses</b>			
(a) Finance costs	25	6,029.19	1,803.95
(b) Impairment on financial instruments	26	1,571.25	282.31
(c) Employees benefit expenses	27	2,258.05	1,264.42
(d) Depreciation and amortisation expense	10	22.07	5.35
(e) Other expenses	28	808.26	379.21
<b>II Total expenses</b>		<b><u>10,688.82</u></b>	<b><u>3,735.24</u></b>
<b>III Profit before tax (I-II)</b>		<b>2,830.19</b>	<b>510.59</b>
<b>IV Tax expense</b>			
(a) Current tax	29	987.29	184.23
(b) Deferred tax charge/(benefits)	29	(263.03)	(78.14)
<b>Total tax expense</b>		<b><u>724.26</u></b>	<b><u>106.09</u></b>
<b>V Profit for the year (III-IV)</b>		<b>2,105.93</b>	<b>404.50</b>
<b>VI Other comprehensive income, net of tax</b>			
Items that will not be reclassified to profit or loss			
(a) Remeasurement gain/(loss) on defined benefit plans		(2.56)	3.21
Income tax benefit/ (charge) on above		0.64	(0.89)
<b>Other comprehensive income/(loss) for the year</b>		<b><u>(1.92)</u></b>	<b><u>2.32</u></b>
<b>VII Total comprehensive profit for the year (V+VI)</b>		<b><u>2,104.01</u></b>	<b><u>406.82</u></b>
Earnings per equity share:			
Basic and diluted	30	5.02	1.36

See accompanying notes forming part of the Ind AS financial statements 1-53

In terms of our report attached  
**For DELOITTE HASKINS & SELLS**  
Chartered Accountants

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

**Ruchi Kalra**  
Whole-time director and Chief Financial Officer  
DIN: 03103474

**Asish Mohapatra**  
Director  
DIN: 06666246

**Jaideep Bhargava**  
Partner

**Brij Kishore Kiradoo**  
Company Secretary  
M.No.: A40347  
Place: Gurugram  
Date: 25 June 2020

Place : Gurugram  
Date: 25 June 2020

**OXYZO FINANCIAL SERVICES PRIVATE LIMITED**  
**Statement of Cash Flows for the year ended March 31, 2020**  
**(All amounts in Lakhs of ₹ unless otherwise stated)**

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>A CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before tax</b>	<b>2,830.19</b>	<b>510.59</b>
<b>Adjustments for:</b>		
Remeasurement gain/(loss) on defined benefit plans	(2.56)	3.21
Depreciation and amortisation expense	22.07	5.35
Profit on sale of mutual funds	(25.66)	(3.67)
Interest income on bonds	(105.11)	(16.34)
Interest income on fixed deposits	(25.42)	(3.71)
Interest on income tax refund	(1.47)	-
Profit from sale of property, plant & equipment	(0.03)	-
Loss on sale of bonds	19.22	-
Impairment allowance on loans	1,032.02	207.31
Provision on account of covid-19	154.12	-
Loss on loans & advances written off	385.11	75.00
Employee stock options expense	51.91	49.06
<b>Operating profit before working capital changes</b>	<b>4,334.39</b>	<b>826.80</b>
<i>Changes in working capital</i>		
Increase/(decrease) in trade payables	93.62	(14.63)
Increase/(decrease) in other payables	(379.12)	468.69
Increase/(decrease) in Other financial liabilities	496.46	366.57
Increase/(decrease) in provisions	61.79	40.71
Increase/(decrease) in Other non-financial liabilities	52.29	244.44
(Increase)/decrease in Loans and advances	(55,412.90)	(28,021.11)
(Increase)/decrease in Other financial assets	(552.01)	(72.37)
(Increase)/decrease in Other non-financial assets	22.15	(232.95)
<b>Cash flow from operating activities post working capital changes</b>	(51,283.33)	(26,393.85)
Income- tax paid	(617.25)	(188.97)
<b>Net cash flow from operating activities (A)</b>	<b>(51,900.58)</b>	<b>(26,582.82)</b>
<b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(63.33)	(26.82)
Purchase of Investment property	(136.60)	(13.32)
Investment in mutual fund	(9,000.00)	(1,550.00)
Proceeds from sale of mutual funds	9,025.66	1,553.67
Investment in bonds	-	(730.00)
Proceeds from sale of property, plant and equipment	2.68	-
Proceeds from sale of bonds	710.78	-
Investment in Fixed deposits	(73.00)	(50.00)
Interest income on Income Tax refund	1.47	-
Interest received on fixed deposit and security deposit	148.17	(8.67)
<b>Net cash used in investing activities (B)</b>	<b>615.83</b>	<b>(825.14)</b>
<b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from debt securities	16,535.91	7,921.64
Repayments of debt securities	(9,821.64)	-
Net proceeds from cash credit and bank overdraft	712.81	1,097.64
Proceeds from other borrowings	59,693.25	28,774.34
Repayments of other borrowings	(30,722.96)	(17,515.94)
Proceeds from issue of equity shares including share premium	19,480.45	7,291.70
<b>Net cash flow from financing activities (C)</b>	<b>55,877.82</b>	<b>27,569.38</b>
Increase in cash and cash equivalents (A+B+C)	<b>4,593.07</b>	<b>161.42</b>
Cash and cash equivalents at the beginning of the year	492.56	331.14
<b>Cash and cash equivalents at the end of the year</b>	<b>5,085.63</b>	<b>492.56</b>



**OXYZO FINANCIAL SERVICES PRIVATE LIMITED**  
**Statement of Cash Flows for the year ended March 31, 2020**  
**(All amounts in Lakhs of ₹ unless otherwise stated)**

**Cash and cash equivalents consist of:**

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Cash on hand	11.87	-
Balance with banks		
-In current accounts	2,572.00	492.56
-In deposit accounts	2,500.00	-
Accrued interest	1.76	-
	<b>5,085.63</b>	<b>492.56</b>

**See accompanying notes forming part of the Ind AS financial statements** 1-53

In terms of our report attached  
**For DELOITTE HASKINS & SELLS**  
Chartered Accountants

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

**Jaideep Bhargava**  
Partner

**Ruchi Kalra**  
Whole-time director and Chief Financial Officer  
DIN: 03103474

**Asish Mohapatra**  
Director  
DIN: 06666246

Place : Gurugram  
Date: 25 June 2020

**Brij Kishore Kiradoo**  
Company Secretary  
M.No.: A40347  
Place: Gurugram  
Date: 25 June 2020

**OXYZO FINANCIAL SERVICES PRIVATE LIMITED**  
**Statement of changes in equity for the year ended March 31, 2020**  
**(All amounts in Lakhs of ₹ unless otherwise stated)**

**A Equity share capital**

Particulars	As at March 31, 2020		As at March 31, 2019		As at March 31, 2018	
	No. of Shares	(₹ in lakh)	No. of Shares	(₹ in lakh)	No. of Shares	(₹ in lakh)
<b>Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year</b>	<b>35,526,881</b>	<b>3,552.69</b>	<b>25,000,000</b>	<b>2,500.00</b>	<b>2,000,000</b>	<b>200.00</b>
Add: Shares issued during the year: - On right issue basis	12,221,089	1,222.11	10,526,881	1,052.69	23,000,000	2,300.00
<b>Issued, subscribed and fully paid up equity shares outstanding at the end of the year</b>	<b>47,747,970</b>	<b>4,774.80</b>	<b>35,526,881</b>	<b>3,552.69</b>	<b>25,000,000</b>	<b>2,500.00</b>

**B Other equity**

Particulars	Reserves and Surplus				Total
	Securities premium reserve	Reserve u/s 45-IC of Reserve Bank of India Act, 1934	Deemed equity contribution	Retained Earnings	
<b>Balance at April 1, 2018</b>	-	<b>3.32</b>	<b>8.55</b>	<b>(31.07)</b>	<b>(19.20)</b>
Add: Profit for the year	-	-	-	404.50	<b>404.50</b>
Add [Less]: Other comprehensive income (net of tax)	-	-	-	2.32	<b>2.32</b>
<b>Total comprehensive income for the year</b>	-	-	-	<b>406.82</b>	<b>406.82</b>
Transfer to statutory reserve	-	94.91	-	(94.91)	-
Employee stock options	-	-	49.06	-	<b>49.06</b>
Premium on issue of equity shares	6,447.31	-	-	-	<b>6,447.31</b>
Share issue expenses	(208.30)	-	-	-	<b>(208.30)</b>
<b>Balance at March 31, 2019</b>	<b>6,239.01</b>	<b>98.23</b>	<b>57.61</b>	<b>280.84</b>	<b>6,675.69</b>
<b>Balance at April 1, 2019</b>	<b>6,239.01</b>	<b>98.23</b>	<b>57.61</b>	<b>280.84</b>	<b>6,675.69</b>
Add: Profit for the year	-	-	-	2,105.93	<b>2,105.93</b>
Add [Less]: Other comprehensive income (net of tax)	-	-	-	(1.92)	<b>(1.92)</b>
<b>Total comprehensive income for the year</b>	-	-	-	<b>2,104.01</b>	<b>2,104.01</b>
Transfer to statutory reserve	-	420.80	-	(420.80)	-
Employee stock options	-	-	51.91	-	<b>51.91</b>
Premium on issue of equity shares	18,277.84	-	-	-	<b>18,277.84</b>
Share issue expenses	(19.50)	-	-	-	<b>(19.50)</b>
<b>Balance at March 31, 2020</b>	<b>24,497.35</b>	<b>519.03</b>	<b>109.52</b>	<b>1,964.05</b>	<b>27,089.95</b>

See accompanying notes forming part of the Ind AS financial statements 1-53

In terms of our report attached  
**For DELOITTE HASKINS & SELLS**  
Chartered Accountants

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

**Jaideep Bhargava**  
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**Ruchi Kalra**  
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**Asish Mohapatra**  
Director  
DIN: 06666246

Place : Gurugram  
Date: 25 June 2020

**Brij Kishore Kiradoo**  
Company Secretary  
M.No.: A40347  
Place: Gurugram  
Date: 25 June 2020

## **1. Corporate Information**

Oxyzo Financial Private Limited (the "Company" or "Oxyzo") is a debt listed company having its registered office at Shop No. G-22C (UGF) D-1 (K-84) Green Park Main, New Delhi-110016 (India). The Company is a subsidiary of OFB Tech Private Limited and is in a business in the financial services sector. The Company currently operates as a Systemically Important Non-Deposit Accepting Non-Banking Financial Company ("NBFC - SI") and is registered with the Reserve Bank of India ("RBI") vide certificate no N-14.03380 dated October 18, 2018.

## **2. Significant Accounting Policies:**

### **2.1 Statement of compliance:**

The financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) notified under Section 133 of Companies Act, 2013 (the 'Act') and other relevant provisions of the Act. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied along with compliance with other statutory promulgations require a different treatment.

The financial statements for the year ended March 31, 2020 of the Company is the first financial statements prepared in compliance with Ind AS. The date of transition to Ind AS is April 1, 2018. The financial statements upto the year ended March 31, 2019, were prepared in accordance with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") and other relevant provisions of the Act. The figures for the year ended March 31, 2019 have now been restated under Ind AS to provide comparability. Refer Note 43 for the details of first-time adoption exemptions availed by the Company.

### **2.2 Basis of preparation:**

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period. The Company generally reports financial assets and financial liabilities on a gross basis in the Balance Sheet. They are offset and reported net only when Ind AS specifically permits the same or it has an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event. Similarly, the Company offsets incomes and expenses and reports the same on a net basis when permitted by Ind AS specifically unless they are material in nature.

### **2.3 Presentation of financial statements:**

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Companies Act, 2013 ("the Act") applicable for Non-Banking Finance Companies ("NBFC").

The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows".

The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are

presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Amounts in the financial statements are presented in Indian Rupees in Lakhs rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupee to two decimal places.

#### **2.4 Revenue recognition:**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery. Revenue is measured at the fair value of the consideration received or receivable as reduced for estimated customer credits and other similar allowances.

##### **(i) Interest income**

Interest income is recognised in the Statement of Profit and Loss and for all financial instruments (except for those classified as held for trading or those measured or designated as at fair value through profit or loss (FVTPL)) is measured using the effective interest method (EIR).

The calculation of the EIR includes all fees paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at FVTPL transaction costs are recognised in profit or loss at initial recognition.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses (ECLs)). For financial assets originated or purchased credit-impaired (POCI) the EIR reflects the ECLs in determining the future cash flows expected to be received from the financial asset.

Penal interest charged on delayed payment is recognized on realization basis.

##### **(ii) Fee and commission income:**

Fee and commission income and expense include fees other than those that are an integral part of EIR. The fees included in the Company's statement of profit and loss includes amongst others fees charged for servicing of loans, fees charged on account of loan commitments and loan advisory fees.

Fee and commission expenses with regards to services are accounted for as the services are received.

##### **(iii) Net gain on fair value change:**

Any differences between the fair values of the financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain/loss in the statement of profit and loss. In cases there is a net gain in aggregate, the same is recognised

as "Net gains on fair value changes" under revenue from operations and if there is a net loss the same is disclosed as "Net loss on fair value changes", in the statement of profit and loss.

**(iv) Other operational revenue:**

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

**2.5 Expenditures:**

**(i) Finance costs:**

Finance costs represents interest expense recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities other than those classified at FVTPL.

**(ii) Other expenses:**

Other expenses are recognized on accrual basis and provisions are made for all known losses and liabilities. The Company has also entered into a shared services arrangement for sharing of common resources and facilities with another entity. The cost allocated to the Company under such cost sharing arrangement are included under the respective account head, as applicable. The cost allocated to other entity under this arrangement is reduced from concerned account head and shown as recoverable from concerned entity.

**2.6 Property, plant and equipment (PPE):**

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. Cost includes all direct cost related to the acquisition of PPE and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy.

Depreciation is recognised using straight line method so as to write off the cost of the assets (other than freehold land)) less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013, or in case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end with the effect of any change in the estimates of useful life/ residual value is accounted on prospective basis.

Depreciation for additions to/deductions from, owned assets is calculated pro rata to the period of use. Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is recognised in profit or loss.

## **2.7 Investment Property**

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses, if any.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

## **2.8 Impairment of non-financial assets**

The Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

## **2.9 Employee benefits:**

### **(i) Short-term employee benefits:**

Employee benefits falling due wholly within twelve months of rendering the service are classified as short-term employee benefits and are expensed in the period in which the employee renders the related service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. Benefits such as salaries, reimbursements and bonus etc., are recognized in the Statement of Profit and Loss in the period in which the employee renders the services.

### **(ii) Post-employment benefits:**

(a) *Defined contribution plans:* The Company's employee provident fund scheme is a defined contribution plan. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions and will have no obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in the Statement of Profit and Loss in the year when the employee renders the related service.

- (b) Defined benefit plans: The Company's Gratuity plan is a defined benefit plan. The present value of the obligation under defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations at the Balance Sheet date.

Re-measurement comprising actuarial gains and losses (excluding amounts included in net interest on the net defined benefit liability) is recognised in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to profit or loss.

All other defined benefit costs comprising current service cost, past service cost, interest cost and gains or losses on settlements are recognised in the Statement of Profit and Loss as employee benefit expenses.

- (iii) **Long term employee benefits:**

The obligation recognised in respect of long term benefits such as long term compensated absences is measured at present value of estimated future cash flows expected to be made by the Company and is recognised in a similar manner as in the case of defined benefit plans vide (ii) (b) above.

- (iv) **Termination benefits:**

Termination benefits such as compensation under employee separation schemes are recognised as expense when the Company's offer of the termination benefit is accepted or when the Company recognises the related restructuring costs whichever is earlier.

## **2.10 Employees Stock Option Scheme:**

The employees of the Company have been granted stock options in respect of the shares of OFB Tech Private Limited, the holding company under the OfBusiness Stock Options Plan, 2016 ('ESOP 2016 Plan'). Stock options are measured at the fair value of the equity instruments on the date of grant determined using the Black Scholes option pricing model. The excess of fair value of underlying equity shares as of the date of grant of options over the exercise price of the options given to employees under the employee stock option plan is recognized as stock compensation cost over the vesting period on a straight line basis, with a corresponding increase in equity.

## **2.11 Financial instruments:**

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the

financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

A financial asset and a financial liability is offset and presented on net basis in the balance sheet when there is a current legally enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realise the asset and settle the liability simultaneously.

**(i) Financial assets**

**(a) Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) if these financial assets are held within a business model whose objective is to hold these assets 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.

**(b) Financial assets at fair value through other comprehensive income (FVTOCI)**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to sole payments of principal and interest on the principal amount outstanding and by selling financial assets. As at the reporting date the Company does not have any financial instruments measured at fair value through other comprehensive income.

**(c) Debt instruments at amortised cost or at FVTOCI**

The Company assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Company's business model for managing the asset.

For an asset to be classified and measured at amortised cost, its contractual terms should give rise to cash flows that are solely payments of principal and interest on the principal outstanding (SPPI).

For an asset to be classified and measured at FVTOCI, the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and the contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company has more than one business model for managing its financial instruments which reflect instruments which reflect how the Company manages its financial assets in order to generate cash flows. The Company's business models determine whether cash flows will result from collecting contractual cash flows, selling financial assets or both.



The Company considers all relevant information available when making the business model assessment. However, this assessment is not performed on the basis of scenarios that the Company does not reasonably expect to occur, such as so-called 'worst case' or 'stress case' scenarios. The Company takes into account all relevant evidence available such as:

- how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed; and
- how managers of the business are compensated (e.g. whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

The Company reassess its business models each reporting period to determine whether the business models have changed since the preceding period. For the current and prior reporting period the Company has not identified a change in its business models.

When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss. In contrast, for an equity investment designated as measured at FVTOCI, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss but transferred within equity. Debt instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.

#### **(d) Financial assets at fair value through profit or loss (FVTPL)**

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

#### **(e) De-recognition**

A financial asset (or, where applicable, a part of a financial asset) is primarily de-recognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and
- either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

- The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

**(ii) Financial Liabilities:**

- (a)** Financial liabilities, including derivatives, which are designated for measurement at FVTPL are subsequently measured at fair value.

All other financial liabilities including loans and borrowings are measured at amortised cost using Effective Interest Rate (EIR) method.

- (b)** A financial liability is derecognised when the related obligation expires or is discharged or cancelled.

**2.12 Fair value measurement**

The Company measures certain financial instruments at fair value at each balance sheet date. Fair value is the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

**2.13 Impairment:**

The Company recognises loss allowances for expected credit losses (ECLs) on the following financial instruments that are not measured at FVTPL:

- Loans and advances to customers;
- Debt investment securities;
- Trade and other receivable;
- Irrevocable loan commitments issued; and
- Financial guarantee contracts issued.

**Credit-impaired financial assets**

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;

It may not be possible to identify a single discrete event-instead, the combined effect of several events may have caused financial assets to become credit-impaired.

### **Significant increase in credit risk**

The Company monitors all financial assets and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Company will measure the loss allowance based on lifetime rather than 12-month ECL.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Company's historical experience and expert credit assessment.

Given that a significant increase in credit risk since initial recognition is a relative measure, a given change, in absolute terms, in the Probability of Default will be more significant for a financial instrument with a lower initial PD than compared to a financial instrument with a higher PD.

### **Definition of default**

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

The Company considers the following as constituting an event of default:

- The borrower is past due more than 90 days on any material credit obligation to the Company; or
- The borrower is unlikely to pay its credit obligations to the Company in full.

The definition of default is appropriately tailored to reflect different characteristics of different types of assets.

When assessing if the borrowers is unlikely to pay its credit obligations, the Company takes into account both qualitative and quantitative indicators. The information assessed depends on the type of the asset, for example in corporate lending a qualitative indicator used is the admittance of bankruptcy petition by National Company Law Tribunal. Quantitative indicators, such as overdue status and non-payment on another obligation of the same counterparty are key inputs in this analysis. The Company uses a variety of sources of information to assess default which are either developed internally or obtained from external sources. The definition of default is applied consistently to all financial instruments unless information becomes available that demonstrates that

another default definition is more appropriate for a particular financial instrument.

### **Expected credit loss model**

Basis the above-defined criteria, the Company considering the short-term nature of the majority of underlying portfolio of financial assets, calculates ECL on a collective basis as per the ECL model.

The expected credit loss is a product of exposure at default ('EAD'), probability of default ('PD') and loss given default ('LGD'). Accordingly, the financial assets have been segmented into three stages based on the risk profiles. The three stages reflect the general pattern of credit deterioration of a financial asset. The Company categories financial assets at the reporting date into stages based on the days past due ('DPD') status as under:

- Stage 1: Low credit risk, i.e. 0 to 30 days past due
- Stage 2: Significant increase in credit risk, i.e. 31 to 90 days past due
- Stage 3: Impaired assets, i.e. more than 90 days past due

LGD estimate of loss from a transaction given that a default occurs. PD is defined as the probability of whether the borrower will default on their obligation in the future. For assets which are in Stage 1, a 12-month PD is required. For Stage 2 assets a lifetime PD is required while Stage 3 assets are considered to have a 100% PD. EAD represents the expected exposure in the event of a default and is the gross carrying amount in case of the financial assets held by the Company.

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are made as temporary adjustments. The Company regularly reviews its models in the context of actual loss experience and make adjustments when such differences are significantly material.

### **Presentation of allowance for ECL in the Balance Sheet:**

Loss allowances for ECL are presented in the statement of financial position as follows:

- for financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- for debt instruments measured at FVTOCI: no loss allowance is recognised in Balance Sheet as the carrying amount is at fair value.

### **2.14 Write off:**

Financial assets are written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when, as at the reporting date, financial asset is overdue for 12 months or more and the Company determines that the debtor does not have assets or source of income that could generate sufficient cash flows to repay the amounts subject to the write off.

Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

### **2.15 Cash and cash equivalents:**

Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

### **2.16 Borrowing costs:**

Borrowing costs include interest expense calculated using the effective interest method, finance charges in respect of assets acquired on finance lease and exchange differences arising from foreign currency borrowings, to the extent they are regarded as an adjustment to interest costs. Borrowing costs net of any investment income from the temporary investment of related borrowings, that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### **2.17 Taxation:**

#### **Current Tax:**

Tax on income for the current period is determined on the basis of taxable income (or on the basis of book profits wherever minimum alternate tax is applicable) and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 and based on the expected outcome of assessments/appeals.

#### **Deferred Tax:**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets are generally recognised for all taxable temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

### **2.18 Provisions, contingent liabilities and contingent assets:**

Provisions are recognised only when:

- (i) there is a present obligation (legal or constructive) as a result of a past event; and
- (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- (iii) a reliable estimate can be made of the amount of the obligation

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, 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 a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

#### **2.19 Cash flow statement:**

Cash flows are reported using the indirect method, whereby profit/(loss) before tax for the year, 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.

#### **2.20 Earnings per share:**

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

#### **2.21 Operating Cycle:**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

#### **2.22 Significant accounting judgements, estimates and assumptions:**

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year, and the accompanying disclosures including disclosure of contingent liabilities. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected.

In the process of applying the Company's accounting policies, management has made the following judgements, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

- a) *Business model assessment*: Classification of financial assets depends on assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest ('SPPI') on the principal amount outstanding. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.
- b) *Impairment of financial assets*: The Company establishes criteria for determining whether credit risk on the financial assets has increased significantly since initial recognition, determines methodology for incorporating forward looking information into measurement of expected credit loss ('ECL') and selection of models used to measure ECL. The impairment loss on loans and advances is disclosed in more detail in Note 41.
- c) *Fair value of financial instruments*: When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.
- d) *Effective Interest Rate (EIR) method*: The Company's EIR methodology, recognizes interest income/ expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural 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, penalty interest and charges).
- e) *Recognition of deferred tax assets*: The Company has recognized deferred tax assets/(liabilities) and concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on the experience and future projections. The Company is expected to generate adequate taxable income for liquidating these assets in due course of time.
- f) *Other estimates*: These include contingent liabilities and useful lives of tangible assets.

**OXYZO FINANCIAL SERVICES PRIVATE LIMITED**

Notes forming part of the Ind AS financial statements for the year ended March 31, 2020

(All amounts in Lakhs of ₹ unless otherwise stated)

<b>3 Cash and cash equivalents</b>	<b>As at March 31,2020</b>	<b>As at March 31,2019</b>	<b>As at April 1, 2018</b>
Cash on hand	11.87	-	-
Balances with banks:			
- in current accounts	2,572.00	492.56	331.14
- in deposit accounts	2,500.00	-	-
Accrued interest on deposits with bank	1.76	-	-
<b>Total</b>	<b>5,085.63</b>	<b>492.56</b>	<b>331.14</b>

<b>4 Bank balance other than note (3) above</b>	<b>As at March 31,2020</b>	<b>As at March 31,2019</b>	<b>As at April 1, 2018</b>
Deposits with bank held as margin money against borrowings	123.00	50.00	-
Accrued interest on deposits with bank	8.52	0.59	-
<b>Total</b>	<b>131.52</b>	<b>50.59</b>	<b>-</b>

<b>5 Loans</b>	<b>As at March 31,2020</b>	<b>As at March 31,2019</b>	<b>As at April 1, 2018</b>
<b>At amortised cost</b>			
<b>(A) Loans</b>			
(i) Term Loans	14,376.57	4,711.80	516.16
(ii) Loan against property (LAP) and machinery finance	5,563.51	1,674.28	-
(iii) Purchase Finance	70,997.13	29,727.35	7,710.76
(iv) Others (Staff Loans)	9.00	3.61	-
(v) Interest accrued on loans	254.61	55.99	-
<b>Total (A) - Gross</b>	<b>91,200.82</b>	<b>36,173.03</b>	<b>8,226.92</b>
Less: Impairment loss allowance	1,414.02	227.87	20.57
<b>Total (A) - Net</b>	<b>89,786.80</b>	<b>35,945.16</b>	<b>8,206.35</b>
<b>(B)</b>			
(i) Secured by tangible assets	6,445.06	1,674.28	-
(ii) Covered by bank guarantee	45,667.37	10,869.11	979.98
(iii) Unsecured	39,088.39	23,629.64	7,246.94
<b>Total (B) - Gross</b>	<b>91,200.82</b>	<b>36,173.03</b>	<b>8,226.92</b>
Less: Impairment loss allowance	1,414.02	227.87	20.57
<b>Total (B) - Net</b>	<b>89,786.80</b>	<b>35,945.16</b>	<b>8,206.35</b>
<b>(C) Loans in India</b>			
(i) Public sector	-	-	-
(ii) Others	91,200.82	36,173.03	8,226.92
<b>Total (C) - Gross</b>	<b>91,200.82</b>	<b>36,173.03</b>	<b>8,226.92</b>
Less: Impairment loss allowance	1,414.02	227.87	20.57
<b>Total (C) - Net</b>	<b>89,786.80</b>	<b>35,945.16</b>	<b>8,206.35</b>

The net carrying amount of loans is considered a reasonable approximation of their fair value.

Refer note 41 on credit risk



**OXYZO FINANCIAL SERVICES PRIVATE LIMITED**

Notes forming part of the Ind AS financial statements for the year ended March 31, 2020

(All amounts in Lakhs of ₹ unless otherwise stated)

**6 Investments**

<b>Particulars</b>	<b>As at March 31,2020</b>	<b>As at March 31,2019</b>	<b>As at April 1, 2018</b>
<b>Investments at Amortised Cost:</b>			
Investment in bonds			
Nil (2019-36, 2018-Nil) 16.83% Bond of ESAF Small Finance Bank Limited	-	360.00	-
Nil (2019-37, 2018-Nil) 12.60% Bond of Chola Prep	-	370.00	-
Accrued interest on bonds	-	27.83	-
<b>Total</b>	-	<b>757.83</b>	-
(i) Investment outside India	-	-	-
(ii) Investment in India	-	757.83	-
<b>Total</b>	-	<b>757.83</b>	-
Less: Impairment loss allowance	-	-	-
<b>Total</b>	-	<b>757.83</b>	-

**OXYZO FINANCIAL SERVICES PRIVATE LIMITED**
**Notes forming part of the Ind AS financial statements for the year ended March 31, 2020**
**(All amounts in Lakhs of ₹ unless otherwise stated)**

7 Other financial assets	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Margin money against borrowings	301.00	62.50	-
Interest accrued on margin money against borrowings	2.56	0.29	-
Other recoverable from related party	335.10	21.59	11.72
<b>Total</b>	<b>638.66</b>	<b>84.38</b>	<b>11.72</b>

8 Deferred tax assets	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
<b>Tax effect of items constituting deferred tax liabilities</b>			
Difference between book balance and tax balance of property, plant and equipment	2.82	1.50	0.31
Unamortised processing fees on borrowings	48.21	45.55	10.79
	<b>51.03</b>	<b>47.05</b>	<b>11.10</b>
<b>Tax effect of items constituting deferred tax assets</b>			
Provision for gratuity	19.65	5.69	0.19
Provision for compensated absences	8.57	4.81	0.53
Impairment on financial assets	303.92	49.94	5.30
Deferred processing fee	69.57	70.42	14.84
Effect of amortised cost on bonds	-	3.20	-
	<b>401.71</b>	<b>134.06</b>	<b>20.86</b>
<b>Deferred tax (assets) /liabilities (net)</b>	<b>(350.68)</b>	<b>(87.01)</b>	<b>(9.76)</b>

Deferred taxes arising from temporary differences for the year ended 31 March 2020 are summarized as follows:

Deferred tax (assets) /Liabilities	As at April 1, 2019	Recognized in profit or loss	Recognized in other comprehensive income	As at March 31, 2020
<b>Tax effect of items constituting deferred tax liabilities</b>				
Difference between book balance and tax balance of property, plant and equipment	1.50	1.32	-	2.82
Unamortised processing fees on borrowings	45.55	2.66	-	48.21
	<b>47.05</b>	<b>3.98</b>	<b>-</b>	<b>51.03</b>
<b>Tax effect of items constituting deferred tax assets</b>				
Provision for gratuity	5.69	13.32	0.64	19.65
Provision for compensated absences	4.81	3.76	-	8.57
Impairment on financial assets	49.94	253.98	-	303.92
Deferred processing fee	70.42	(0.85)	-	69.57
Effect of amortised cost on bonds	3.20	(3.20)	-	-
	<b>134.06</b>	<b>267.01</b>	<b>0.64</b>	<b>401.71</b>
<b>Deferred tax (assets) /liabilities (net)</b>	<b>(87.01)</b>	<b>(263.03)</b>	<b>(0.64)</b>	<b>(350.68)</b>

Deferred taxes arising from temporary differences for the year ended 31 March 2019 are summarized as follows:

Deferred tax (assets) /Liabilities	As at April 1, 2018	Recognized in profit or loss	Recognized in other comprehensive income	As at March 31, 2019
<b>Tax effect of items constituting deferred tax liabilities</b>				
Difference between book balance and tax balance of property, plant and equipment	0.31	1.19	-	1.50
Unamortised processing fees on borrowings	10.79	34.76	-	45.55
	<b>11.10</b>	<b>35.95</b>	<b>-</b>	<b>47.05</b>
<b>Tax effect of items constituting deferred tax assets</b>				
Provision for gratuity	0.19	6.39	(0.89)	5.69
Provision for compensated absences	0.53	4.28	-	4.81
Impairment on financial assets	5.30	44.64	-	49.94
Deferred processing fee	14.84	55.58	-	70.42
Effect of amortised cost on bonds	-	3.20	-	3.20
	<b>20.86</b>	<b>114.09</b>	<b>(0.89)</b>	<b>134.06</b>
<b>Deferred tax (assets) /liabilities (net)</b>	<b>(9.76)</b>	<b>(78.14)</b>	<b>0.89</b>	<b>(87.01)</b>

**OXYZO FINANCIAL SERVICES PRIVATE LIMITED**

Notes forming part of the Ind AS financial statements for the year ended March 31, 2020

(All amounts in Lakhs of ₹ unless otherwise stated)

**9 Investment property**

Particulars	Land-freehold	Total
<b>Gross carrying amount (at cost)</b>		
<b>As at April 1, 2018</b>	-	-
Additions	13.32	13.32
Disposals	-	-
<b>As at March 31, 2019</b>	<b>13.32</b>	<b>13.32</b>
Additions	136.60	136.60
Disposals	-	-
<b>As at March 31, 2020</b>	<b>149.92</b>	<b>149.92</b>
<b>Carrying amount</b>		
As at April 1, 2018	-	-
As at March 31, 2019	<b>13.32</b>	<b>13.32</b>
As at March 31, 2020	<b>149.92</b>	<b>149.92</b>

(i) As at March 31, 2020 and as at March 31, 2019, the fair value (Level 3) of property is ₹157.34 Lakh and ₹14.88 Lakh respectively. These valuations are based on valuations performed by an accredited independent valuer. The valuation was performed as on Dec 24, 2019.

(ii) The freehold land situated at Mappedu Village, Tiruvallur taluk and district, Chennai, Tamil Nadu is under lien by way of mortgage to M/s Catalyst Trusteeship Limited and M/s Vistara ITCL Trustees ("Debenture Trustees") by way of charge thereon.

**10 Property, plant and equipment**

Details of the Company's property, plant and equipment and their carrying amounts are as follows:

Particulars	Computers	Total
<b>Gross carrying amount (at cost)</b>		
<b>As at April 1, 2018</b>	<b>5.83</b>	<b>5.83</b>
Additions	37.41	37.41
Disposals	-	-
<b>As at March 31, 2019</b>	<b>43.24</b>	<b>43.24</b>
Additions	47.20	47.20
Disposals	(3.82)	(3.82)
<b>As at March 31, 2020</b>	<b>86.62</b>	<b>86.62</b>
<b>Accumulated depreciation</b>		
<b>As at April 1, 2018</b>	-	-
Charge for the year	5.35	<b>5.35</b>
Adjustments	-	-
<b>As at March 31, 2019</b>	<b>5.35</b>	<b>5.35</b>
Charge for the year	22.07	22.07
Adjustments	(1.17)	(1.17)
<b>As at March 31, 2020</b>	<b>26.25</b>	<b>26.25</b>
<b>Carrying amount</b>		
As at April 1, 2018	<b>5.83</b>	<b>5.83</b>
As at March 31, 2019	<b>37.89</b>	<b>37.89</b>
As at March 31, 2020	<b>60.37</b>	<b>60.37</b>

**OXYZO FINANCIAL SERVICES PRIVATE LIMITED**

Notes forming part of the Ind AS financial statements for the year ended March 31, 2020

(All amounts in Lakhs of ₹ unless otherwise stated)

<b>11 Other non-financial assets</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>	<b>As at April 1, 2018</b>
Unamortised processing fees on borrowings	191.55	163.71	41.91
Unexpired discount on commercial papers	42.75	32.31	-
Unamortised interest on bonds			
-16.83% Bond of ESAF Small Finance Bank Limited	-	33.90	-
-12.60% Bond of Chola Prep	-	32.14	-
Prepaid expenses	14.26	4.54	0.62
Advance to employees	0.20	-	-
Other advances	4.57	8.88	-
<b>Total</b>	<b>253.33</b>	<b>275.48</b>	<b>42.53</b>

**OXYZO FINANCIAL SERVICES PRIVATE LIMITED**
**Notes to the Ind AS financial statements for the year ended March 31, 2020 (All amounts in Lakhs of ₹ unless otherwise stated)**

12 Other payables	As at March 31,2020	As at March 31,2019	As at April 1, 2018
Employee related payable	27.89	22.88	2.43
Payable to OFB Tech Pvt. Ltd. (Holding Company)	64.11	448.24	-
Payables for purchase of property, plant & equipment	-	16.13	5.54
<b>Total</b>	<b>92.00</b>	<b>487.25</b>	<b>7.97</b>

13 Debt securities	As at March 31,2020	As at March 31,2019	As at April 1, 2018
<b>At amortised cost</b>			
<b>Unsecured</b>			
Commercial paper (Refer note 13a)	1,500.00	1,100.00	-
Accrued interest on commercial paper	26.38	11.76	-
	<b>1,526.38</b>	<b>1,111.76</b>	-
<b>Secured</b>			
Debentures (Refer note 13b)	12,800.00	6,700.00	-
Accrued interest on debentures	309.53	109.88	-
	<b>13,109.53</b>	<b>6,809.88</b>	-
<b>Total</b>	<b>14,635.91</b>	<b>7,921.64</b>	-
Debt securities in India	14,635.91	7,921.64	-
Debt securities outside India	-	-	-
<b>Total</b>	<b>14,635.91</b>	<b>7,921.64</b>	-

**13a Commercial papers (Gross): Unsecured**

Repayment Terms	Tenure	Interest Range	As at March 31,2020	As at March 31,2019	As at April 1, 2018
Bullet	Upto 1 year	12.57% to 12.61%	1,500.00	1,100.00	-
<b>Total</b>			<b>1,500.00</b>	<b>1,100.00</b>	-

**13b Security and terms of repayment for redeemable non-convertible debenture (NCD)\***

Particulars	Tenure	Interest Range	As at March 31,2020	As at March 31,2019	As at April 1, 2018
<b>Listed NCD:</b>					
4,300 NCD's of ₹100,000/- each (Previous year 1,700 NCD's of ₹100,000/- each)	Upto 3 years	13.22% to 14.03%	4,300.00	1,700.00	-
5,000 NCD's of ₹20,000/- each	Upto 3 years	12.71%	1,000.00	-	-
350 NCD's of ₹1,000,000/- each	Upto 5 years	12.65%	3,500.00	-	-
			<b>8,800.00</b>	<b>1,700.00</b>	-
<b>Unlisted NCD:</b>					
400 NCD's of ₹1,000,000/- each (Previous year 500 NCD's of ₹1,000,000/- each)	Upto 5 years	13.60% to 14.80%	4,000.00	5,000.00	-
			<b>4,000.00</b>	<b>5,000.00</b>	-
<b>Total</b>			<b>12,800.00</b>	<b>6,700.00</b>	-

\*Non-convertible redeemable debentures of ₹ 12,800 Lakhs (previous year 6,700 Lakhs), which are secured by first and exclusive charge over the specific identified book debts/ loan receivables of the Company and by corporate guarantee from the Holding Company, OFB Tech Private Limited and by first pari passu charge on the immovable property being freehold land situated at Mappedu Village, Tiruvallur taluk and district, Chennai, Tamil Nadu.

14 Borrowings (other than debt securities)	As at March 31,2020	As at March 31,2019	As at April 1, 2018
<b>At amortised cost</b>			
<b>Secured</b>			
Term loans from banks (Refer note 14a)	24,975.99	5,867.26	-
Term loans from financial institutions (Refer note 14b)	20,908.26	11,125.62	5,500.00
Accrued interest on term loans	153.26	74.34	16.81
	<b>46,037.51</b>	<b>17,067.22</b>	<b>5,516.81</b>
<b>Loans repayable on demand (secured)</b>			
Cash credit and bank overdraft (Refer note 14c)	1,810.44	1,097.63	-
	<b>1,810.44</b>	<b>1,097.63</b>	-
<b>Loan from related party (unsecured)</b>			
OFB Tech Private Limited (the Holding Company)	-	-	292.00
	-	-	<b>292.00</b>
<b>Total</b>	<b>47,847.95</b>	<b>18,164.85</b>	<b>5,808.81</b>
Borrowings (other than debt securities) in India	47,847.95	18,164.85	5,808.81
Borrowings (other than debt securities) outside India	-	-	-
<b>Total</b>	<b>47,847.95</b>	<b>18,164.85</b>	<b>5,808.81</b>

**OXYZO FINANCIAL SERVICES PRIVATE LIMITED**
**Notes to the Ind AS financial statements for the year ended March 31, 2020 (All amounts in Lakhs of ₹ unless otherwise stated)**
**14a Security and terms of repayment for secured term loans from banks^**

Repayment Terms	Tenure	Interest Range	As at March 31,2020	As at March 31,2019	As at April 1, 2018
Bullet	Upto 1 year	10.97% to 12.47%	5,300.00	1,000.00	-
Quarterly	Upto 2 year	11.98% to 12.94%	6,624.99	1,125.00	-
Monthly	Upto 3 year	11.50% to 13.53%	13,051.00	3,742.26	-
<b>Total</b>			<b>24,975.99</b>	<b>5,867.26</b>	<b>-</b>

^ Term loans from bank are secured by first and exclusive charge on specific identified receivables of the company and corporate guarantee by holding company.

**14b Security and terms of repayment for secured term loans from financial institutions#**

Repayment Terms	Tenure	Interest Range	As at March 31,2020	As at March 31,2019	As at April 1, 2018
Bullet	Upto 1 year	12.95% to 13.24%	2,500.00	-	1,000.00
Monthly	Upto 3 year	11.02% to 13.82%	18,408.26	11,125.62	4,500.00
<b>Total</b>			<b>20,908.26</b>	<b>11,125.62</b>	<b>5,500.00</b>

# Term loans from financial institutions are secured by first and exclusive charge on specific identified receivables of the Company and corporate guarantee by holding company.

**14c Security and terms of repayment for secured Loans repayable on demand (Cash credit and bank overdraft)^^**

Repayment Terms	Tenure	Interest Range	As at March 31,2020	As at March 31,2019	As at April 1, 2018
Bullet	Upto 1 year	11.40% to 13.00%	1,810.44	1,097.63	-
<b>Total</b>			<b>1,810.44</b>	<b>1,097.63</b>	<b>-</b>

^^ Cash credit and bank overdraft are secured by first and exclusive charge on specific identified receivables of the Company and corporate guarantee by holding company.

15 Other financial liabilities	As at March 31,2020	As at March 31,2019	As at April 1, 2018
Margin money from borrowers	962.21	-	-
Interest accrued but not due on margin money	23.72	39.95	19.21
Loans pending disbursement	5.38	454.90	109.07
<b>Total</b>	<b>991.31</b>	<b>494.85</b>	<b>128.28</b>

16 Current tax liabilities	As at March 31,2020	As at March 31,2019	As at April 1, 2018
Provision for Tax [net of advance tax and tax deducted at source Rs 617.25 Lakhs (Previous year Nil)]	370.04	-	-
<b>Total</b>	<b>370.04</b>	<b>-</b>	<b>-</b>

17 Provisions	As at March 31,2020	As at March 31,2019	As at April 1, 2018
<b>Provision for employee benefits:</b>			
Provision for gratuity	78.07	31.71	7.57
Provision for compensated absences	34.04	18.61	2.04
<b>Total</b>	<b>112.11</b>	<b>50.32</b>	<b>9.61</b>

18 Other non-financial liabilities	As at March 31,2020	As at March 31,2019	As at April 1, 2018
Revenue received in advance	276.42	253.13	57.64
Statutory remittances (Tax deducted at source, Employees provident fund, Goods and services tax, Labour welfare fund and Employee state insurance)	99.10	70.10	21.15
<b>Total</b>	<b>375.52</b>	<b>323.23</b>	<b>78.79</b>

**OXYZO FINANCIAL SERVICES PRIVATE LIMITED**
**Notes to the Ind AS financial statements for the year ended March 31, 2020 (All amounts in Lakhs of ₹ unless otherwise stated)**
**19 Equity share capital**
**(i) Share capital authorised, issued, subscribed and paid-up**

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	No. of shares	(₹ in lakhs)	No. of shares	(₹ in lakhs)	No. of shares	(₹ in lakhs)
<b>Authorised Equity share capital</b>						
Equity shares of Rs.10 each	49,392,646	4,939.26	37,600,000	3,760.00	25,000,000	2,500.00
<b>Total</b>	<b>49,392,646</b>	<b>4,939.26</b>	<b>37,600,000</b>	<b>3,760.00</b>	<b>25,000,000</b>	<b>2,500.00</b>
<b>Issued, subscribed and paid up Equity share capital</b>						
Equity shares of Rs.10 each	47,747,970	4,774.80	35,526,881	3,552.69	25,000,000	2,500.00
	<b>47,747,970</b>	<b>4,774.80</b>	<b>35,526,881</b>	<b>3,552.69</b>	<b>25,000,000</b>	<b>2,500.00</b>

**(ii) Terms/rights attached to equity shares**

Each holder of equity shares is entitled to one vote per share and ranks pari passu. 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. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(iii) Reconciliation of the shares outstanding at the beginning and at the end of the year**

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	No. of shares	(₹ in lakhs)	No. of shares	(₹ in lakhs)	No. of shares	(₹ in lakhs)
<b>At the beginning of the year</b>	<b>35,526,881</b>	<b>3,552.69</b>	<b>25,000,000</b>	<b>2,500.00</b>	<b>2,000,000</b>	<b>200.00</b>
Issued during the year						
- On right issue basis	12,221,089	1,222.11	10,526,881	1,052.69	23,000,000	2,300.00
<b>Outstanding at the end of the year</b>	<b>47,747,970</b>	<b>4,774.80</b>	<b>35,526,881</b>	<b>3,552.69</b>	<b>25,000,000</b>	<b>2,500.00</b>

**(iv) Equity shares in the Company held by the holding company**

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
OFB Tech Private Limited (holding company)*	47,747,970	100.00	35,526,881	100.00	25,000,000	100.00

**(v) Details of shareholders holding more than 5% shares in the company**

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
OFB Tech Private Limited (holding company)*	47,747,970	100.00	35,526,881	100.00	25,000,000	100.00

\* The shareholding of the holding company is inclusive of 10 shares held by Ruchi Kalra as a nominee shareholder. The ultimate holding company is OFB Tech Private Limited

**OXYZO FINANCIAL SERVICES PRIVATE LIMITED**
**Notes to the Ind AS financial statements for the year ended March 31, 2020 (All amounts in Lakhs of ₹ unless otherwise stated)**
**20 Other equity**

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Securities premium reserve	24,497.35	6,239.01	-
Statutory reserve (in terms of Section 45-IC of the Reserve Bank of India Act, 1961)	519.03	98.23	3.32
Deemed equity contribution	109.52	57.61	8.55
Retained earnings	1,964.05	280.84	(31.07)
<b>Total</b>	<b>27,089.95</b>	<b>6,675.69</b>	<b>(19.20)</b>

**(i) Securities premium reserve**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Opening balance</b>	<b>6,239.01</b>	<b>-</b>
Add: Amount received pursuant to issue of equity shares	18,277.84	6,447.31
Less: Share issue expenses	-	200.80
Less: Stamp duty on issue of equity shares	19.50	7.50
<b>Closing balance</b>	<b>24,497.35</b>	<b>6,239.01</b>

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

**(ii) Statutory reserve (in terms of Section 45-IC of the Reserve Bank of India Act, 1961)**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Opening balance</b>	<b>98.23</b>	<b>3.32</b>
Add: Transferred from retained earnings	420.80	94.91
<b>Closing balance</b>	<b>519.03</b>	<b>98.23</b>

This reserve is maintained in accordance with the provisions of Section 45-IC of the Reserve Bank of India Act, 1961.

**(iii) Deemed equity contribution**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Opening balance</b>	<b>57.61</b>	<b>8.55</b>
Add: Transferred from profit & loss account	51.91	49.06
<b>Closing balance</b>	<b>109.52</b>	<b>57.61</b>

This related to the stock options granted by the Holding Company to Company's employees under an employee stock options plan. For further information about the share based payments to employees is set out in note 40.

**(iv) Retained earnings**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Opening balance</b>	<b>280.84</b>	<b>(31.07)</b>
Add: Total comprehensive income for the year	2,104.01	406.82
Less: Transferred to statutory reserve u/s 45-IC of the Reserve Bank of India Act, 1934	(420.80)	(94.91)
<b>Closing balance</b>	<b>1,964.05</b>	<b>280.84</b>



**OXYZO FINANCIAL SERVICES PRIVATE LIMITED**

Notes to the Ind AS financial statements for the year ended March 31, 2020 (All amounts in Lakhs of ₹ unless otherwise stated)

<b>21</b>	<b>Interest income (on financial assets measured at amortised cost)</b>	<b>Year ended March 31, 2020</b>	<b>Year ended March 31, 2019</b>
	Interest on loans	12,963.80	4,165.08
	Interest income from investments	105.11	16.34
	Interest on deposits with banks	25.42	3.71
	<b>Total</b>	<b>13,094.33</b>	<b>4,185.13</b>
<b>22</b>	<b>Fee and commission income</b>	<b>Year ended March 31, 2020</b>	<b>Year ended March 31, 2019</b>
	Service and other fees	337.43	44.79
	Subvention charges	60.09	12.24
	<b>Total</b>	<b>397.52</b>	<b>57.03</b>
<b>23</b>	<b>Net gain on financial instruments at fair value through profit and loss</b>	<b>Year ended March 31, 2020</b>	<b>Year ended March 31, 2019</b>
	Profit on sale of mutual funds	25.66	3.67
	<b>Total</b>	<b>25.66</b>	<b>3.67</b>
<b>24</b>	<b>Other income</b>	<b>Year ended March 31, 2020</b>	<b>Year ended March 31, 2019</b>
	Interest on income tax refund	1.47	-
	Net gain on derecognition of property, plant and equipment	0.03	-
	<b>Total</b>	<b>1.50</b>	<b>-</b>
<b>25</b>	<b>Finance costs (on financial liabilities measured at amortised cost)</b>	<b>Year ended March 31, 2020</b>	<b>Year ended March 31, 2019</b>
	<b>Interest expenses on:</b>		
	<b>Borrowings:</b>		
	-On Loans from banks	2,391.88	350.05
	-On Loans from financial institutions	2,205.99	1,300.42
	-On Loans from holding company	11.60	-
	<b>Debt securities</b>		
	-On Debentures	1,254.52	141.53
	-On Commercial paper	120.24	11.95
	<b>Others:</b>		
	-On security deposits	44.96	-
	<b>Total</b>	<b>6,029.19</b>	<b>1,803.95</b>

**OXYZO FINANCIAL SERVICES PRIVATE LIMITED**
**Notes to the Ind AS financial statements for the year ended March 31, 2020 (All amounts in Lakhs of ₹ unless otherwise stated)**

<b>26 Impairment on financial instruments</b>	<b>Year ended March 31, 2020</b>	<b>Year ended March 31, 2019</b>
<b>Impairment on financial instruments measured at amortised cost (Refer note no.41)</b>		
Impairment allowance on loans	1,032.02	207.31
Impairment on account of COVID-19	154.12	-
Loss on loans & advances written off	385.11	75.00
<b>Total</b>	<b>1,571.25</b>	<b>282.31</b>

<b>27 Employees benefit expense</b>	<b>Year ended March 31, 2020</b>	<b>Year ended March 31, 2019</b>
Salaries and wages	2,091.76	1,166.26
Contribution to provident and other fund (Refer note no.32)	57.07	20.29
Share based payment to employees (Refer note no.40)	51.91	49.06
Gratuity (Refer note no.32)	46.52	22.95
Staff welfare expense	10.79	5.86
<b>Total</b>	<b>2,258.05</b>	<b>1,264.42</b>

<b>28 Other expenses</b>	<b>Year ended March 31, 2020</b>	<b>Year ended March 31, 2019</b>
Rates and taxes	127.06	61.71
Communication costs	11.60	6.44
Printing and stationery	3.24	1.64
Auditor remuneration:		
- For statutory audit	10.00	9.00
- For limited review	5.00	-
- For tax audit	2.00	1.00
- For other certification and reporting	4.00	-
- For out of pocket expenses*	1.11	-
Legal and professional	128.66	44.22
Insurance	9.50	2.83
Travelling and conveyance	177.28	35.65
Information technology expenses	102.24	99.09
Loss on sale of bonds	19.22	-
Business auxiliary services	175.90	111.93
Bank charges	4.50	0.92
Miscellaneous	26.95	4.78
<b>Total</b>	<b>808.26</b>	<b>379.21</b>

\* Includes amount paid to previous auditor Rs. 0.86 lakhs.

**29 Income tax expense**

**Income tax expense recognised in Statement of profit and loss**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Current tax</b>		
In respect of the current year	987.29	184.23
	<b>987.29</b>	<b>184.23</b>
<b>Deferred tax charge/ (benefits)</b>		
In respect of the current year	(263.03)	(78.14)
	<b>(263.03)</b>	<b>(78.14)</b>

The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate and the reported tax expense in statement of profit and loss, is as follows:-

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit before tax	2,830.19	510.59
Domestic tax rate	25.17%	27.82%
<b>Expected tax expense [A]</b>	<b>712.28</b>	<b>142.05</b>
Tax effect of adjustments to reconcile expected income tax expense		
Non deductible expenses	15.30	19.40
Income exempt from tax	(0.01)	-
Others	(3.31)	(55.36)
<b>Total adjustments [B]</b>	<b>11.98</b>	<b>(35.96)</b>
<b>Actual tax expense [C=A+B]</b>	<b>724.26</b>	<b>106.09</b>
Tax expense comprises:		
Current tax expense	987.29	184.23
Deferred tax credit	(263.03)	(78.14)
<b>Tax expense recognized in profit or loss [D]</b>	<b>724.26</b>	<b>106.09</b>

**Income tax expense recognized in other comprehensive income**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Income tax relating to remeasurement gains/(losses) on defined benefit plans	0.64	(0.89)
	<b>0.64</b>	<b>(0.89)</b>
<b>Bifurcation of the income tax recognised in other comprehensive income into:-</b>		
Items that will not be reclassified to profit or loss	0.64	(0.89)
Items that will be reclassified to profit or loss	-	-
	<b>0.64</b>	<b>(0.89)</b>

**OXYZO FINANCIAL SERVICES PRIVATE LIMITED**

Notes to the Ind AS financial statements for the year ended March 31, 2020 (All amounts in Lakhs of ₹ unless otherwise stated)

**30 Earnings per share**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
a) Basic earnings per share	5.02	1.36
b) Diluted earnings per share	5.02	1.36

**c) Reconciliations of earnings used in calculating earnings per share**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Basic earnings per share</b>		
Profits attributable to the equity holders of the company used in calculating basic earnings per share	2,104.01	406.82
<b>Diluted earnings per share</b>		
Profit attributable to the equity holders of the company used in calculating diluted earnings per share	2,104.01	406.82

**d) Weighted average number of shares used as the denominator**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	41,877,506	29,990,823
Adjustments for calculation of diluted earnings per share	-	-
<b>Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share</b>	<b>41,877,506</b>	<b>29,990,823</b>

**31 Change in liabilities arising from financing activities**

Particulars	Debt securities	Borrowings (Other than debt securities)	Total
<b>As at April 1, 2018</b>	-	<b>5,808.81</b>	<b>5,808.81</b>
<b>Cash flows:</b>			
Proceeds from debt securities/borrowings	7,921.64	29,871.98	37,793.62
Repayment of debt securities/borrowings	-	(17,515.94)	(17,515.94)
<b>As at March 31, 2019</b>	<b>7,921.64</b>	<b>18,164.85</b>	<b>26,086.49</b>
<b>Cash flows:</b>			
Proceeds from debt securities/borrowings	16,535.91	60,406.06	76,941.97
Repayment of debt securities/borrowings	(9,821.64)	(30,722.96)	(40,544.60)
<b>As at March 31, 2020</b>	<b>14,635.91</b>	<b>47,847.95</b>	<b>62,483.86</b>

**32 Disclosures under Ind AS 19 (Employee benefits)**
**(a) Defined contribution plans:**

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Employees' Provident Fund and Employees' State Insurance schemes, which are defined contribution plans. The Company has no obligation other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue.

**Amount recognized as an expense towards defined contribution plans**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Contribution to employees provident fund	55.48	19.68
Contribution to employee state insurance schemes	1.59	0.61

**OXYZO FINANCIAL SERVICES PRIVATE LIMITED**

**Notes to the Ind AS financial statements for the year ended March 31, 2020 (All amounts in Lakhs of ₹ unless otherwise stated)**

**(b) Defined benefit plans:**

The Company operates a gratuity plan wherein every employee is entitled to a benefit equivalent to 15 days salary (includes dearness allowance) last drawn for each completed year of service. The same is payable on termination of service, or retirement, or death, whichever is earlier. The benefit vests after five years of continuous service. Gratuity benefits are valued in accordance with the Payment of Gratuity Act, 1972.

The gratuity plan of the company is unfunded gratuity plan. These plans typically expose the Company to actuarial risks such as: Interest rate risk, Liquidity risk, Salary escalation risk, demographic risk, regulatory risk

Interest rate risk	The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).
Liquidity risk	This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non availability of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.
Salary escalation risk	The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.
Demographic risk	The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.
Regulatory Risk	Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (e.g. Increase in the maximum limit on gratuity of Rs. 20,00,000).

The most recent actuarial valuation of the present value of the defined benefit obligation were carried out as at March 31, 2020 by Mr. Khushwant Pahwa (FIAI M.No. 04446), Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost, were measured using the projected unit credit method

Principal assumptions:	Gratuity		
	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Discount rate (per annum)	6.77%	7.70%	7.80%
Salary growth rate (per annum)	8.00%	8.65%	9.00%
Retirement age	60 Years	60 Years	60 Years
Withdrawal rate based on age: (per annum)			
Upto 30 years	12.00%	3.00%	3.00%
31-44 years	6.00%	7.00%	2.00%
Above 44 years	0.00%	0.00%	1.00%
In service mortality	IALM 2012-14	IAML 2006-08	IAML 2006-08

**Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows :-**

Particulars	Gratuity	
	Year ended March 31, 2020	Year ended March 31, 2019
Current service cost	44.08	22.36
Past service cost and (gain)/Loss from settlements	-	-
Net interest cost/ (Income) on the Net Defined Benefit/Liability/(Asset)	2.44	0.59
<b>Component of defined benefit cost recognised in profit or loss</b>	<b>46.52</b>	<b>22.95</b>
<b>Remeasurement on the net defined benefit liability:</b>		
Actuarial (gains)/ losses arising from changes in demographic assumptions	(5.56)	(3.46)
Actuarial (gains)/ losses arising from changes in financial assumptions	4.75	(1.77)
Actuarial (gains)/ losses arising from experience adjustment	3.37	2.02
<b>Component of defined benefit cost recognised in Other comprehensive Income</b>	<b>2.56</b>	<b>(3.21)</b>

The Current Service Cost and the net interest expense for the year are included in the Employee benefits expenses line items in the statement of profit and loss. The remeasurement of the net defined benefit liability is included in other comprehensive income.

**OXYZO FINANCIAL SERVICES PRIVATE LIMITED**
**Notes to the Ind AS financial statements for the year ended March 31, 2020 (All amounts in Lakhs of ₹ unless otherwise stated)**
**Movements in the present value of the defined benefit obligation are as follows :-**

Particulars	Gratuity	
	Year ended March 31, 2020	Year ended March 31, 2019
Present value of obligation as at the beginning	31.71	7.57
Current service cost	44.08	22.36
Interest cost	2.44	0.59
Re-measurement (or Actuarial) (gain) / loss arising from:		
- changes in demographic assumptions	(5.56)	(3.46)
- changes in financial assumptions	4.75	(1.77)
- experience adjustment	3.37	2.02
- others	-	-
Past service cost	-	-
Benefits paid	-	-
Transfer in/(out)	(2.72)	4.40
<b>Present value of obligation as at the end</b>	<b>78.07</b>	<b>31.71</b>

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting

Particulars	31-Mar-20		31-Mar-19	
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+ 1%)	93.65	65.86	37.69	27.00
(% change compared to base due to sensitivity)	20.00%	-15.60%	18.90%	-14.90%
Salary Growth Rate (-/+ 1%)	66.35	91.45	27.30	37.06
(% change compared to base due to sensitivity)	-15.00%	17.10%	-13.90%	16.90%
Attrition Rate (-/+ 50% of attrition rates)	90.17	68.32	34.76	29.13
(% change compared to base due to sensitivity)	15.50%	-12.50%	9.60%	-8.10%
Mortality Rate (-/+ 10% of mortality rates)	78.10	78.03	31.71	31.70
(% change compared to base due to sensitivity)	0.00%	0.00%	0.00%	0.00%

**Sensitivity Analysis**

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the method of valuation for the prior period.

**Other disclosures**
**Maturity profile of defined benefit obligation**

Particulars	As at March 31,2020	As at March 31,2019	As at April 1, 2018
<b>Weighted average duration (based on discounted cashflows)</b>	18 Years	18 Years	N.A
<b>Expected cash flows over the next (valued on undiscounted basis):</b>			
1 year	0.95	0.04	N.A
2-5 years	14.68	6.18	N.A
6-10 years	24.25	13.23	N.A
More than 10 years	297.72	146.58	N.A

**(c) Other long-term benefits:**

The actuarial valuation of compensated absences has been carried out by an independent actuary. The obligation of compensated absences in respect of employees of the Company as at 31 March 2020 amounts to Rs. 34.04 Lakhs (previous year Rs. 18.61 Lakhs).

**OXYZO FINANCIAL SERVICES PRIVATE LIMITED**

**Notes to the Ind AS financial statements for the year ended March 31, 2020 (All amounts in Lakhs of ₹ unless otherwise stated)**

**33 Segment reporting**

The Company's main business is to provide financing to SME's to cater their cash flow requirements. All other activities revolve around the main business. The Company does not have any geographic segments. The Company does not derives revenues, from any single customer, amounting to 10 percent or more of Company's revenues. As such, there are no separate reportable segments as per IND AS 108 on "Segment Reporting" as per section 133 of the Companies Act, 2013.

**34 Cost allocation**

OFB Tech Private Limited, the holding company, allocates common costs viz. rent, cost of utilities, payroll, technical support etc. to the Company on an appropriate basis, mutually agreed between the two companies. During the current year, personnel costs and administrative and other costs amounting to Rs. 378.34 Lakhs (previous year Rs. 576.60 Lakhs) have been allocated by OFB Tech Private Limited to the Company on account of the above.

Further, pursuant to cost sharing arrangement, the Company has also allocated common costs related to Payroll and other expenses to OFB Tech Private Limited and Ofcons Projects and Services Private Limited (fellow subsidiary). The costs allocated by the Company during the current year is Rs. 388.29 Lakhs (previous year Rs. 21.58 Lakhs).

**35 Disclosure as required by Ind AS -24 on "Related Party Disclosure" notified under the companies (Indian Accounting Standard) Rules, 2015:**

**List of related parties and relationship:**

Name of related party	Nature of Relationship
OFB TECH PRIVATE LIMITED	Holding company
OFCONS PROJECTS AND SERVICES PRIVATE LIMITED	Fellow subsidiary company

**Key management personnel**

Ruchi Kalra	Whole-time director and Chief financial officer
Vasant Sridhar	Executive director
Asish Mohapatra	Non-executive director
Sathyan David	Independent director
Akshat Vikram Pande	Independent director
Rohit Kapoor	Independent director
Brij Kishore Kiradoo	Company Secretary

**Transactions with the related parties and key management personnel during the year:**

Particulars	Nature of transaction	Year ended	Year ended
		March 31, 2020	March 31, 2019
OFB TECH PRIVATE LIMITED	Issue and allotment of equity share capital	19,499.95	7,500.00
	Purchase of property, plant and equipment	7.06	16.13
	Business auxiliary services (cost allocation received)	176.25	111.93
	Employee costs and reimbursements (cost allocation received)	49.03	165.58
	Employee costs and reimbursements (cost allocation made)	314.01	21.58
	Tech Support Services (On allocation basis)	87.86	99.09
	Interest Expense	11.60	41.28
	Legal and other expenses (cost allocation received)	65.20	200.00
	Legal and other expenses (cost allocation made)	9.40	-
	Payment on behalf of borrowers	31,310.49	27,116.55
	Loan repaid	-	292.00
	Guarantee given to lenders on behalf of the Company	59,994.69	26,086.49
	Loans secured by fixed deposits given by holding Company	-	302.98
	Deemed equity contribution (Employee stock options)	51.91	49.06
OFCONS PROJECTS AND SERVICES PRIVATE LIMITED	Business auxiliary services (cost allocation made)	4.26	-
	Employee costs and reimbursements (cost allocation made)	64.88	-
	Payment on behalf of borrowers	5.38	-
Ruchi Kalra	Managerial remuneration	25.02	25.28
		<b>25.02</b>	<b>25.28</b>
Vasant Sridhar	Managerial remuneration Employee stock option compensation expense	36.72	31.78
		8.73	8.82
		<b>45.45</b>	<b>40.60</b>
Brij Kishore Kiradoo	Remuneration Employee stock option compensation expense	9.17	6.61
		2.96	2.87
		<b>12.13</b>	<b>9.48</b>
Sathyan David Akshat Vikram Pande Rohit Kapoor	Directors sitting fees	1.50	-
		1.00	-
		0.50	-

**Balance outstanding at year end**

Name of related party	Nature	As at	As at	As at
		March 31, 2020	March 31, 2019	April 1, 2018
OFB TECH PRIVATE LIMITED	Payables	64.11	464.37	93.33
	Interest accrued but not due	6.75	37.15	19.21
	Receivable	266.31	21.59	11.72
	Payable- loan pending disbursement	-	454.90	109.07
	Loans outstanding	-	-	292.00
OFCONS PROJECTS AND SERVICES PRIVATE LIMITED	Payable- loan pending disbursement	5.38	-	-
	Receivable	68.79	-	-

Guarantee given to lenders on behalf of the Company for Loan outstanding as at March 31, 2020 Rs. 59,994.69 lakhs, March 31, 2019 Rs. 26,086.49 lakhs and April 1, 2018 - Rs. 5,500.00 lakhs

**OXYZO FINANCIAL SERVICES PRIVATE LIMITED**
**Notes to the Ind AS financial statements for the year ended March 31, 2020 (All amounts in Lakhs of ₹ unless otherwise stated)**
**36 Maturity analysis of assets and liabilities**

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	March 31, 2020			March 31, 2019			April 1, 2018		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>ASSETS</b>									
<b>Financial assets</b>									
Cash and cash equivalents	5,085.63	-	5,085.63	492.56	-	492.56	331.14	-	331.14
Bank balances other than (a) above	131.52	-	131.52	-	50.59	50.59	-	-	-
Loans	79,609.63	10,177.17	89,786.80	33,259.60	2,685.56	35,945.16	7,696.15	510.20	8,206.35
Investments	-	-	-	-	757.83	757.83	-	-	-
Other financial assets	613.66	25.00	638.66	21.88	62.50	84.38	11.72	-	11.72
<b>Non-financial assets</b>									
Current tax assets (Net)	-	7.00	7.00	-	7.00	7.00	-	2.26	2.26
Deferred tax assets (Net)	-	350.68	350.68	-	87.01	87.01	-	9.76	9.76
Investment Property	-	149.92	149.92	-	13.32	13.32	-	-	-
Property, Plant and Equipment	-	60.37	60.37	-	37.89	37.89	-	5.83	5.83
Other non-financial assets	211.19	42.14	253.33	238.81	36.67	275.48	42.53	-	42.53
<b>Total Assets</b>	<b>85,651.63</b>	<b>10,812.28</b>	<b>96,463.91</b>	<b>34,012.85</b>	<b>3,738.37</b>	<b>37,751.22</b>	<b>8,081.54</b>	<b>528.05</b>	<b>8,609.59</b>
<b>LIABILITIES</b>									
<b>Financial liabilities</b>									
Trade Payables									
(i) Total outstanding dues to micro and small enterprises	-	-	-	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro and small enterprises	174.32	-	174.32	80.70	-	80.70	95.33	-	95.33
Other payables									
(i) Total outstanding dues to micro and small enterprises	-	-	-	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro and small enterprises	-	92.00	92.00	-	487.25	487.25	-	7.97	7.97
Debt securities	2,288.02	12,347.89	14,635.91	2,821.64	5,100.00	7,921.64	-	-	-
Borrowings (Other than debt securities)	33,768.46	14,079.49	47,847.95	13,220.69	4,944.16	18,164.85	5,808.81	-	5,808.81
Other financial liabilities	991.31	-	991.31	494.85	-	494.85	128.28	-	128.28
<b>Non-Financial Liabilities</b>									
Provisions	3.73	108.38	112.11	49.39	0.93	50.32	9.56	0.05	9.61
Current tax liabilities	370.04	-	370.04	-	-	-	-	-	-
Other non-financial liabilities	375.52	-	375.52	323.23	-	323.23	78.79	-	78.79
<b>Total Liabilities</b>	<b>37,971.40</b>	<b>26,627.76</b>	<b>64,599.16</b>	<b>16,990.50</b>	<b>10,532.34</b>	<b>27,522.84</b>	<b>6,120.77</b>	<b>8.02</b>	<b>6,128.79</b>
<b>Net equity</b>	<b>47,680.23</b>	<b>(15,815.48)</b>	<b>31,864.75</b>	<b>17,022.35</b>	<b>(6,793.97)</b>	<b>10,228.38</b>	<b>1,960.77</b>	<b>520.03</b>	<b>2,480.80</b>

\* Loans is net of impairment loss allowance on loans considering realisability, the amount recoverable from Stage-3 assets is classified under after 12 months .



**OXYZO FINANCIAL SERVICES PRIVATE LIMITED****Notes to the Ind AS financial statements for the year ended March 31, 2020 (All amounts in Lakhs of ₹ unless otherwise stated)****37. Capital**

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the Reserve Bank of India (RBI) of India. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

The Company has complied in full with all its externally imposed capital requirements over the reported period.

**37.1 Capital management**

The capital management objectives of the Company are:

- to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios
- to ensure the ability to continue as a going concern
- to provide an adequate return to shareholders

The Company monitors capital on the basis of the carrying amount of debt less cash and bank balances as presented on the face of balance sheet.

Management assesses the capital requirements of the Company in order to maintain an efficient overall financing structure. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return on capital to shareholders, issue new shares, or sell assets to reduce debt. The Company has a target gearing ratio of 3.00 to 3.50 determined as a proportion of net debt to total equity.

**37.2 Regulatory capital**

As contained in RBI Master Directions - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (hereinafter referred to as "RBI Master Directions"), the Company is required to maintain a capital ratio consisting of Tier I and Tier II capital not less than 15% of its aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet items. Out of this, Tier I capital shall not be less than 10%. The BoDs regularly monitors the maintenance of prescribed levels of Capital Risk Adjusted Ratio (CRAR).

Capital Adequacy Ratio (CAR) and other key financial parameters as at 31 March 2020 of the Company are as under:

<b>Capital Adequacy ratio - Tier I</b>	34.66%
<b>Capital Adequacy ratio - Tier II</b>	0.48%
	<b>35.14%</b>

**38. Categories of financial instruments****38.1 The Carrying value of financial assets and liabilities are as follows :-****As at March 31, 2020**

	Fair value through P&L	Fair value through OCI	Amortised cost	Total
<b>Financial Assets</b>				
Cash and cash equivalents	-	-	5,085.63	5,085.63
Bank balances other than above	-	-	131.52	131.52
Loans	-	-	89,786.80	89,786.80
Investments	-	-	-	-
Other financial assets	-	-	638.66	638.66
<b>Total financial assets</b>	-	-	<b>95,642.61</b>	<b>95,642.61</b>
<b>Financial liabilities</b>				
Trade payables	-	-	174.32	174.32
Other payables	-	-	92.00	92.00
Debt Securities	-	-	14,635.91	14,635.91
Borrowings (Other than debt securities)	-	-	47,847.95	47,847.95
Other financial liabilities	-	-	991.31	991.31
<b>Total financial liabilities</b>	-	-	<b>63,741.49</b>	<b>63,741.49</b>

**As at March 31, 2019**

	Fair value through P&L	Fair value through OCI	Amortised cost	Total
<b>Financial Assets</b>				
Cash and cash equivalents	-	-	492.56	492.56
Bank balances other than above	-	-	50.59	50.59
Loans	-	-	35,945.16	35,945.16
Investments	-	-	757.83	757.83
Other financial assets	-	-	84.38	84.38
<b>Total financial assets</b>	-	-	<b>37,330.52</b>	<b>37,330.52</b>
<b>Financial liabilities</b>				
Trade payables	-	-	80.70	80.70
Other payables	-	-	487.25	487.25
Debt Securities	-	-	7,921.64	7,921.64
Borrowings (Other than debt securities)	-	-	18,164.85	18,164.85
Other financial liabilities	-	-	494.85	494.85
<b>Total financial liabilities</b>	-	-	<b>27,149.29</b>	<b>27,149.29</b>

**OXYZO FINANCIAL SERVICES PRIVATE LIMITED**
**Notes to the Ind AS financial statements for the year ended March 31, 2020 (All amounts in Lakhs of ₹ unless otherwise stated)**
**As at April 1, 2018**

	Fair value through P&L	Fair value through OCI	Amortised cost	Total
<b>Financial Assets</b>				
Cash and bank balances	-	-	331.14	331.14
Bank balances other than above	-	-	-	-
Loans	-	-	8,206.35	8,206.35
Investments	-	-	-	-
Other financial assets	-	-	11.72	11.72
<b>Total financial assets</b>	-	-	<b>8,549.21</b>	<b>8,549.21</b>
<b>Financial liabilities</b>				
Trade payables	-	-	95.33	95.33
Other payables	-	-	7.97	7.97
Debt Securities	-	-	-	-
Borrowings (Other than debt securities)	-	-	5,808.81	5,808.81
Other financial liabilities	-	-	128.28	128.28
<b>Total financial liabilities</b>	-	-	<b>6,040.39</b>	<b>6,040.39</b>

**39. Fair value measurement of financial assets and liabilities**

Fair value of the Company's financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Except as detailed out in the following table, the management considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

Particulars	Level	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
		Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial Assets</b>							
Cash and bank balances	1	5,085.63	5,085.63	492.56	492.56	331.14	331.14
Bank balances other than above	1	131.52	131.52	50.59	50.59	-	-
Loans	3	89,786.80	89,786.80	35,945.16	35,945.16	8,206.35	8,206.35
Investments	3	-	-	757.83	757.83	-	-
Other financial assets	2	638.66	638.66	84.38	84.38	11.72	11.72
<b>Total financial assets</b>		<b>95,642.61</b>	<b>95,642.61</b>	<b>37,330.52</b>	<b>37,330.52</b>	<b>8,549.21</b>	<b>8,549.21</b>
<b>Financial liabilities</b>							
Trade payables	2	174.32	174.32	80.70	80.70	95.33	95.33
Other payables	2	92.00	92.00	487.25	487.25	7.97	7.97
Debt Securities	3	14,635.91	14,816.85	7,921.64	7,921.64	-	-
Borrowings (Other than debt securities)	3	47,847.95	47,847.95	18,164.85	18,164.85	5,808.81	5,808.81
Other financial liabilities	3	991.31	991.31	494.85	494.85	128.28	128.28
<b>Total financial liabilities</b>		<b>63,741.49</b>	<b>63,922.43</b>	<b>27,149.29</b>	<b>27,149.29</b>	<b>6,040.39</b>	<b>6,040.39</b>

- Cash and cash equivalents, other bank balances, loans, other current financial assets, current borrowings, trade payables and other current financial liabilities: approximate their carrying amounts largely due to the short-term maturities of these instruments.

**40 Share based payments**

**Employee Stock Option Plan ("ESOP Plan")**

OFB Tech Private Limited ('OFB'), the holding company, had framed an OfBusiness Stock Options Plan, 2016 ('ESOP 2016 Plan'), which was duly approved by the Shareholder of the OFB in the Extraordinary General Meeting held on 8 April 2016. ESOP 2016 Plan will be administered by Compensation committee and in the absence of such committee Board of Directors of the OFB shall ensure the administration of the ESOP 2016 Plan. The stock options granted are categorized as equity settled and have a graded vesting. The options vest at various dates over the period of one to four year from the date of grant. The options expires within 4 years from the date of last vesting.

Pursuant to incorporation of the Company, certain employees of OFB were transferred to the Company. To align the interest of employees, it was determined that transferred employees of the Company may continue to participate in the ESOP 2016 Plan of OFB and accordingly they are entitled to shares of OFB.

Employee stock compensation expense for stock options during the year ended 31 March 2020 amounts to Rs. 51.91 Lakhs (previous year Rs. 49.06 Lakhs)

Details of options granted to the employees of the Company under the ESOP Plan are as follows:

<b>Vesting schedule (from the date of grant)</b>	<b>Date of grant</b>	<b>No. of options granted</b>	<b>Exercise price (in Rs.)</b>
40% on completion of first year (month end) 20% during the second year (various dates) 20% during the third year (various dates) 20% during the fourth year (various dates)	08-Apr-16	30	10
25% on completion of first year (month end) 25% on completion of second year (month end) 25% on completion of third year (month end) 25% on completion of fourth year (month end)	08-Apr-16	4	10
25% on completion of first year 25% on completion of second year 25% on completion of third year 25% on completion of fourth year	08-Apr-17	40	10
13% on completion of first year 29% on completion of second year 29% on completion of third year 29% on completion of fourth year	15-Jun-17	7	204,767
25% on completion of first year 25% on completion of second year 25% on completion of third year 25% on completion of fourth year	28-Feb-18	20	10
33.33% on completion of second year 33.33% on completion of third year 33.33% on completion of fourth year	28-Feb-18	12	204,767
50% on completion of third year 50% on completion of fourth year	28-Feb-18	12	204,767
100% on completion of fourth year	28-Feb-18	2	204,767
100% on completion of fourth year	02-Jul-18	1	10
100% on completion of fourth year	02-Jul-18	5	204,767
50% on completion of second year 50% on completion of fourth year	02-Jul-18	2	10
50% on completion of second year 50% on completion of fourth year	05-Jul-18	4	10
50% on completion of second year 50% on completion of fourth year	05-Jul-18	2	204,767

**OXYZO FINANCIAL SERVICES PRIVATE LIMITED****Notes to the Ind AS financial statements for the year ended March 31, 2020 (All amounts in Lakhs of ₹ unless otherwise stated)**

20% on completion of first year 20% during the second year 20% during the third year 40% during the fourth year	05-Jul-18	5	204,767
20% on completion of first year 20% during the second year 20% during the third year 40% during the fourth year	05-Jul-18	5	10
23% on completion of first year 23% during the second year 25% during the third year 29% during the fourth year	05-Jul-18	90	152,052
9% on completion of first year 20% during the second year 30% during the third year 41% during the fourth year	01-Apr-19	108	271,667
0% on completion of first year 15% during the second year 23% during the third year 62% during the fourth year	05-Jun-19	13	489,979
0% on completion of first year 29% during the second year 35% during the third year 35% during the fourth year	01-Jul-19	34	489,979

**OXYZO FINANCIAL SERVICES PRIVATE LIMITED**
**Notes to the Ind AS financial statements for the year ended March 31, 2020 (All amounts in Lakhs of ₹ unless otherwise stated)**

Particulars	31 March 2020		31 March 2019	
	Shares arising out of Options	Weighted average exercise price (in Rs.)	Shares arising out of Options	Weighted average exercise price (in Rs.)
Outstanding at the beginning of the year	179	184,565	74	29,612
Granted during the year	144	379,486	114	141,597
Options granted prior to transfer date in respect of employees transferred from holding company during the year	17	348,718	44	97,735
Exercised during the year	6	204,091	-	-
Vested for transferred employees before respective transfer date Surrendered / Cancelled during the year	-	-	11	18,625
	2	204,767	42	9,760
Outstanding at the end of the year	332	277,040	179	184,565
Exercisable at the end of the year	67	102,505	30	6,835
Weighted average remaining contractual life of the options outstanding at the end of the year	6.07 years		6.27 years	

Stock compensation expense under the Fair Value Method has been determined based on fair value of the stock options. The fair value of stock options was determined using the Black Scholes option

Particulars	2-Jul-2018/ 5-Jul-2018	2-Jul-2018	05-Jul-18	05-Jul-18	01-Apr-19	05-Jun-19	01-Jul-19	05-Jul-19
Fair value of options at grant date	152,051	54,825	54,823	40,904	38,529	66,371	66,062	66,062
Fair value of share at grant date	152,058	152,058	152,058	152,058	152,058	268,471	268,471	268,471
Exercise price	10	204,767	204,767	271,667	271,667	489,979	489,979	489,979
Expected volatility	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%
Option life	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75
Dividend yield	0%	0%	0%	0%	0%	0%	0%	0%
Risk free interest rate	7.70%	7.70%	7.70%	7.70%	6.70%	6.70%	6.60%	6.60%

**OXYZO FINANCIAL SERVICES PRIVATE LIMITED****Notes to the Ind AS financial statements for the year ended March 31, 2020 (All amounts in Lakhs of ₹ unless otherwise stated)****41 Financial risk management****i) Risk Management**

Risk is an integral part of the Company's business and sound risk management is critical to the success. As a financial company, the Company is exposed to risks that are particular to its lending and the environment within which it operates and primarily includes credit, liquidity and market risks. The Company's Board of directors has overall responsibility for the establishment and oversight of the risk management framework. In accordance with the RBI guidelines to enable NBFCs to adopt best practices and greater transparency in their operations, the Board of Directors of the Company has constituted a Asset Liability Management Committee (ALCO) and Risk Management Committee. Risk Management Committee reviews risk management in relation to various integrated risks of the Company. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

<b>Risk</b>	<b>Exposure arising from</b>	<b>Measurement</b>	<b>Management</b>
Credit risk	Loan receivables, Cash and bank balances, financial assets measured at amortised cost	Expected loss analysis	Credit risk analysis, diversification of customers/asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk- interest rate	non-current borrowings at variable rates	Sensitivity analysis	Change in interest rates

**A) Credit risk**

Credit risk arises from loans, cash and cash equivalents, bank balance other than cash and cash equivalents, investments and other financial assets. Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company has established various internal risk management process to provide early identification of possible changes in the creditworthiness of counterparties. The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions. The carrying amounts of financial assets represent the maximum credit risk exposure.

Credit risk arises from loans financing, cash and cash equivalents, investments carried at amortised cost and deposits with banks and financial institutions, as shown below:

<b>Particulars</b>	<b>Balance as at March 31,2020</b>	<b>Balance as at March 31,2019</b>	<b>Balance as at April 1, 2018</b>
Loans	89,786.80	35,945.16	8,206.35
Investments	-	757.83	-
Cash and cash equivalents	5,085.63	492.56	331.14
Other bank balances	131.52	50.59	-
Other financials asset	638.66	84.38	11.72

The Company splits its exposure into smaller homogeneous portfolios, based on shared credit risk characteristics, as described below in the following order:

- Secured/unsecured i.e. based on whether the loans are secured
- Nature of security i.e. the nature of the security if the loans are determined to be secured
- Nature of loan i.e. based on the nature of loan

The credit risk management policy of the Company seeks to have following controls and key metrics that allows credit risks to be identified, assessed, monitored and reported in a timely and efficient manner in compliance with regulatory requirements.

- Standardize the process of identifying new risks and designing appropriate controls for these risks
- Maintain an appropriate credit administration and loan
- Establish metrics for portfolio monitoring
- Minimize losses due to defaults or untimely payments by borrowers
- Design appropriate credit risk mitigation techniques

**Expected credit loss for loans**

In order to mitigate the impact of credit risk in the future profitability, the Company makes reserves basis the expected credit loss (ECL) model for the outstanding loans as balance sheet date. In addition to ECL output, the Company has taken conservative view through specific provisions.

The below discussion describes the Company's approach for assessing impairment as stated in the significant accounting policies.

**Expected credit loss measurement**

In determining whether credit risk has increased significantly since initial recognition, the institution uses the days past due data and forecast information to assess deterioration in credit quality of a financial asset for all the portfolios. The Company considers its historical loss experience and adjusts this for current observable data. Ind AS 109 requires the use of macroeconomic factors.

**Definition of default**

The Company defines a financial instrument as in default, any borrower whose contractual payments are due for more than 90 days is termed as default, which is in line with RBI guidelines.

**Probability of Default ('PD')**

PD is defined as the probability of whether the borrower will default on their obligation in the future. For assets which are in Stage 1, a 12-month PD is required. For Stage 2 a lifetime PD is required (equivalent to 12-month PD in the given case) while Stage 3 assets are considered to have a 100% PD. The loans have been segmented into three stages based on the risk profiles which reflect the general pattern of credit deterioration of a loan. The Company categories loans at the reporting date into stages based on the days past due ('DPD') status as under: -

Stage 1: Low credit risk, i.e. 0 to 30 days past due

Stage 2: Significant increase in credit risk, i.e. 31 to 90 days past due

Stage 3: Impaired assets, i.e. more than 90 days past due

**OXYZO FINANCIAL SERVICES PRIVATE LIMITED****Notes to the Ind AS financial statements for the year ended March 31, 2020 (All amounts in Lakhs of ₹ unless otherwise stated)****Loss Given Default ('LGD')**

Loss given default (LGD) represents estimated financial loss the Company is likely to suffer in the event of default. LGD is calculated using recovery pattern and value of collateral (if applicable) in default accounts.

The company has added all costs incurred on actuals basis for recovery in all default cases to arrive at final LGD. The recovered amount in all default cases has been discounted for the weighted average of the number of days of default in all such cases to compute the final LGD.

**Exposure at Default ('EAD')**

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too.

The company has considered cross default criteria while computing EAD i.e. If any customer defaults on one active loan then the customer has been marked as default on other loan (if any) as well.

While computing EAD for stage a accounts, the company has considered 75% commitments as per FIRB guidelines which are contractual on undrawn lines as the same does not require any pre-approval at the time of disbursement. For stage 2 and 3 accounts, the Company has not considered any commitment on the undrawn lines for EAD as the policy does not allow for any disbursement in case of any overdue.

The ECL is computed as a product of PD, LGD and EAD.

**Collateral and other credit enhancements**

The loan portfolio of the Company has both secured and unsecured loans and they vary with the type of funding. Basis the past history of receipts against collateral, the overall ECL for the secured portfolio is net of collateral value.

**Quantitative and qualitative factors considered along with quantification i.r.t loss rates**

Impact of specific risk factors was taken into account while staging of accounts and computation of PD. The forecasted point in time (PIT) PDs have been estimated by establishing a link between through the cycle (TTC) PDs and macroeconomic variables i.e. growth rate prescribed by Index of Industrial Production ('IIP'). The macroeconomic variables were regressed using a logical regression against systemic default ratio out of the impact of macro-economic variables on the system wide default rates.

As per the guidelines laid under the standard, the company has done probability weighted scenarios to arrive at the final ECL. These scenarios reflect a baseline, upturn and downturn in economic activity basis which ECL requirements could vary. The final ECL has subsequently been discounted.

**Credit risk exposure and impairment loss allowance**

	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	Exposure	Impairment allowance	Exposure	Impairment allowance	Exposure	Impairment allowance
Credit impaired loan assets (Default event triggered) (Stage 3)	832.16	574.64	361.53	100.12	-	-
Loan assets having significant increase in credit risk (Stage 2)	3,063.44	249.29	860.60	27.24	133.12	0.66
Other loan assets (Stage 1)	87,305.22	435.97	34,950.90	100.51	8,093.80	19.91
Impairment on account of COVID-19	-	154.12	-	-	-	-
<b>Total</b>	<b>91,200.82</b>	<b>1,414.02</b>	<b>36,173.03</b>	<b>227.87</b>	<b>8,226.92</b>	<b>20.57</b>

An analysis of Expected credit loss rate:

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Stage-1	0.50%	0.29%	0.25%
Stage-2	8.14%	3.17%	0.49%
Stage-3	69.05%	27.69%	-
<b>Total</b>	<b>1.55%</b>	<b>0.63%</b>	<b>0.25%</b>

\* Expected credit loss rate is computed ECL divided by EAD

**Specific Provision**

Company reviews and monitors all cases DPD 240+ and based on the recoverability and various other factors like client's situation, legal cases and others, makes provision in addition to ECL by using estimates and judgments in view of the inherent uncertainties and a level of subjectivity involved in measurement of items.

**Moratorium in accordance with the Reserve Bank of India (RBI) guidelines:**

The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. Reserve Bank of India (RBI) has issued guidelines relating to COVID-19 Regulatory Package dated 27 March 2020 and 17 April 2020 and in accordance therewith, the Company in accordance with its board approved policy has offered a moratorium for eligible borrowers on the payment of principal EMI installments and/or interest, falling due between March 01, 2020 and May 31, 2020 excluding the collection already made in the month of March 2020. Further the Company is evaluating the Reserve Bank of India (RBI) guidelines relating to COVID-19 Regulatory Package dated 23 May 2020 and the Company shall follow a similar process to adopt a Board approved policy for moratorium extension basis. For all such accounts where moratorium is granted, the asset classification will remain standstill during the moratorium period ( i.e the number of days past due shall exclude moratorium period for the purpose of asset classification as per the prudential norms).

SMA Categories as on 29 February 2020	Respective amount where asset classification benefits is extended	Total amount of account in default but considered as standard	Provision made as on 31 March 2020
Not Due	-	3,864.13	-
SMA-0	-	313.07	15.65
SMA-1	-	145.54	7.28
<b>Total</b>	-	<b>4,322.74</b>	<b>22.93</b>

**OXYZO FINANCIAL SERVICES PRIVATE LIMITED****Notes to the Ind AS financial statements for the year ended March 31, 2020 (All amounts in Lakhs of ₹ unless otherwise stated)**

The Company has based on currently available information and based on the policy approved by the Board of Directors, determined the prudential estimate of the provision for impairment of financial assets. In estimating the provision for impairment of financial assets, the Company has considered internal and external sources of information including economic forecasts and industry reports up to the date of approval of these financial results.

Accordingly, the provision for expected credit loss on financial assets as at 31 March 2020 aggregates Rs. 1,414.02 lakh (as at 31 March 2019, Rs. 227.87 lakh) which includes potential impact on account of the pandemic in current year of Rs. 154.12 lakh. The eventual outcome of global health pandemic, due to prevailing uncertainty may be different from those estimated as on the date of approval of financial results and Company will continue to monitor any material changes for future economic conditions. However, based on the current indicators of future economic conditions, the Company considers this provision to be adequate and expects to recover the carrying amount of these financial assets.

**B) Liquidity risk**

Liquidity risk arises as Company has contractual financial liabilities that is required to be serviced and redeemed as per committed timelines and in the business of lending where money is required for the disbursement and creation of financial assets to address the going concern of Company. Liquidity risk management is imperative to Company as this allows covering the core expenses, market investment / creation of financial assets, timely repayment of debt commitments and continuing with their operations.

Management of the Company monitors forecast of liquidity position and cash and cash equivalents on the basis of expected cash flows. The Asset Liability Management Policy aims to align market risk management with overall strategic objectives, articulate current interest rate view and determine pricing, mix and maturity profile of assets and liabilities. The asset liability management policy involves preparation and analysis of liquidity gap reports and ensuring preventive and corrective measures. It also addresses the interest rate risk by providing for duration gap analysis and control by providing limits to the gaps.

The Companies aim to maintain the level of its cash equivalents, un-utilized borrowing lines and cash inflow at an amount in excess of expected cash outflows on financial liabilities over the next one year. At March 31, 2020, the net of expected cash inflows and outflows within 12 months are Rs. 47,680.23 (March 31, 2019: Rs. 17,022.35; April 1, 2018: Rs. 1,960.77). Refer note 36 for Maturity analysis of assets and liabilities and note 45 (IX) for asset liability management (ALM).

**C) Market Risk**

Market risk is the risk that the fair value or future cash flow of financial instrument will fluctuate due to changes in market variables such as interest rates, foreign exchange rates etc. The objective of market risk management is to manage and control market risk exposure within acceptable parameters while maximising the return.

**Interest rate risk**

The Company uses a mix of cash and borrowings to manage the liquidity and fund requirements of its day-to-day operations. Further, certain interest bearing liabilities carry variable interest rates. Interest rate risk on variable borrowings is managed by way of regular monitoring borrowing rate.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Variable rate borrowing	52,067.21	22,412.85	4,807.39
Fixed rate borrowing	10,416.65	3,673.64	1,001.42
<b>Total borrowings</b>	<b>62,483.86</b>	<b>26,086.49</b>	<b>5,808.81</b>

Sensitivity

Below is the sensitivity of profit or loss and equity changes in interest rates.

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
<b>Interest sensitivity</b>			
Interest rates – increase by 100 basis points (March 31, 2019:100 bps; April 1, 2018:100 bps)	297.81	112.34	27.50
Interest rates – decrease by 100 basis points (March 31, 2019:100 bps; April 1, 2018:100 bps)	(297.81)	(112.34)	(27.50)



**OXYZO FINANCIAL SERVICES PRIVATE LIMITED****Notes to the Ind AS financial statements for the year ended March 31, 2020 (All amounts in Lakhs of ₹ unless otherwise stated)****42 Public Disclosure on liquidity risk****Background:**

RBI has issued final guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies on November 04, 2019. As per the said guidelines, NBFC are required to publicly disclose the below information related to liquidity risk on a quarterly basis. Accordingly, the disclosure on liquidity risk as at 31st March, 2020 is as under:

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

S.No.	Number of Significant counterparties (Borrowings)	Amount (Rs. lakhs)	% of Total deposits	% of Total Liabilities
1	10	45,186.33	NA	69.95%

Notes:

- A "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs.

- Total Liabilities has been computed as Total Assets less Equity share capital less Reserve & Surplus and computed basis extant regulatory ALM guidelines.

**(ii) Top 20 large deposits (amount in Rs lakhs and % of total deposits) – Not Applicable****(iii) Top 10 borrowings (amount in Rs lakhs and % of Total borrowings)**

S.No.	Number of Significant counterparties (Borrowings)	Amount (Rs. lakhs)	% of Total deposits	% of Total Liabilities
1	10	45,186.33	NA	69.95%

Note:

- Total Borrowing has been computed as comprising of Debt Securities, Borrowings and Interest accrued on these borrowings

**(iv) Funding Concentration based on significant instrument/product**

S.No.	Name of the Product	Amount (Rs. lakhs)	% of Total Liabilities
1	Non Convertible Debentures	13,109.53	20.29%
2	Commercial Paper	1,526.38	2.36%
3	Borrowings (Other than debt securities)	47,847.95	74.07%
	<b>TOTAL</b>	<b>62,483.86</b>	<b>96.73%</b>

**(v) Stock Ratios:**

S.No.	Stock Ratio	%
	<b>Commercial paper as a % of total public funds</b>	
1	Commercial papers as a % of total liabilities	2.36%
2	Commercial papers as a % of total assets	1.58%
	<b>Non-convertible debentures as a % of total public funds</b>	
3	Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	0%
4	Non-convertible debentures (original maturity of less than one year) as a % of total assets	0%
	<b>Other short-term liabilities as a % of total public funds</b>	
5	Other short-term liabilities as a % of total liabilities	1.95%
6	Other short-term liabilities as a % of total assets	1.30%

Notes:

- Commercial Paper and NCDs for stock ratio is the Gross outstanding as at 31st March,2020 including the interest accrued.

- Other Short-term Liabilities has been computed as Total Short-term Liabilities less Commercial paper less Non-convertible debentures (Original maturity of less than one year)

**(vi) Institutional set-up for Liquidity Risk Management**

The Board of Directors of the Company has an overall responsibility and oversight for the management of all the risks, including liquidity risk, to which the Company is exposed. The Board approves the governance structure, policies, strategy and the risk limits for the management of liquidity risk. The Board of Directors approves the constitution of the Risk Management Committee (RMC) for the effective supervision, evaluation, monitoring and review of various aspects and types of risks, including liquidity risk, faced by the Company. Further, the Board of Directors also approves constitution of Asset Liability Committee (ALCO), which functions as the strategic decision-making body for the asset-liability management of the Company from risk-return perspective and within the risk appetite and guard-rails approved by the Board. The main objective of ALCO is to assist the Board and RMC in effective discharge of the responsibilities of asset-liability management, market risk management, liquidity and interest rate risk management and also to ensure adherence to risk tolerance/limits set up by the Board. ALCO provides guidance and directions in terms of interest rate, liquidity, funding sources, and investment of surplus funds. ALCO meetings are held once in a year or more frequently as the Committee may determine to adequately fulfill the responsibilities outlined in the charter. The minutes of ALCO meetings are placed before the Board of Directors in its next meeting for its perusal/approval/ratification.

**OXYZO FINANCIAL SERVICES PRIVATE LIMITED****Notes to the Ind AS financial statements for the year ended March 31, 2020 (All amounts in Lakhs of ₹ unless otherwise stated)****43.1 First time adoption of Ind AS**

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ending 31 March 2020, 31 March 2019 and in the preparation of an opening Ind AS balance sheet at 1 April 2018 (the Company's date of transition). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

These financial statements, for the year ended 31 March 2020, are the first financial statements the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2019, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP).

**A. Mandatory exceptions****(i) Estimates**

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at transition date are consistent with the estimates as at the same date made in conformity with previous GAAP.

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the previous GAAP are listed below:

- Fair value of financial instruments carried at fair value through profit and loss and/ or fair value through other comprehensive income;
- Impairment of financial assets based on the expected credit loss model; and
- Determination of the discounted value for financial instruments carried at amortised cost.

**(ii) Classification and measurement of financial assets**

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

Accordingly, the Company has determined the classification of financial assets and liabilities based on facts and circumstances that exist on the date of transition. Measurement of the financial assets and liabilities accounted at amortised cost has been done retrospectively except where the same is impracticable.

**B. Reconciliations between previous GAAP and Ind AS**

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

**43.2 Reconciliation of total equity as at March 31, 2019 and April 1, 2018**

	Note	March 31, 2019	April 1, 2018
<b>Total equity (shareholder's funds) as per Previous GAAP</b>		10,507.88	2,525.16
<b>Adjustments:</b>			
Amortisation of processing fees on loans based on effective interest rate	(a)	(253.12)	(57.64)
Increase in borrowing cost pursuant to application of effective interest rate method	(b)	(14.35)	(2.10)
Incremental provision on application of expected credit loss model	(c)	(102.34)	-
Amortised Cost on investments	(d)	(11.49)	-
Tax effect on adjustments	(h)	101.80	15.38
<b>Total adjustments</b>		<b>(279.50)</b>	<b>(44.36)</b>
<b>Total equity as per Ind AS</b>		<b>10,228.38</b>	<b>2,480.80</b>

**43.3 Reconciliation of cash flow statement for the year ended March 31, 2020**

There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS.

**OXYZO FINANCIAL SERVICES PRIVATE LIMITED**
**Notes to the Ind AS financial statements for the year ended March 31, 2020 (All amounts in Lakhs of ₹ unless otherwise stated)**
**43.4 Effect of IND AS adoption on the balance sheet as at March 31, 2019 and April 1, 2018**

Particulars	Notes	Previous GAAP as at March 31, 2019*	Adjustments	Ind AS as at March 31, 2019	Previous GAAP as at April 1, 2018*	Adjustments	Ind AS as at April 1, 2018
<b>ASSETS</b>							
<b>Financial assets</b>							
Cash and cash equivalents		492.56	-	492.56	331.14	-	331.14
Bank balances other than above		50.59	-	50.59	-	-	-
Loans	(c)	36,047.50	(102.34)	35,945.16	8,206.35	-	8,206.35
Investments	(d)	769.32	(11.49)	757.83	-	-	-
Other financial assets		84.38	-	84.38	11.72	-	11.72
		<b>37,444.35</b>	<b>(113.83)</b>	<b>37,330.52</b>	<b>8,549.21</b>	<b>-</b>	<b>8,549.21</b>
<b>Non-financial Assets</b>							
Current tax assets (Net)		7.00	-	7.00	2.26	-	2.26
Deferred tax assets (Net)	(h)	(14.79)	101.80	87.01	(5.62)	15.38	9.76
Investment Property		13.32	-	13.32	-	-	-
Property, Plant and Equipment		37.89	-	37.89	5.83	-	5.83
Other non-financial assets	(b)	289.83	(14.35)	275.48	44.63	(2.10)	42.53
		<b>333.25</b>	<b>87.45</b>	<b>420.70</b>	<b>47.10</b>	<b>13.28</b>	<b>60.38</b>
<b>TOTAL ASSETS</b>		<b>37,777.60</b>	<b>(26.38)</b>	<b>37,751.22</b>	<b>8,596.31</b>	<b>13.28</b>	<b>8,609.59</b>
<b>LIABILITIES AND EQUITY</b>							
<b>LIABILITIES</b>							
<b>Financial liabilities</b>							
Trade Payables							
(i) Total outstanding dues to micro and small enterprises		-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro and small enterprises		80.70	-	80.70	95.33	-	95.33
Other payables							
(i) Total outstanding dues to micro and small enterprises		-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro and small enterprises		487.25	-	487.25	7.97	-	7.97
Debt securities		7,921.64	-	7,921.64	-	-	-
Borrowings (Other than debt securities)		18,164.85	-	18,164.85	5,808.81	-	5,808.81
Other financial liabilities		494.85	-	494.85	128.28	-	128.28
		<b>27,149.29</b>	<b>-</b>	<b>27,149.29</b>	<b>6,040.39</b>	<b>-</b>	<b>6,040.39</b>
<b>Non-Financial Liabilities</b>							
Current tax liabilities (Net)		-	-	-	-	-	-
Provisions		50.32	-	50.32	9.61	-	9.61
Other non-financial liabilities	(a)	70.11	253.12	323.23	21.15	57.64	78.79
		<b>120.43</b>	<b>253.12</b>	<b>373.55</b>	<b>30.76</b>	<b>57.64</b>	<b>88.40</b>
<b>EQUITY</b>							
Equity share capital		3,552.69	-	3,552.69	2,500.00	-	2,500.00
Other equity		6,955.19	(279.50)	6,675.69	25.16	(44.36)	(19.20)
		<b>10,507.88</b>	<b>(279.50)</b>	<b>10,228.38</b>	<b>2,525.16</b>	<b>(44.36)</b>	<b>2,480.80</b>
<b>Total Liabilities and Equity</b>		<b>37,777.60</b>	<b>(26.38)</b>	<b>37,751.22</b>	<b>8,596.31</b>	<b>13.28</b>	<b>8,609.59</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

**OXYZO FINANCIAL SERVICES PRIVATE LIMITED**

Notes to the Ind AS financial statements for the year ended March 31, 2020 (All amounts in Lakhs of ₹ unless otherwise stated)

**43.5 Effect of IND AS adoption on statement of profit and loss for the year ended March 31, 2019**

Particulars	Notes	Previous GAAP*	Adjustments	Ind AS
<b>Revenue</b>				
Revenue from operations				
Interest income	(a), (d)	4,392.10	(206.97)	4,185.13
Fee and commission income		57.03	-	57.03
Net gain on fair value changes		3.67	-	3.67
Other income		-	-	-
<b>Total revenue</b>		<b>4,452.80</b>	<b>(206.97)</b>	<b>4,245.83</b>
<b>Expenses</b>				
Finance costs	(c)	1,791.70	12.25	1,803.95
Impairment on financial instruments		179.97	102.34	282.31
Employees benefit expenses	(e), (f)	1,220.36	44.06	1,264.42
Depreciation and amortisation expense		5.35	-	5.35
Other expenses	(g)	587.50	(208.29)	379.21
<b>Total expenses</b>		<b>3,784.88</b>	<b>(49.64)</b>	<b>3,735.24</b>
<b>Profit before tax</b>		<b>667.92</b>	<b>(157.33)</b>	<b>510.59</b>
<b>Tax expense</b>				
Current tax		184.23		184.23
Deferred tax	(h)	9.17	(87.31)	(78.14)
<b>Total tax expense</b>		<b>193.40</b>	<b>(87.31)</b>	<b>106.09</b>
<b>Profit for the year</b>		<b>474.52</b>	<b>(70.02)</b>	<b>404.50</b>
<b>Other comprehensive income, net of tax</b>				
Items that will not be reclassified to profit or loss				
a. Remeasurement gains/(losses) on defined benefit plans	(e)	-	3.21	3.21
Income tax relating to remeasurement gains/(losses) on defined benefit plans		-	(0.89)	(0.89)
<b>Other comprehensive income for the year</b>		<b>-</b>	<b>2.32</b>	<b>2.32</b>
<b>Total comprehensive income for the year</b>		<b>474.52</b>	<b>(67.70)</b>	<b>406.82</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

**43.6 Notes to the reconciliations**

- (a) Under previous GAAP, transaction costs charged to customers was recognised upfront while under Ind AS, such costs are included in the initial recognition amount of financial asset and recognised as interest income using the effective interest method. Consequently processing fees income for the year ended March 31, 2019 has decreased.
- (b) Under previous GAAP, transaction costs incurred on borrowings was charged to statement of profit and loss on straight line basis while under Ind AS, such costs are recognised as interest expense using the effective interest method. Consequently interest expense for the year ended March 31, 2019 has increased.
- (c) Under previous GAAP, the Company has created provision for impairment of loans to customer in accordance with regulations of the Reserve Bank of India (RBI) and along with specific amount identified with respect to incurred losses. Under Ind AS, impairment allowance has been determined based on Expected Credit Loss model (ECL). Impairment allowance for loan assets has been considered as per the expected credit loss model.

Also, under previous GAAP provision for NPA and standard asset were presented under provisions. However, under Ind AS financial assets measured at amortised cost (majorly loans) are presented net of provision for expected credit losses. Consequently, the Company has reclassified the Indian GAAP provisions for standard assets / NPA's.

- (d) Under previous GAAP, investment in bonds (that are redeemable in cash on completion of the term as per the contract) are recorded at their transaction value. Under Ind AS, such financial assets are required to be recognised initially at their fair value and subsequently at amortised cost. Difference between the fair value and transaction value of the bonds has been recognised as unamortised interest on bonds. The unwinding of bonds happens by recognition of a interest income in Statement of Profit and Loss at effective interest rate. The unamortised interest on bonds gets amortised on a straight line basis over the term of the bonds. Consequently investment in bonds get reduced and recognition of unamortised interest results in increase in other non-financial assets as on March 31, 2019.
- (e) Under Ind AS, remeasurements i.e. actuarial gains and losses, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year.
- (f) Under previous GAAP, the cost of equity- settled employee share based plan were recognised using the intrinsic value method. Under Ind AS, the cost of equity settled share based plan is recognised based on the fair value of the options as at the grant date. There is no impact on total equity since it is an intra head movement within other equity.
- (g) Under previous GAAP, the transaction costs related to equity transaction were charged to Statement of Profit and Loss. Under Ind AS, same is accounted for as a deduction in Other Equity as per Ind AS 32 "Financial Instrument".
- (h) Under previous GAAP accounting for deferred tax, using the income statement approach, which focuses on differences between taxable profits and accounting profits for the year. Ind AS requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. In addition, the various transitional adjustments lead to temporary differences.

**OXYZO FINANCIAL SERVICES PRIVATE LIMITED**

**Notes to the Ind AS financial statements for the year ended March 31, 2020 (All amounts in Lakhs of ₹ unless otherwise stated)**

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**Schedule to the Balance Sheet of a non-deposit taking non-banking financial Company**  
(as required in terms of paragraph 19 of Non-banking Financial Company - Systemically Important  
Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions,2016)

Particulars		As at March 31,2020		As at March 31,2019	
		Amount out-standing	Amount overdue	Amount out-standing	Amount overdue
<b>Liabilities side:</b>					
<b>(1)</b>	<b>Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:</b>				
(a)	Debentures : Secured	13,109.53	-	6,809.88	-
	: Unsecured (other than falling within the meaning of public deposits)	-	-	-	-
(b)	Deferred Credits	-	-	-	-
(c)	Term Loans	46,037.51	-	17,067.22	-
(d)	Inter-corporate loans and borrowing	-	-	-	-
(e)	Commercial Paper	1,526.38	-	1,111.76	-
(f)	Public Deposits	-	-	-	-
(g)	Other Loans (short term bank loan)	1,810.44	-	1,097.63	-
<b>(2)</b>	<b>Breakup of (1)(f) above (Outstanding Public Deposit inclusive of interest accrued thereon but not paid:</b>				
(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	-	-	-	-
<b>Assets side:</b>		<b>Amount out-standing</b>		<b>Amount out-standing</b>	
<b>(3)</b>	<b>Break-up of Loans and Advances including bills receivables [Other than those included in (4) below]:</b>				
(a)	Secured (net of provision of Rs. 137.94 lakhs (previous year Rs. 11.02 lakhs))		51,974.49		12,532.37
(b)	Unsecured (net of provision of Rs. 1,276.08 lakhs (previous year Rs. 216.85 lakhs))		37,812.31		23,412.79
<b>(4)</b>	<b>Break up of Leased Assets and stock on hire and other assets counting towards AFC activities</b>				
(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		-		-
4 (iii)	Other loans counting towards AFC activities				
(a)	Loans where assets have been repossessed		-		-
(b)	Loans other than (a) above		-		-
<b>(5)</b>	<b>Break-up of Investments:</b>				
	Current Investments:				
1.	Quoted:				
(i)	Shares: (a) Equity		-		-
	(b) Preference		-		-
(ii)	Debentures and Bonds		-		-
(iii)	Units of mutual funds		-		-
(iv)	Government Securities		-		-
(v)	Others (please specify)		-		-
2.	Unquoted:				
(i)	Shares: (a) Equity		-		-
	(b) Preference		-		-
(ii)	Debentures and Bonds		-		-
(iii)	Units of mutual funds		-		-
(iv)	Government Securities		-		-
(v)	Fixed deposit with bank		-		-
	Long Term investments:				
1.	Quoted:				
(i)	Shares: (a) Equity		-		-
	(b) Preference		-		-
(ii)	Debentures and Bonds		-		757.83
(iii)	Units of mutual funds		-		-
(iv)	Government Securities		-		-
(v)	Others (please specify)		-		-
2.	Unquoted:				
(i)	Shares: (a) Equity (net of provisions)		-		-
	(b) Preference		-		-
(ii)	Debentures and Bonds (net of provisions)		-		-
(iii)	Units of mutual funds		-		-
(iv)	Government Securities		-		-
(v)	Fixed deposit with bank		131.52		50.59

**OXYZO FINANCIAL SERVICES PRIVATE LIMITED**

**Notes to the Ind AS financial statements for the year ended March 31, 2020 (All amounts in Lakhs of ₹ unless otherwise stated)**

**(6) Borrower group-wise classification of assets financed as in (3) and (4) above:**

Category	As at 31st March 2020			As at 31st March 2019		
	Amount net of provisions			Amount net of provisions		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	-	-	-	-	-
(c) Other related parties	-	-	-	-	-	-
2. Other than related parties	51,974.49	37,812.31	89,786.80	12,532.37	23,412.79	35,945.16
<b>Total</b>	<b>51,974.49</b>	<b>37,812.31</b>	<b>89,786.80</b>	<b>12,532.37</b>	<b>23,412.79</b>	<b>35,945.16</b>

**(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)**

Category	As at 31st March 2020		As at 31st March 2019	
	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)
1. Related Parties				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties	-	-	757.83	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>757.83</b>	<b>-</b>

**(8) Other information**

Particulars	As at March 31st,	As at March 31st,
(i) Gross Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	832.16	361.53
(ii) Net Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	257.51	261.41
(iii) Assets acquired in satisfaction of debt	136.60	-

**OXYZO FINANCIAL SERVICES PRIVATE LIMITED****Notes to the Ind AS financial statements for the year ended March 31, 2020 (All amounts in Lakhs of ₹ unless otherwise stated)****45 Disclosures required pursuant to Non-banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016**

The Company has become Systemically Important Non-Deposit taking Company during the current financial year, therefore previous year disclosures for the purpose of disclosure under the master direction has been provided wherever specifically required as per the master direction.

**I. Capital**

Particulars	As at March 31, 2020	As at March 31, 2019
(i) CRAR (%)	35.14%	27.57%
(ii) CRAR - Tier I Capital (%)	34.66%	27.30%
(iii) CRAR - Tier II Capital (%)	0.48%	0.27%
(iv) Amount of subordinated debt raised as Tier-II capital	-	-
(v) Amount raised by issue of Perpetual Debt Instruments	-	-

**II. Investments**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>1. Value of Investments</b>		
(i) Gross Value of Investments		
(a) In India	-	757.83
(b) Outside India	-	-
(ii) Provisions for Depreciation		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net Value of Investments		
(a) In India	-	757.83
(b) Outside India	-	-
<b>2. Movement of provisions held towards depreciation on investments</b>		
(i) Opening balance	-	-
(ii) Add : Provisions made during the year	-	-
(iii) Less : Write-off / write-back of excess provisions during the year	-	-
(iv) Closing balance	-	-

**III. (a) Derivatives**

The Company does not have derivatives during the year as well as in the previous year ended March 31, 2019.

**(b) Exchange traded interest rate(IR) derivatives**

The Company has not undertaken any Exchange Traded Interest Rate (IR) Derivatives during the year as well as in the previous year ended March 31, 2019.

**IV. Disclosures on risk exposure in derivatives**

**(a) The Company has not undertaken any kind of derivatives during the current and previous years, hence, quantitative disclosure of related accounting policies and risk management is not applicable.**

**V. Disclosures relating to securitisation**

The Company does not have any securitised assets as at March 31,2020 as well as in the previous year ended March 31, 2019.

**VI. Details of financial assets sold to securitisation /reconstruction company for asset reconstruction**

The Company has not sold any financial assets to securitisation /reconstruction company for asset reconstruction during the year ended March 31,2020 and March 31, 2019

**VII. Details of assignment transaction undertaken by applicable NBFCs**

The Company has not undertaken any assignment transaction during the years ended March 31,2020 and March 31, 2019

**VIII. Details of non-performing financial assets purchased /sold**

The Company has not purchased/sold any non-performing financial assets from other NBFCs in the current year as well as in the previous year.



**OXYZO FINANCIAL SERVICES PRIVATE LIMITED**
**Notes to the Ind AS financial statements for the year ended March 31, 2020 (All amounts in Lakhs of ₹ unless otherwise stated)**
**IX. Asset Liability Management**

Maturity pattern of certain items of assets and liabilities as at March 31,2020

Particulars	Upto 30/31 days	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
<b>Liabilities</b>									
Debt securities	1,046.94	502.71	138.37	200.00	400.00	8,847.89	3,500.00	-	14,635.91
Borrowings (other than debt securities)	4,254.57	2,870.94	3,980.38	11,145.27	11,517.29	14,079.49	-	-	47,847.95
<b>Total</b>	<b>5,301.51</b>	<b>3,373.65</b>	<b>4,118.75</b>	<b>11,345.27</b>	<b>11,917.29</b>	<b>22,927.38</b>	<b>3,500.00</b>	<b>-</b>	<b>62,483.86</b>
<b>Assets</b>									
Loans given	13,842.56	17,671.26	16,415.89	20,437.74	11,242.18	8,461.13	1,212.89	503.15	89,786.80
Investment (net)	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>13,842.56</b>	<b>17,671.26</b>	<b>16,415.89</b>	<b>20,437.74</b>	<b>11,242.18</b>	<b>8,461.13</b>	<b>1,212.89</b>	<b>503.15</b>	<b>89,786.80</b>

**X. Exposure to real estate sector, both direct and indirect**

Category	As at March 31, 2020	As at March 31, 2019
<b>Direct Exposure</b>		
(a) Residential Mortgages Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.	2,545.00	463.51
(b) Commercial Real Estate Lending secured by mortgages on commercial real estates (office buildings, retail space, multiple purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would not include non-fund based (NFB) limits	1,696.78	275.26
(c) Investments in Mortgage Backed Securities (MBS) and other securitised exposures:		
(i) Residential Mortgages	-	-
(ii) Commercial Real Estate	-	-
<b>Total exposure to real estate sector</b>	<b>4,241.78</b>	<b>738.77</b>

**XI. Exposure to Capital Market**

The Company does not have any exposure to capital market as at March 31, 2020 as well as in the previous year ended March 31, 2019.

**XII. Miscellaneous**

(a) Reserve Bank of India - Registration Number : N-14.03380

(b) Credit Rating

Instrument	Rating Agency	Rating
Commercial Paper	ICRA	[ICRA] A2
Non Convertible Debentures	ICRA	[ICRA] BBB (Stable)
Non Convertible Debentures	BWR Rating	BWR A- (CE)Stable
Non-Convertible Debentures	CARE Rating	CARE BBB Stable
LT-Market Linked Debentures	ICRA	PP-MLD [ICRA] BBB (Stable)
Long Term Bank Lines	ICRA	Provisional [ICRA] A- (CE) (Stable)
Short Term/Long Term Bank Lines	CARE Rating	CARE BBB Stable/CARE A2
Issuer Rating	ICRA	[ICRA] BBB (Stable)

(c) No penalties have been levied by any regulator during the year as well as in the previous year ended March 31, 2020 as well as in the previous year ended March 31, 2019.

**XIII. Additional Disclosures**
**(a) Provisions and Contingencies**

Break up of 'Provisions and Contingencies'shown under the head expenditure in statement of Profit and Loss:

Particulars	As at March 31, 2020
Expected credit loss on loans	1,032.02
Impairment on account of COVID-19	154.12
Loss on loans & advances written off	385.11
Provision made towards Income tax	987.29

**OXYZO FINANCIAL SERVICES PRIVATE LIMITED****Notes to the Ind AS financial statements for the year ended March 31, 2020 (All amounts in Lakhs of ₹ unless otherwise stated)****XIV. Concentration of Deposits, Advances, Exposures and NPAs****(a) Concentration of Advances**

Particulars	As at March 31, 2020
Total Advances to twenty largest borrowers	14,580.67
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	16.24%

**(b) Concentration of Exposures**

Particulars	As at March 31, 2020
Total Exposure to twenty largest borrowers /customers	15,135.60
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	16.86%

**(c) Concentration of NPAs**

Particulars	As at March 31, 2020
Total Exposure to top four NPA accounts	286.34

**(d) Sector-wise NPAs**

Percentage of NPAs to total advances in that sector

S. No	Sector	As at March 31, 2020
(i)	Micro & Small	1.36%
(ii)	Medium	0.21%
(iii)	Large	0.99%
(iv)	Wholesale trade	3.02%
(v)	Retail trade	0.75%
	<b>Total</b>	<b>0.93%</b>

**XV. Movement of NPAs**

Particulars	As at March 31, 2020
(i) Net NPAs to Net Advances (%)	0.29%
(ii) Movement of NPAs (Gross)	
(a) Opening balance	361.53
(b) Additions during the year	975.42
(c) Reductions during the year	504.79
(d) Closing balance	832.16
(iii) Movement of Net NPAs	
(a) Opening balance	261.41
(b) Additions during the year	500.90
(c) Reductions during the year	504.79
(d) Closing balance	257.51
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)	
(a) Opening balance	100.12
(b) Provisions made during the year	474.52
(c) Write-off / write-back of excess provisions	-
(d) Closing balance	574.64

**XVI.** The Company does not have any joint ventures and subsidiaries abroad as at March 31,2020 as well as in the previous year ended March 31, 2019.**XVII.** The Company does not have any SPVs sponsored as at March 31,2020 as well as in the previous year ended March 31, 2019.**XVIII. Disclosure of Complaints****(a) Customer Complaints \***

The Company does not have any customer complaints as at March 31,2020 as well as in the previous year ended March 31, 2019.

**XIX** There are no restructured account hence disclosure under 2013-14 guidelines is not required.**XX** Disclosure for "DETAILS OF SINGLE BORROWER LIMIT (SGL) / GROUP BORROWER LIMIT (GBL) EXCEEDED BY THE NBFC" need to be made

The Company does not exceeded any customer borrower limit as at March 31,2020 as well as in the previous year ended March 31, 2019.

**XXI** Details of financing of parent company's products

The Company has no product category where the customer is mandated to use the credit facility to buy products from a specific supplier (including the parent). Additionally, the parent is neither a manufacturer nor does it sell products under its own brand, hence reporting on financing of parent Company's products is not applicable.

**OXYZO FINANCIAL SERVICES PRIVATE LIMITED**
**Notes to the Ind AS financial statements for the year ended March 31, 2020 (All amounts in Lakhs of ₹ unless otherwise stated)**
**46.1 Disclose as required in terms of RBI circular RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020**

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)
<b>Performing Assets</b>						
Standard	Stage 1	87,305.22	590.09	86,715.13	364.71	225.38
	Stage 2	3,063.44	249.29	2,814.15	19.69	229.60
<b>Subtotal</b>		<b>90,368.66</b>	<b>839.38</b>	<b>89,529.28</b>	<b>384.40</b>	<b>454.98</b>
<b>Non-Performing Assets (NPA)</b>						
Substandard	Stage 3	832.16	574.64	257.52	83.22	491.43
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
<b>Subtotal for doubtful</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Loss	Stage 3	-	-	-	-	-
<b>Subtotal for NPA</b>		<b>832.16</b>	<b>574.64</b>	<b>257.52</b>	<b>83.22</b>	<b>491.43</b>
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	-	-	-	-	-
<b>Subtotal</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>Stage 1</b>	87,305.22	590.09	86,715.13	364.71	225.38
	<b>Stage 2</b>	3,063.44	249.29	2,814.15	19.69	229.60
	<b>Stage 3</b>	832.16	574.64	257.52	83.22	491.43
	<b>Total</b>	<b>91,200.82</b>	<b>1,414.02</b>	<b>89,786.80</b>	<b>467.62</b>	<b>946.41</b>

**46.2 Disclosure as required in terms of RBI circular RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020**

Details of accounts that are past due beyond 90 days but not treated as impaired

Number of accounts	Total amount outstanding as on 31 March 2020	Overdue amount as on 31 March 2020	Loss Allowances (Provisions) as on 31 March 2020
41	832.16	545.47	574.64

**OXYZO FINANCIAL SERVICES PRIVATE LIMITED**

Notes to the Ind AS financial statements for the year ended March 31, 2020 (All amounts in Lakhs of ₹ unless otherwise stated)

**47 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:-**

Particulars	As at		
	March 31, 2020	March 31, 2019	April 1, 2018
(a) The principal amount remaining unpaid to any supplier as at the end of the year;	-	-	-
(b) The interest due on principal amount remaining unpaid to any supplier as at the end of the year;	-	-	-
(c) The amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), along with the amount of the payment made to the supplier beyond the appointed day during the year;	-	-	-
(d) 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 the MSMED Act;	-	-	-
(e) The amount of interest accrued and remaining unpaid at the end of the year; and	-	-	-
(f) 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 enterprise, for the purpose of disallowance as a deductible expenditure under the MSMED Act.	-	-	-

- 48** The Company does not have any pending litigations which would impact its financial position.
- 49** The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses need to be provided as required under any law / accounting standards.
- 50** There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- 51** There were no disputed dues in respect of Goods and Services Tax and Income tax which have not been deposited.
- 52** Figures for the previous year have been regrouped/re-classified to conform to the figures of the current year.
- 53** The above financial statements have been reviewed by the Audit Committee at its meeting held on 17 June 2020 and subsequently approved by the Board of Directors at its meeting held on 25 June 2020.

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

**Ruchi Kalra**  
Whole-time director and Chief Financial Officer  
DIN: 03103474

**Asish Mohapatra**  
Director  
DIN: 06666246

**Brij Kishore Kiradoo**  
Company Secretary  
M.No.: A40347

Place: Gurugram  
Date: 25 June 2020

## BOARD REPORT

**Dear Members,**

Your Directors have pleasure in presenting the Fourth Annual Report on the performance of your Company along with Audited Financial Statements of the Company for the period ended on 31<sup>st</sup> March 2020.

### FINANCIAL RESULTS

Amount in Lakhs

Particulars	As on 31 <sup>st</sup> March, 2020	As on 31 <sup>st</sup> March, 2019
Revenue from Operations	13,517.51	4,245.83
Other Income	1.50	-
Total Income	13,519.01	4,245.83
Expenses	10,688.82	3,735.24
Profit/(Loss) before tax and prior period Adjustments	2,830.19	510.59
Profit/(Loss) before tax	2,830.19	510.59
Tax Expenses	724.26	106.09
<b>Profit/(Loss) for the year</b>	<b>2,105.93</b>	<b>404.50</b>

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

During the period under review, the company has earned revenue from operation of **Rs. 13,517.51 lakhs** however, the company has incurred expenses of **Rs. 10,688.82 lakhs**. 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. The Company has earned Profit of the year of **Rs. 2,105.93 lakhs which is higher than previous year.**

### WEB ADDRESS OF THE COMPANY

The Company is having website i.e- <https://www.oxyzo.in/>

### DIVIDEND

Looking at the current and future Fund requirement, the Board of Directors of the Company think it prudent not to recommend dividend for the Financial Year 2019-20.

### RESERVE AND SURPLUS

During the period under review, the company has transferred Rs. 27,089.95 lakhs to Reserve and Surplus.

## **CHANGE IN NATURE OF BUSINESS**

Your Company, NBFC sector (NBFC-ND) has grown in size and complexity over the years and our industry is maturing and achieving high scale as it has **crossed Assets Size more than Rs. 500 Crores and notified as Systemically Important w.e.f June 28, 2019(yet to be notified by RBI)**, though nature of business is certain and unmodified.

## **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, 2020 made under the provisions of Section 92(3) of the Act is attached as **Annexure-I** and which forms part of this Report. The Extract of Annual Return is to be placed at web address of the Company i.e. <https://www.oxyzo.in/>

## **CAPITAL STRUCTURE**

### **Authorized Share Capital:**

As on the date of this report, the Authorised Share Capital of the Company is Rs. 49,39,26,460/- (Rupees Forty-Nine Crore Thirty-Nine Lakhs Twenty-Six Thousand Four Hundred and Sixty Only) divided into 4,93,92,646 (Four Crores Ninety Three Lakhs Ninety-two Thousand Six Hundred and Forty-Six) 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. 47,74,79,700/- (Rupees Forty-Seven Crores Seventy-Four Lakhs Seventy-Nine Thousand and Seven Hundred only) divided into 4,77,47,970(Four Crores Seventy-Seven Lakhs Forty-Seven Thousand Nine Hundred and Seventy) 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 and till the date of report.***

- i) Further, the Authorised Share Capital of the company was increased from Rs 37,60,00,000(Rupees Thirty-Seven Crores Sixty Lakhs Only) divided into 3,76,00,000 (Three Crores Seventy-Six Lakhs) Equity Share of Rs. 10/- each to Rs. 39,63,40,000 (Rupees Thirty-Nine Crores Sixty-Three Lakh Forty Thousand Only) divided into 3,96,34,000(Three Crore Ninety-Six Lakhs Thirty-Four Thousand) Equity Shares of Rs. 10/- each w.e.f. June 03, 2019.

- ii) Furthermore, the Authorised Share Capital of the company was increased from Rs 39,63,40,000 (Rupees Thirty-Nine Crores Sixty-Three Lakhs Forty Thousand) divided into 3,96,34,000 (Three Crores Ninety-Six Lakhs Thirty Four Thousand) Equity Share of Rs. 10/- each to Rs. 43,70,20,000 (Rupees Forty-Three Crores Seventy Lakhs Twenty Thousand Only) divided into 4,37,02,000 (Four Crores Thirty-Seven Lakhs Two Thousand) Equity Shares of Rs. 10/- each w.e.f. July 01, 2019.
- iii) Again, the Authorised Share Capital of the company was increased from 43,70,20,000 (Rupees Forty-Three Crores Seventy Lakhs Twenty Thousand Only) divided into 4,37,02,000 (Four Crores Thirty-Seven Lakhs Two Thousand) Equity Shares of Rs. 10/- each to Rs. 46,28,86,570/- (Rupees Forty-Six Crores Twenty-Eight Lakhs Eighty-Six Thousand Five Hundred and Seventy Only) divided into 4,62,88,657 (Four Crores Sixty-Two Lakhs Eighty-Eight Thousand Six Hundred and Fifty-Seven) Equity Shares of Rs. 10/- each w.e.f. November 08, 2019.
- iv) Again, the Authorised Share Capital of the company was increased from Rs. 46,28,86,570/- (Rupees Forty-Six Crores Twenty-Eight Lakhs Eighty-Six Thousand Five Hundred and Seventy Only) divided into 4,62,88,657 (Four Crores Sixty-Two Lakhs Eighty-Eight Thousand Six Hundred and Fifty-Seven) Equity Shares of Rs. 10/- each to Rs. 49,39,26,460/- (Rupees Forty-Nine Crores Thirty-Nine Lakhs Twenty-Six Lakhs Four Hundred and Sixty Only) divided into 4,93,92,646 (Four Crores Ninety-Three Lakhs Ninety-Two Thousand Six Hundred and Forty-Six) Equity Shares of Rs. 10/- each w.e.f. November 20, 2019.

Hence, the Authorized Share capital at present is Rs. 49,39,26,460/- (Rupees Forty-Nine Crores Thirty-Nine Lakhs Twenty-Six Lakhs Four Hundred and Sixty Only)

#### **Paid-up Share Capital**

As on the date of the report the Paid-up capital of company is Rs. 47,74,79,700/- (Rs. Forty-Seven Crores Seventy-Four Lakhs Seventy-Nine Thousand and Seven Hundred only) divided into 4,77,47,970 (Four Crores Seventy-Seven Lakhs Forty-Seven Thousand Nine Hundred and Seventy) equity shares of Rs. 10 each.

During the period under review and as on the date of the report the Paid-up Capital of your Company has been increased in following order:

<b>S.No.</b>	<b>Date of Allotment</b>	<b>No. of Shares</b>	<b>Name of Allottee</b>	<b>Total Consideration</b>
1.	30.04.2019	8,13,600	OFB Tech Private Limited	9,99,99,539
2.	06.05.2019	4,06,800	OFB Tech Private Limited	4,99,99,770
3.	30.05.2019	8,13,600	OFB Tech Private Limited	9,99,99,539
4.	07.06.2019	4,06,800	OFB Tech Private Limited	4,99,99,770
5.	17.06.2019	4,06,800	OFB Tech Private Limited	4,99,99,770
6.	29.06.2019	8,13,600	OFB Tech Private Limited	9,99,99,539
7.	03.07.2019	4,06,800	OFB Tech Private Limited	4,99,99,770
8.	26.07.2019	5,69,520	OFB Tech Private Limited	6,99,99,678
9.	03.09.2019	4,06,800	OFB Tech Private Limited	4,99,99,770
10.	06.09.2019	8,13,600	OFB Tech Private Limited	9,99,99,539
11.	21.09.2019	7,75,995	OFB Tech Private Limited	14,99,99,546
12.	23.09.2019	2,06,932	OFB Tech Private Limited	3,99,99,879

13.	29.10.2019	3,62,132	OFB Tech Private Limited	6,99,99,982
14.	31.10.2019	2,58,665	OFB Tech Private Limited	4,99,99,849
15.	01.11.2019	2,58,665	OFB Tech Private Limited	4,99,99,849
16.	08.11.2019	4,13,865	OFB Tech Private Limited	7,99,99,951
17.	22.11.2019	16,55,461	OFB Tech Private Limited	31,99,99,999
18.	29.11.2019	2,58,665	OFB Tech Private Limited	4,99,99,849
19.	03.02.2019	7,75,995	OFB Tech Private Limited	14,99,99,546
20.	12.03.2020	3,62,132	OFB Tech Private Limited	6,99,99,892
21.	24.03.2020	5,17,331	OFB Tech Private Limited	9,99,99,891
22.	27.03.2020	5,17,331	OFB Tech Private Limited	9,99,99,891

## DEBT STRUCTURE AND OTHER SECURITIES

During the period under review following was the debt structure of the company:

- ❖ Market-linked non-convertible debentures of Rs.17 Crores to IFMR FIMPACT INCOME BUILDER FUND on March 01, 2019 which are secured by first *and exclusive* charge on specific identified receivables and by corporate guarantee from the Holding Company, OFB Tech Private Limited and by first *paripassu* charge on the immovable property being freehold land situated at Mappedu Village, Tiruvallur taluk and district, Chennai, Tamil Nadu. (Pre – Redeemed on September 23, 2019)
- ❖ Unlisted Non-convertible redeemable debentures of Rs.10 Crores to IFMR FIMPACT LONG TERM MULTI ASSET CLASS FUND on July 09, 2019, which are secured by first *and exclusive* charge on specific identified receivables and by corporate guarantee from the Holding Company, OFB Tech Private Limited and by first *paripassu* charge on the immovable property being freehold land situated at Mappedu Village, Tiruvallur taluk and district, Chennai, Tamil Nadu.
- ❖ Unlisted Non-convertible redeemable debentures of Rs.20 Crores in two series (Series A1 and Series A2 - Rs. 10 Crores each) to Mr. Sachin Bansal on July 30, 2019, which are secured by first *and exclusive* charge on specific identified receivables and by corporate guarantee from the Holding Company, OFB Tech Private Limited and by first *paripassu* charge on the immovable property being freehold land situated at Mappedu Village, Tiruvallur taluk and district, Chennai, Tamil Nadu. (Pre-redeemed on May 06, 2020)
- ❖ Commercial paper of Unit 180 having Face Value of Rs. 5,00,000/- each to NORTHERN ARC MONEY MARKET ALPHA TRUST on August 16,2019. (Redeemed at its maturity date i.e. October 30, 2019)
- ❖ Market-linked non-convertible debentures of Rs.17 Crores to IFMR FIMPACT INCOME BUILDER FUND on September 24, 2019 which are secured by first *and exclusive* charge on specific identified receivables and by corporate guarantee from the Holding Company, OFB Tech Private Limited and by first *paripassu* charge on the immovable property being freehold land situated at Mappedu Village, Tiruvallur taluk and district, Chennai, Tamil Nadu.



- ❖ Commercial paper of Unit 180 having face value of Rs 5,00,000/-each to NORTHERN ARC MONEY MARKET ALPHA TRUST on October 23 ,2019 (Redeemed at its maturity date i.e. January 21, 2020)
- ❖ Commercial Paper of Unit 100 having face value of Rs 5,00,000/- each to NORTHERN ARC MONEY MARKET ALPHA TRUST on November 01, 2019. (Redeemed at its maturity date i.e. December 30, 2019)
- ❖ Listed Non-convertible Debentures of Rs.35 Crores to UTI International Wealth Creator 4 on December 12, 2019, which are secured by i) first ranking pari passu mortgage over certain identified immovable property of the company situated in Tamil Nadu; ii) corporate guarantee from OFB Tech Private Limited, the Holding Company and iii) a first ranking exclusive charge by way of hypothecation over specific loan receivables.
- ❖ Commercial paper of Unit 120 having face value of Rs.5,00,000/- each to NORTHERN ARC MONEY MARKET ALPHA TRUST on December 31 ,2019 (Redeemed at its maturity date i.e. February 28, 2019)
- ❖ Commercial paper of Unit 200 having face value of Rs. 5,00,000/- each to NORTHERN ARC MONEY MARKET ALPHA TRUST on January 22,2020 (Redeemed at its maturity date i.e. April 21, 2020)
- ❖ Listed Non-Convertible Debentures ( Series A) of Rs. 10 Crores to Scient Capital Private Limited on January 28, 2020, which are secured by i) first ranking pari passu mortgage over certain identified immovable property of the company situated in Tamil Nadu; ii) corporate guarantee from OFB Tech Private Limited, the Holding Company and iii) a first ranking exclusive charge by way of hypothecation over specific loan receivables.
- ❖ Listed Non-Convertible Debentures of Rs. 40 Crores to Unifi AIF on January 18, 2019 and January 30,2019 divided into Series A and Series B early redeemed on March 12, 2020.
- ❖ Listed Market-Linked Non-convertible Debentures of Rs. 26 Crores to Unifi AIF on March 13, 2020 which are secured by way of first ranking, exclusive and continuing charge on identified receivables created pursuant to deed of Hypothecation and by corporate guarantee from the Holding Company, OFB Tech Private Limited and by first *paripassu* charge on the immovable property being freehold land situated at Mappedu Village, Tiruvallur taluk and district, Chennai, Tamil Nadu.
- ❖ Commercial paper of Unit 100 having face value of Rs. 5,00,000/- each to NORTHERN ARC MONEY MARKET ALPHA TRUST on March 16 ,2020 (Redeemed at its maturity date i.e. May 28, 2020)
- ❖ Commercial paper of Unit 200 having face value of Rs.5,00,000/- each to NORTHERN ARC MONEY MARKET ALPHA TRUST on May 04 ,2020 (Redeemed at its maturity date i.e. June 29, 2020)
- ❖ Commercial paper of Unit 100 having face value of Rs.5,00,000/- each to NORTHERN ARC MONEY MARKET ALPHA TRUST on June 04 ,2020 (Redeemed at its maturity date i.e. July 29, 2020)
- ❖ Commercial paper of Unit 100 having face value of Rs.5,00,000/- each to NORTHERN ARC MONEY MARKET ALPHA TRUST on June 12 ,2020 (Redeemed at its maturity date i.e. August 27, 2020)
- ❖ Listed Non-convertible Debentures of Rs. 25 Crores to Bandhan Bank Limited on June 15, 2020 which are secured by i) hypothecation of certain identified loans/book debts of the company and ii) an unconditional and irrevocable corporate guarantee from OFB Tech Private Limited, the Holding Company.

- ❖ Unlisted Non-convertible Debenture of Rs. 23 Crores to AU Small Finance Bank Limited on June 24, 2020 which are secured by i) hypothecation of certain identified loans/book debts of the company and ii) an unconditional and irrevocable corporate guarantee from OFB Tech Private Limited, the Holding Company.
- ❖ Unlisted Non-convertible Debenture of Rs. 50 Crores to Bank of India Limited on June 29, 2020 which are secured by i) hypothecation of certain identified loans/book debts of the company and ii) an unconditional and irrevocable corporate guarantee from OFB Tech Private Limited, the Holding Company.

**Contact Details of both Debenture Trustee are as under:**

Particulars	Name of Debenture Trustee	
	Catalyst Trusteeship Limited	Vistra ITCL(India) Limited
<b>Name of the Contact Person</b>	Mr. Umesh Salvi	Mr. Amit Gurbani
<b>Address</b>	Windsor, 6 <sup>th</sup> floor, Office No.604, C.S.T Road, Kalina, Santacruz (East) Mumbai-400098	The IL&FS Financial Centre, Plot No. C-22, G Block, 7 <sup>th</sup> floor, Bandra Kurla Complex, Bandra (East), Mumbai- 400051
<b>Email</b>	<a href="mailto:Umesh.salvi@cltrustee.com">Umesh.salvi@cltrustee.com</a>	<a href="mailto:mumbai@vistra.com">mumbai@vistra.com</a>
<b>Contact No.</b>	+91-22-49220503	+91-22-26593535

**PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

The Company, being NBFC engaged in the business of financing Industrial enterprises, is exempted to comply with the provisions of Section 186 except Subsection (1) of Companies Act, 2013 as per Section 186 (11) of Act.

**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**.

The Company has formulated a Policy on Related Party Transactions and the same is available on Company's website at: [www.oxyzo.in](http://www.oxyzo.in).

Salient Feature:

The Policy intends to ensure that proper approval, reporting and disclosure processes are in place for all transactions between the Company and related parties. This Policy specifically deals with the review and approval of Material Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. All the Related Party Transactions entered during the financial year ended March 31, 2020 in the Ordinary Course of Business and at Arm's Length were reviewed and approved by the Audit Committee. All Related Party Transactions are placed before the Audit Committee for its review on a quarterly basis.

## **SUBSIDIARY COMPANIES/ JOINT VENTURE/ ASSOCIATE COMPANIES**

The Company does not have any joint venture or associate companies during the period under review. The Fellow subsidiary Company is **OFCONS Projects and Services Private Limited** (formerly known as OFCONS Construction Private Limited) incorporated as on March 21, 2018.

**OFCONS Projects and Services Private Limited** is engaged in the business of Constructions, Contracting and providing all kinds of information, advertisement and business management services for various tenders, government awards, procurement of contracts and projects related to work process outsourcing and also acts as a labour aggregator, facilitator, advisor, consultant on all labour matters.

The fellow subsidiary also has one-layer subsidiary namely **SagarAsia Universal Private Limited** w.e.f. March 05, 2020 which is manufacturer and Dealer of other fabricated metal products.

Further, another fellow subsidiary "**OFB Data Technologies Private Limited**" is incorporated on May 06, 2020 to carry on the business of "Account Aggregator" and to undertake the service of, retrieving or collecting financial information pertaining to the customer as may be specified by Reserve Bank of India (RBI) time to time and consolidating, organizing and presenting such information to the customer or any other financial information user.

## **NUMBER OF MEETINGS OF THE BOARD**

The Board has met Fifty-Eight (58) times during the period ended on 31<sup>st</sup> March 2020 and not more than one hundred and twenty days (120) intervened between two consecutive meetings of the Board.

The List of Board Meeting is as under:

<b>S. No.</b>	<b>Date of Board Meeting</b>
01	11.04.2019
02	25.04.2019
03	30.04.2019
04	06.05.2019
05	15.05.2019
06	23.05.2019
07	30.05.2019-10:00A.M.
08	30.05.2019-12:00P.M.
09	04.06.2019
10	07.06.2019

11	17.06.2019
12	27.06.2019
13	29.06.2019
14	03.07.2019
15	06.07.2019
16	09.07.2019
17	20.07.2019
18	25.07.2019
19	26.07.2019
20	30.07.2019
21	09.08.2019
22	16.08.2019
23	19.08.2019
24	21.08.2019
25	29.08.2019
26	03.09.2019
27	06.09.2019
28	16.09.2019
29	18.09.2019
30	21.09.2019
31	23.09.2019
32	24.09.2019
33	30.09.2019
34	17.10.2019
35	29.10.2019
36	31.10.2019
37	01.11.2019
38	07.11.2019
39	08.11.2019
40	12.11.2019
41	22.11.2019
42	29.11.2019
43	30.11.2019
44	07.12.2019
45	12.12.2019
46	30.12.2019
47	31.12.2019
48	27.01.2020
49	28.01.2020
50	03.02.2020
51	18.02.2020
52	27.02.2020
53	29.02.2020
54	05.03.2020

55	12.03.2020
56	13.03.2020
57	24.03.2020
58	27.03.2020

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

Information under Section 134(3)(m) of The Companies Act, 2013 read with the Rule 8(3) of Companies (Accounts) Rules, 2014 for the Financial year ended 31<sup>st</sup> March 2020

### **(A) Conservation of Energy**

As Company's operations, do not involve any process of manufacture or production, no specific steps could be taken for conservation of energy.

### **(B) 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.
- c) Company is investing in building algorithms to:
  - i) Identify credit risk more effectively.
  - ii) Analyse repayment behaviors helping in rotation and cross-selling.

#### **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. Essential modules like ALM, risk, hypothecation, lender management, collections etc to aid multiple teams in their operations.
3. Customer website and app where customers can request disbursements, manage ledgers, pay their dues, and manage their profile.
4. Automation of various flows across departments to increase efficiency and controls.
5. Integration with third party software as part of business workflows to enrich information or provide new offerings.

##### 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) There is no Imported Technology during the period under review.
- d) There is no expenditure incurred on Research & Development during the period under review.

### (C) Foreign Exchange Earnings and Outgo

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

### DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSON

The Board of Directors and Key Managerial Person of the Company as on date of this report comprise as follows:

S. No.	Name	Designation
1	Ruchi Kalra	CFO & WTD (KMP)
2	Vasant Sridhar	Executive Director
3	Asish Mohapatra	Non- Executive Director
4	Akshat Vikram Pande	Independent Director
5	Rohit Kapoor	Independent Director
6	Sathyan David	Independent Director
7.	Brij Kishore Kiradoo	Company Secretary (KMP)

As per Company Law and 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 2019-20 and till the date of this report:

- ❖ Mr. Sathyan David (DIN: 08386521) appointed as an Independent Director of the Company with effect from April 11, 2019.

### STATEMENT ON INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING PROFICIENCY) OF INDEPENDENT DIRECTORS

#### Integrity, Expertise and Experience:

**Mr. Akshat Pande:** Akshat is the Founder and Managing Partner of Alpha Partners, a corporate and commercial law firm based in Delhi NCR. Akshat has an experience of 15 years in the field of corporate and commercial law. He completed his law graduation from Delhi University (2005) and post-graduation from University of East Anglia, Norwich, UK (2006). He is also a member of the Institute of Company Secretaries of India (2002).

**Mr. Rohit Kapoor:** Rohit is currently the CEO for India & South Asia business across Hotels, Homes, LIFE & Workspaces at OYO. A seasoned professional with over 20 years of experience, Rohit has worked in various leadership positions across sales and finance in several companies such as Max India Limited and Mckinsey & Company. Prior to joining OYO, Rohit was the Executive Director & Board Member at Max Healthcare for close to 4 years. He has also been Senior Director-Strategy; Business Performance at Max. In the past, Rohit has also worked as a consultant at McKinsey& Company for close to a decade.

During his tenure with McKinsey, he led client work across 7 countries in the world. He was also a coleader of campus recruitment and learning and development.

**Mr. Sathyan David:** has been a career Central Banker with the Reserve Bank of India for over 36 years. He has served at senior levels in the Verticals for regulation and supervision of financial sector entities: compliance with regulatory prescriptions, Financial Risk Management and Corporate Governance requirements. He has also served on the Board of Directors of a Public Sector Bank.

During his career span, he has been on policy making Committees of the RBI and Government. He has led a Committee of BIS, Basle. He has also participated in several international seminars on central banking policy at the Bank of England, Banco De Espana, Central Bank of Netherlands, Federal Reserve Bank, Bank of Korea and BIS.

Dr David holds a Masters in Economics from the Birla Institute of Technology and Science, Pilani, a Diploma in Risk Management in Banking from INSEAD, Paris and a Doctorate in International Economics from the University of Madras.

After his retirement from the RBI in 2018, he has been a Programme Director at the Centre for Advanced Financial Research and Learning, Mumbai and subsequently started a freelance consulting firm providing Advisory Services in Financial Regulation, Risk, Corporate Governance and Compliance. Presently, he is an Advisor to NBFCs and banks and is also serving on the Boards of a few Fintech startups

**Proficiency:**

In compliance with Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014, all the IDs of the Company have registered themselves with the India Institute of Corporate Affairs (IICA), Manesar and have included their names in the databank of Independent Directors within the statutory timeline. They have also confirmed that they will appear for the online proficiency test within a period of one year, wherever applicable.

**Board Committees:**

The Board of Directors in compliance with the requirements of various laws applicable to the Company, as a part of good Corporate Governance practices and for operational convenience, has constituted several committees to deal with specific matters and has delegated powers for different functional areas to different committees.

The Board of Directors has amongst others constituted:

- Audit Committee,
- Asset Liability Management Committee,
- Risk Management Committee,
- Nomination & Remuneration Committee,
- IT Strategy Committee,
- IT Steering Committee,
- Investment Committee

Details with respect to the composition of the Committee are as follows:

***(Intentionally Left Blank)***

**AUDIT COMMITTEE**

<b>S.No.</b>	<b>Name of Director</b>	<b>Designation at Company</b>	<b>Designation at Committee Meeting</b>
1.	Mr. Rohit Kapoor	Independent Director	Chairman
2.	Mr. Sathyan David	Independent Director	Member
3.	Mr. Akshat Vikram Pande	Independent Director	Member
4.	Ms. Ruchi Kalra	CFO and WTD	Member
5.	Mr. Asish Mohapatra	Director	Member

**NOMINATION AND REMUNERATION COMMITTEE**

<b>S.No.</b>	<b>Name of Director</b>	<b>Designation at Company</b>	<b>Designation at Committee Meeting</b>
1.	Mr. Akshat Vikram Pande	Independent Director	Chairman
2.	Mr. Rohit Kapoor	Independent Director	Member
3.	Mr. Vasant Sridhar	Director	Member
4.	Mr. Asish Mohapatra	Director	Member

**RISK MANAGEMENT COMMITTEE**

<b>S.No.</b>	<b>Name of Director</b>	<b>Designation at Company</b>	<b>Designation at Committee Meeting</b>
1.	Mr. Sathyan David	Independent Director	Chairman
2.	Mr. Akshat Vikram Pande	Independent Director	Member
3.	Ms. Ruchi Kalra	CFO & WTD	Member
4.	Mr. Asish Mohapatra	Director	Member

**ASSETS LIABILITY COMMITTEE**

<b>S.No.</b>	<b>Name of Director</b>	<b>Designation at Company</b>	<b>Designation at Committee Meeting</b>
1.	Ms. Ruchi Kalra	CFO & WTD	Chairperson
2.	Mr. Akshat Vikram Pande	Independent Director	Member
3.	Mr. Vasant Sridhar	Director	Member

**IT STEERING COMMITTEE**

<b>S.No.</b>	<b>Name of Director</b>	<b>Designation at Company</b>	<b>Designation at Committee Meeting</b>
1.	Ms. Ruchi Kalra	WTD & CFO (Business Owner)	Chairperson
2.	Mr. Dhruva Shree Agrawal	IT development	Member
3.	Mr. Asish Mohapatra	Director	Member



### IT STRATEGY COMMITTEE

S.No.	Name of Director	Designation at Company	Designation at Committee Meeting
1.	Mr. Sathyan David	Independent Director	Chairman
2.	Mr. Dhruva Shree Agrawal	IT development	CTO & CIO
3.	Mr. Asish Mohapatra	Director	Member

### INVESTMENT COMMITTEE

S. No.	Name of the Director	Designation at Company	Designation Committee Meeting
1.	Ms. Ruch Kalra	WTD & CFO (Business Owner)	Chairperson
2.	Mr. Asish Mohapatra	Director	Member
3.	Mr. Lokesh Garg	VP, Finance-Ofbusiness	Member
4.	Mr. Prashant Roy Sharma	Head, Corporate Finance	Member

### TERM OF REFERENCE OF THE BOARD COMMITTEES:

The term of reference of the Board Committees like Audit Committee, Nomination remuneration committee, Risk Management committee, ALCO Committee, IT Strategy committee, IT Steering Committee, Investment Committee are provided in the Corporate Governance Guidelines. The Guidelines are available at the Website of the Company [www.oxyzo.in](http://www.oxyzo.in).

### Key Managerial Personnel (“KMP”):

During the period under review there were no changes in the KMPs of the Company. Following are the KMPs of the Company as on date of this Board’s Report:

1. Ms. Ruchi Kalra - Whole-time Director & Chief Financial Officer
2. Mr. Brij Kishore Kiradoo - Company Secretary & Compliance Officer

Your Company has adopted a ‘Policy on Selection Criteria/ “Fit & Proper” Person Criteria’ inter-alia setting out parameters to be considered for appointment of Directors and Key Managerial Personnel of the Company

### RBI DIRECTIONS

Your Company complies with the direction(s), circular(s), notification(s) and guideline(s) issued by the Reserve Bank of India as applicable to your company as a systemically important non-deposit taking non-banking financial company.

Your Company has complied with the provision of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 with respect to the downstream investments made by it during the year under review.

### COMPLIANCE WITH SECRETARIAL STANDARDS

In terms of section 118 (10) of the Act, your company is in compliance with Secretarial Standards (SS-1) on Meetings of the Board of Directors and Secretarial Standards (SS-2) on General Meeting specified by the Institute of Company Secretaries of India constituted under section 3 of the Company Secretaries Act, 1980.

## CREDIT RATING(S)

The ICRA Limited (ICRA), CARE Rating and BWR Rating have assigned following ratings to your company during the period under review:

<b>Instrument</b>	<b>Rating Agency</b>	<b>Rating</b>
Commercial Paper	ICRA	<b>[ICRA] A2</b>
Non-Convertible Debentures	ICRA	<b>[ICRA] BBB (Stable)</b>
Non-Convertible Debentures	BWR Rating	<b>BWR A-(CE) Stable</b>
Non-Convertible Debentures	CARE Rating	<b>CARE BBB Stable</b>
LT Market Linked Debenture	ICRA	<b>PP-MLD [ICRA] BBB (Stable)</b>
Long Term Bank Lines	ICRA	<b>Provisional [ICRA] A-(CE) (Stable)</b>
Short Term/Long Term Bank Line	CARE Rating	<b>CARE BBB Stable/CARE A2</b>
Issuer Rating	ICRA	<b>[ICRA] BBB (Stable)</b>

## DECLARATION BY INDEPENDENT DIRECTOR

The independent directors have submitted the declaration of independence, as required pursuant to section 149(7) of the Companies Act, 2013, stating that they meet the criteria of independence as provided in section 149(6) of the said Act.

## 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.

## REMUNERATION POLICY, DISCLOSURE OF REMUNERATION & PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 197(12) of the Act read with Rules 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the ratio of remuneration of each Director to the median employee's remuneration and other details in terms of Section 197(12) of the Companies Act, 2013 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as part of this report at **Annexure-III**.

### Remuneration Policy's Salient Feature:

The Board of Directors adopted a "**Remuneration Policy**" inter-alia setting out the directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178 of Companies Act, 2013.

This Policy on Remuneration was prepared pursuant to Non-Banking Financial Company –Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, Annex XIII and Section 178 of the Companies Act, 2013 and any other applicable provisions (including any statutory modifications or re-enactments thereof, for the time being in force). The policy was approved by the Board of Directors and made effective from 21 August 2019. The update policy is placed at OXYZO website "[www.oxyzo.in](http://www.oxyzo.in)"

## STATUTORY AUDITOR

**B S R & Associates LLP, Chartered Accountants (Firm Reg No. 116231W/ W-100024)** was appointed as Statutory Auditors of the company by the Members 's consent from the conclusion of Second Annual General Meeting held on September 28,2018 till the conclusion of Annual General Meeting to be held in the Year 2022. During the period under review, B S R & Associates, Statutory Auditor of the Company has resigned from the position of Statutory Auditor of the company vide their resignation letter dated October 16, 2019.

Corollary, OXYZO Financial Services Private Limited, was obliged to meet statutory compliance related to Auditor appointment, therefore the Audit Committee of the Company has recommended **Deloitte Haskins and Sells, Chartered Accountant (Firm Reg. No.015125N)** to be appointed as statutory Auditor of the Company pursuant to applicable provisions of Companies Act, 2013 and rules made thereunder and RBI Master Director - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended time to time and Circular/Guideline of Securities and Exchange Board of India, if any, in its Committee Meeting held on October 31, 2019. The Board has also approved the same via a Board Meeting held on same day post taking into consideration the Eligibility Certificate furnished by the Auditor under section 141(1) of the Companies Act, 2013.

Imperatively, on the recommendation of Audit Committee and Board of Directors, the Shareholders has appointed **Deloitte Haskins and Sells, Chartered Accountant (Firm Reg No.-015125N)** as the Statutory Auditor of the company w.e.f. November 01,2019, through Extra ordinary General Meeting to hold office until the conclusion of ensuing Annual General Meeting at a remuneration mutually agreed upon decided by the Board of Directors and such Auditor.

## AUDITORS REPORT

### Statutory Auditor Report:

The Statutory auditor's in their report dated June 25, 2020 on the financial statements of your Company for Financial Year ended have not submitted any reservations, qualifications, adverse remarks.

During the year under review, the Statutory Auditors have not reported any instances of fraud in the Company committed by officers or employees of the company to the Audit Committee.

### Secretarial Auditor Report:

In terms of Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014, **M/s Jhamb & Associates (ACS-41091, CP-22129)** Company Secretaries has been appointed as Secretarial Auditor of the company for F.Y. 2019-20.

M/s Jhamb & Associates, Practicing Company Secretary in their report on Secretarial audit (Annexure-IV) of your company for the Financial Year ended March 31, 2020, has not submitted any reservations, qualifications, adverse remarks or disclaimers.

### Information Technology and General Control (IS Audit):

**M/s AARK & Co. LLP, Chartered Accountants**, an external agency has been appointed as the IT/IS audit of your company for F.Y. 2019-20. The Information System Audit approach relies extensively on automated controls and therefore on the effectiveness of control over the IT System. The IS Auditor in their report on Information Technology and General Control of your company for the Financial Year ended March 31, 2020,

identified risk based IT/IS audit scope; and assesses the inherent risk in the processes and activities of IT departments to ensure that appropriate risk management limits, control mechanisms and mitigation strategies are in place. The observations made by the Auditor and the compliances thereof are placed before the Board or Audit Committee for their discussion and actions.

The Board explains that the Auditors reports' observations are relating to the deficiencies / non-compliance of various audit areas and give suggestions / recommendations and control directives to mitigate the shortcomings and make the process, procedure, systems and functions more robust, accountable, reliable and compliant.

## **INTERNAL FINANCIAL CONTROLS**

Your Company's well-defined organizational structure, documented policies, defined authority matrix and internal controls ensure the efficiency of operations, compliance with internal systems/policies and applicable laws. The Internal Control system/policies of your company are supplemented with internal audits, regular reviews by management and checks by external auditors. The Audit Committee and the Board of Directors monitor the internal control systems/policies of your company. The Risk Management Committee and/or the Audit Committee periodically review various risk associated with the business of the Company along with the risk mitigants and ensure that they have an integrated view of risks faced by the company. The Board of Directors are of the view that your Company's internal control systems are commensurate with the nature of its business, size and complexity of its operations.

**M/s Nucleus AAR Advisor LLP, Chartered Accountants**, has been appointed as Internal Auditor of your company on October 25, 2019 for F.Y.2019-20. The Internal Audit approach relies extensively on automated controls and therefore on the effectiveness of control over overall internal System. The Auditor in their report identified risk based internal audit scope and assesses the inherent risk in the processes and activities of all departments to ensure that appropriate risk management limits, control mechanisms and mitigation strategies are in place. The observations made by the Auditor and the compliances thereof are placed before the Board or Audit Committee for their discussion and actions.

The Board explain that the Auditors reports' observations are relating to the deficiencies / non-compliance of various audit areas and give suggestions / recommendations and control directives to mitigate the shortcomings and make the process, procedure, systems and functions more robust, accountable, reliable and compliant.

## **ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS**

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") is mentioned under Annexure A to the Independent Auditor's Report. (Auditor Report as part of Annual Report)

## **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The provisions of Section 135 of Companies Act, 2013 and rules made thereunder; related to Corporate Social Responsibility are not applicable on the Company in the Financial Year ended March 31, 2020, but as per the Audited Financial Statement as at March 31, 2020, there is applicability of CSR in the F.Y. 2020-21. Accordingly, your company will comply with applicable laws in ensuing financial year and shall place CSR Policy at the website as and when such policy is adopted by the Board.

## **RISK MANAGEMENT FRAMEWORK**

Your Company has in place a mechanism to identify, assess, monitor and mitigate various risk associated with the business of the Company. Major risk identified by the business and functions, if any, systematically addressed through mitigating actions on a continuing basis. The Board of Directors have adopted a '**Risk Management Policy**' which inter-alia integrates various elements of risk management into a unified enterprise-wide policy.

The Risk Management Committee of the Company has not identified any elements of risk which in their opinion may threaten the existence of your company.

## **DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES**

Your company promotes the ethical behavior and has put in place a mechanism for reporting illegal or unethical behavior. Your company has a "**Vigil Mechanism and Whistle-blower policy**" under which the employees are free to report violations of applicable laws and regulations and the code of conduct. Employees may report their genuine concerns to Ashish Kumar (HR Head). In exceptional case, the vigil mechanism shall provide direct access to the Chairperson of the Audit Committee. During the year under review, no employee was access to the HR Head or Audit Committee.

The details of establishment of such mechanism has been disclosed on the website-<https://www.oxyzo.in/whistle-blower-policy>

## **KEY AWARD AND RECOGNITION**

During the period under review, Ofbusiness has been recognized as Top Fintech Startups in India by Soonicorn Club 2020. Also, Financial Times ranking: Asia Pacific High-Growth Companies has awarded the "Ofbusiness" on 17<sup>th</sup> position with the absolute revenue growth rate for the period 2015-2018 of 3931.3%. This goes to prove the confidence to all employees have in your company and commends on the efforts taken by the management towards building an impeccable performance-based organization.

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

Consistent with its core values, your company is committed to create an environment in which all individuals are treated with respect and dignity and to promote a gender sensitive and safe work environment. Accordingly, the Board of Directors adopted a "**POSH Policy**" and also constituted an Internal Complaints Committee, in compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

Considering the geographic diversification throughout the country and increase in number of employees, the Board of Directors also constituted Regional Internal Complaints Committees for North, West and South regions.

During the year under review, no complaints related to sexual harassment were received by the Internal Complaints Committee and the Regional Internal Complaints Committees.

**MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:**

During the period under review, your company signify following material changes affecting the financial position of the company:

**1. Ind AS Transition:**

The Company has adopted Ind AS from April 01, 2019 with an effective date of April 01, 2018 for such transition. For the periods up to and including the year ended March 31, 2019, your company had prepared and presented its financial statements in accordance with the erstwhile Generally Accepted Accounting Principles in India ("Indian GAAP"). To give the transition to Ind AS, the financial statement for the year ended at March 31, 2020 together with the comparative financial information for the previous year ended March 31, 2019 and the transition date Balance Sheet as at April 01, 2018 have been prepared under Ind AS.

This transition has involved significant change in the Company's policies and processes for financial reporting, including generation of supportable information and applying estimates to inter-alia determine the impact of Ind AS on accounting and disclosures requirement prescribed under extant RBI directions.

**2. Expected Credit Losses:**

The Expected Credit Loss("ECL") is a new credit loss accounting concept that replaces the current allowance for credit loss concept. The ECL focuses on estimation of expected losses over life of the loans (and other financial assets), while the current standard relies on incurred losses and/or general management estimates.

In order to mitigate the impact of credit risk in the future profitability, the Company makes reserves basis the expected credit loss (ECL) model for the outstanding loans as balance sheet date. In addition to ECL output, the Company has taken conservative view through specific provisions.

Credit risk exposure and impairment loss allowance:

**Amount in Lakhs**

	As at March 31,2020		As at March 31,2019	
	Exposure	Impairment Allowance	Exposure	Impairment allowance
Credit impaired loan assets (Default event triggered) (Stage 3)	832.16	574.64	361.53	100.12
Loan assets having significant increase in credit risk (Stage 2)	3,063.44	249.29	860.60	27.24
Other loan assets (Stage 1)	87,305.22	435.97	34,950.90	100.51
Impairment on account of COVID-19	-	154.12	-	
<b>Total</b>	<b>91,200.82</b>	<b>1,414.02</b>	<b>36,173.03</b>	<b>227.87</b>
An analysis of Expected credit loss rate:				

	As at March 31,2020		As at March 31,2019	
Stage-1		0.50%		0.29%
Stage-2		8.14%		3.17%
Stage-3		69.05%		27.69%
<b>Total</b>		<b>1.55%</b>		<b>0.63%</b>

### 3. COVID -19 Pandemic:

The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. Consequent lockdown restrictions during the last quarter of the Financial Year ended March 31, 2020 and thereafter, imposed by the Government has impacted your company's Business. The Lockdown and Disruption is unforeseen and beyond the control of your company which leads to distort the operations of your company.

The company's AUM stood at INR 89,786.80 lakhs. registering a growth of 149.8% over the previous year. The company missed the opportunity of approx. INR 7,000 lakhs disbursement in March 2020 because of Covid restrictions along with drop during lockdown, potentially taking the AUM to approx. INR 96,786.80 lakhs.

Reserve Bank of India (RBI) has issued guidelines relating to COVID-19 Regulatory Package dated 27 March 2020 and 17 April 2020 and in accordance therewith, the Company in accordance with its board approved policy has offered a moratorium for eligible borrowers on the payment of principal EMI installments and/or interest, falling due between March 01, 2020 and May 31, 2020 excluding the collection already made in the month of March 2020. Further the Company is evaluating the Reserve Bank of India (RBI) guidelines relating to COVID-19 Regulatory Package dated 23 May 2020 and the Company shall follow a similar process to adopt a Board approved policy for moratorium extension basis. For all such accounts where moratorium is granted, the asset classification will remain standstill during the moratorium period ( i.e the number of days past due shall exclude moratorium period for the purpose of asset classification as per the prudential norms).

Accordingly, the provision for expected credit loss on financial assets as at 31 March 2020 aggregates Rs. 1,414.02 lakh (as at 31 March 2019, Rs. 227.87 lakh) which includes potential impact on account of the pandemic in current year of Rs. 154.12 lakh.

Further, your company has taken all measures in disclosing the impact of the CoVID-19 pandemic on the Business and complied with all advisory Circulars issued by the Securities Exchange Board of India from time to time.

Company has not opted for moratorium benefits on the loan o/s from any of its lenders. On cost monitoring, the company is taking various initiatives to enhance the efficiency of the employees, cutting on operating expenses.

**Apart from above there have been no material changes and commitments that would affect the financial position of the company in the financial year of the company to which the financial statements related and the date of the director's report.**

## **DIRECTOR'S RESPONSIBILITY STATEMENT**

To the best of our knowledge and belief and according to the information and explanations obtained by us, pursuant to the provisions of Section 134(5) of the Companies Act, 2013, the Directors hereby confirm that:

- (a) in the preparation of the annual accounts for the financial year ended March 31, 2020, the applicable accounting standards had been followed and no material departures have been made from the same ;
- (b) the directors had 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 and loss of the company for that period;
- (c) the directors had 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 had prepared the annual accounts on a going concern basis; and
- (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
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **PERFORMANCE EVALUATION**

In terms of the provisions of Section 134 of the Companies Act, 2013, Performance appraisal framework was formulated by the Nomination and Remuneration Committee (NRC) and adopted by the Board. NRC has evaluated the performance of the Board as a whole and the Committees of the Board. The Board in consultation with the NRC has evaluated the performance of the Individual Directors (including Independent Directors and Non-Executive Directors). The main criteria on which the evaluations were carried out were the contribution of the Director in the various deliberations and discussions at the Board and its Committee meetings on matters related to strategy, risk, business performance and growth as well as awareness on norms relating to Corporate Governance, disclosure and legal compliances and contribution of new insights and ideas on business management and growth.

## **DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT**

Auditor of a company in the course of the performance of his duties as auditor, has no reason to believe that an offence of fraud involving such amounts as prescribed under the Act , has been committed in the company by its officers or employees, and no such report made to the Central Government.

Further, to apprise you that there is no such matter on which auditors have reported frauds to the audit committee or the Board but not reported to the Central Government.

## **SIGNIFICANT AND MATERIAL ORDER PASSED BY REGULATOR**

During the period under review your Company has received the First Show Cause Notice ("SCN") issued under rule 4(1) of SEBI (Procedure for holding Inquiry and Imposing Penalties by the Adjudicating Officer)



Rules, 1995. Your Company has replied with best of its intention and information to the hon'ble regulator and the order of SEBI/Adjudicating Officer is still pending on the matter.

Further, your company has complied with the relevant byelaws/regulation/circular/notices/guidelines as may be issued by the Regulatory Authority from time to time. Furthermore, there is no significant and material orders passed by the regulator or court or tribunals impacting the going concern status and Company's operations in future.

### **COST RECORDS**

For the purposes of sub-section (1) of section 148 of the Act. The Company is neither engaged in the production of the goods or providing services as specified in the Act and nor having an overall turnover from all its products and services of rupees thirty-five crore or more during the immediately preceding financial year, hence Company is not required to include cost records for any product or services in their books of account.

### **ACKNOWLEDGEMENTS**

The Directors take this opportunity to express their appreciation to all stakeholders of the Company including the Reserve Bank of India, the Ministry of Corporate Affairs, the Securities Exchange Board of India, the Government of India and other Regulatory Authorities, the BSE Limited, the Depositories, Bankers, Financial Institutions We thank our customers, business associates for their continued support during the financial year. We also place on record our sincere appreciation for the enthusiasm and commitment of Company's employees for the growth of the Company and look forward to their continued involvement and support.

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

**SD/-  
Ruchi Kalra  
CFO and WTD  
DIN:03103474  
Add: Shop No. G-22 C (UGF) D-1 (K-84)  
Green Park, Main New Delhi, South Delhi -110016**

**SD/-  
Asish Mohapatra  
Director  
DIN : 06666246  
Add: Shop No. G-22 C (UGF) D-1 (K-8  
Green Park, Main New Delhi, South Del  
-110016**

**Dated : June 25, 2020  
Place : Gurgaon, Haryana**

**ANNEXURE-I****Form No. MGT-9****EXTRACT OF ANNUAL RETURN****As on the financial year ended on 31<sup>st</sup> March 2020****[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]****I. REGISTRATION AND OTHER DETAILS:**

i)	CIN	U65929DL2016PTC306174
ii)	Registration Date	21-09-2016
iii)	Name of the Company	OXYZO Financial Services Private Limited
iv)	Category / Sub-Category of the Company	Private Limited Company
v)	Address of the Registered office and contact details	Shop No. G-22 C (UGF) D-1 (K-84) Green Park Main New Delhi South Delhi DL 110016 IN
vi)	Whether listed company Yes / No	Yes, Only Debt Listed
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	<b>Kfin Technologies Private Limited</b> Karvy Selenium, Tower – B Plot No. 31 & 32, Financial District, Nanakramguda, Hyderabad-500032, Telangan

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated: -

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Other Financial Services activities, except insurance and pension funding activities	Section K, Group 649	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	OFB Tech Private Limited Shop No. G-22 C (UGF) D-1 (K-84) Green Park Main New Delhi South Delhi DL 110016	U74140DL2015PTC284428	Holding	100	2 (46)

2.	OFCONS Projects and Services Private Limited  Shop No. G-22 C (UGF) D-1 (K-84) Green Park Main New Delhi South	U74999DL2018PTC3 31298	Subsidiary of OFB Tech Pvt. Ltd. (Sister Concern)	Nil	2(87)
3.	SagarAsia Universal Private Limited  # 201 & 203, MAY FAIR BUILDING SARDAR PATEL ROAD SECUNDERABAD Hyderabad TG 500003 IN	U29309TG2018PTC1 23057	Subsidiary of OFCONS Projects and Services Private Limited	NIL	2 (87)
4.	OFB Data Technologies Private Limited  G-22 C (UGF) D-1 (K-84) Green Park Main, New Delhi South Delhi DL 110016 IN, New Delhi, South Delhi, Delhi, India, 110016	U74999DL2020PTC3 63573.	Subsidiary of OFB Tech Pvt. Ltd. (Sister Concern)	NIL	2 (87)

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				Change during the year(in times)
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.Promoters</b>									
<b>(1) Indian</b>									
a)Individual/HUF	-	-	-	-	-	-	-	-	-
b)Central Govt	-	-	-	-	-	-	-	-	-
c)State Govt	-	-	-	-	-	-	-	-	-
d)Bodies Corp.*	-	3,55,26,881	3,55,26,881	100%	-	4,77,47,970	4,77,47,970	100%	34.40%
e)Banks/FI	-	-	-	-	-	-	-	-	-
f)Any other....	-	-	-	-	-	-	-	-	-
<b>Sub-total(A)(1)</b>	-	3,55,26,881	3,55,26,881	100%	-	4,77,47,970	4,77,47,970	100%	34.40%



c)Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)									
C.Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	<b>3,55,26,881</b>	<b>3,55,26,881</b>	<b>100%</b>	-	<b>4,77,47,970</b>	<b>4,77,47,970</b>	<b>100%</b>	<b>34.40%</b>

**\*Above Promoter Shareholding includes 10 Equity Shares held by Ms. Ruchi Kalra as nominee of OFB Tech Private Limited**

**(ii) Shareholding of Promoters**

S.No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	
1	OFB Tech Private Limited	3,55,26,881	100%	Nil	4,77,47,970	100%	NIL	34.40%
	<b>Total</b>	<b>3,55,26,881</b>	<b>100%</b>	<b>Nil</b>	<b>4,77,47,970</b>	<b>100%</b>	<b>NIL</b>	<b>34.40%</b>

**\*Above Promoter Shareholding includes 10 Equity Shares held by Ms. Ruchi Kalra as nominee of OFB Tech Private Limited**

**(iii) Change in Promoters' Shareholding (please specify, if there is no change) –**

Sl. No.	Shareholder Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	<b>OFB Tech Private Limited</b>				
	<b>At the beginning of the year</b>	3,55,26,881	100%	4,77,47,970	100%
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus / sweat equity etc):	<b>Date</b>	<b>Reason</b>	<b>No. of Shares</b>	<b>% Total shares</b>
		April 30, 2019	Allotment of equity shares	8,13,600	100%
		May 06, 2019	Allotment of equity shares	4,06,800	100%
		May 30, 2019	Allotment of equity shares	8,13,600	100%
		June 07, 2019	Allotment of equity shares	4,06,800	100%
		June 17, 2019	Allotment of equity shares	4,06,800	100%
		June 29, 2019	Allotment of equity shares	8,13,600	100%
		July 03, 2019	Allotment of equity shares	4,06,800	100%
		July 26, 2019	Allotment of equity shares	5,69,520	100%
		September 03, 2019	Allotment of equity shares	4,06,800	100%

		September 06, 2019	Allotment of equity shares	8,13,600	100%
		September 21, 2019	Allotment of equity shares	7,75,995	100%
		September 23, 2019	Allotment of equity shares	2,06,932	100%
		October 29, 2019	Allotment of equity shares	3,62,132	100%
		October 31, 2019	Allotment of equity shares	2,58,665	100%
		November 01, 2019	Allotment of equity shares	2,58,665	100%
		November 08, 2019	Allotment of equity shares	4,13,865	100%
		November 22, 2019	Allotment of equity shares	16,55,461	100%
		November 29, 2019	Allotment of equity shares	2,58,665	100%
		February 03, 2020	Allotment of equity shares	7,75,995	100%
		March 12, 2020	Allotment of equity shares	3,62,132	100%
		March 24, 2020	Allotment of equity shares	5,17,331	100%
		March 27, 2020	Allotment of equity shares	5,17,331	100%
	At the End of the year			4,77,47,970	100%

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	-				
	At the beginning of the year	-	-	-	-
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus / sweat equity etc):	Date	Reason (No. of Shares)	No. of Shares	% Total shares
		-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)	-	-	-	-

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Director and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	OFB Tech Private Limited ( Asish Mohapatra- Non Executive Director( w.e.f 05-02-2019 ) is Authorised Person on behalf of OFB Tech Pvt. Ltd. )	3,55,26,881	100%	4,77,47,970	100%
	*Above Shareholding includes 10 Equity Shares held by Ms. Ruchi Kalra (CFO and WTD nominee of OFB Tech Private Limited – w.e.f 05 -02-2019) as				

## V. IND EBTEDNESS

Indebtedness of the Company including interest outstanding/ accrued but not due for payment -

Particulars	Amount in Lakhs		
	Secured Loan	Unsecured Loan	Total
Indebtedness at the beginning of the financial year			
i)Principal Amount	24,790.51	1,100.00	25,890.51
ii)Interest due but not paid	-	-	-
iii)Interest accrued but not due	184.22	11.76	195.98
Total (i+ii+iii)	24,974.73	1,111.76	26,086.49
Change in Indebtedness during financial year			
Addition	72,515.59	4,426.38	76,941.97
Reduction	36,532.84	4,011.76	40,544.60
Net Change	35,982.75	414.62	36,397.37
Indebtedness at the end of the financial year			
i)Principal Amount	60,494.69	1,500.00	61,994.69
ii)Interest due but not paid	-	-	-
iii)Interest Accrued but not due	462.79	26.38	489.17

\*No D eposit in the Company.

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl.No.	Particulars of Remuneration	Amount in Lakhs		
		Ruchi Kalra	Vasant Sridhar	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	18,80,196	29,62,454	48,42,650
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	32,400	32,400	64,800
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-
2	Stock Option	-	8,73,197	8,73,197
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- As % of profit	-	-	-
	- Others, specify....	-	-	-
5	Others, please specify	5,89,200	6,77,200	12,66,400
	Total (A)	25,01, 796	45,45,251	70,47,047
	Ceiling as per the Act			

B. Remuneration to other directors:

Sl.No	Particulars of Remuneration	Name of Directors			Total
		Sathyan David	Akshat Vikram Pande	Rohit Kapoor	
1	Independent Directors				
	Fee for attending board and committee meetings	1,50,000	1,00,000	50,000	3,00,000
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	1,50,000	1,00,000	50,000	3,00,000
2	Other Non-Executive Directors	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B) = (1+2)	1,50,000	1,00,000	50,000	3,00,000
	Total Managerial Remuneration				
	Overall Ceiling as per the Act				

# No Pecuniary relationship or transaction of the Non- Executive Directors vis-a vis the Company.

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/ WTD

Sl.No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross Salary	Nil			



	(a)Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		8,23,657	18,80,196	27,03,853
	(b)Value of perquisites u/s 17(2) Income-tax Act, 1961		4,89,979	32,400	5,22,379
	(c)Profits in lieu of salary under section 17(3) Income-tax Act, 1961		-	-	-
2	Stock Option		2,95,604	-	2,95,604
3	Sweat equity		-	-	-
4	Commission		-	-	-
	-as % of profit		-	-	-
	-others, specify...		-	-	-
5	Others, please specify		-	5,89,200	5,89,200
	Total	-	16,09,240	25,01,796	41,11,036

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give details)
A. Company					
Penalty					
Punishment					
Compounding					
B. Directors					
Penalty					
Punishment					
Compounding					
C. Other Officers in Default					
Penalty					
Punishment					
Compounding					

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

SD/-  
Ruchi Kalra  
CFO and WTD  
DIN:03103474  
Add: Shop No. G-22 C (UGF) D-1 (K-84)  
Green Park, Main New Delhi, South Delhi -110016

SD/-  
Asish Mohapatra  
Director  
DIN : 06666246  
Add: Shop No. G-22 C (UGF) D-1 (K-84)  
Green Park, Main New Delhi, South Delhi -  
110016

Dated: June 25, 2020  
Place : Gurgaon, Haryana

**ANNEXURE II**  
**FORM NO. AOC -2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	<b>NA</b>
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions'	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	OFB Tech Private Limited (Holding Company) & Ofcons Projects and Services Private Limited (Fellow Subsidiary)
b)	Nature of contracts/arrangements/transaction	<ol style="list-style-type: none"> <li>1. Intercompany Loan Agreement with OFB</li> <li>2. Technical Support Agreement with OFB</li> <li>3. Common Sharing Agreement with OFB</li> </ol>
c)	Duration of the contracts/arrangements/transaction	As per the Agreement and as mentioned under <b>Appendix A</b>
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	As per <b>Appendix A</b> attached
e)	Date of approval by the Board	As per <b>Appendix A</b>
f)	Amount paid as advances, if any	N.A.

## **Appendix- A**

### **1. Intercompany Loan Agreement:**

The agreement was made on April 16, 2018 between OFB Tech Private Limited and OXYZO Financial Services Private Limited and salient terms of agreement are as follows:

- a) Nature of Facility: Working Capital Loan repayable on demand.
- b) Interest: 10%p.a.
- c) Repayment: Interest-monthly  
Principal-Repayable on demand
- d) Term: Effective from November 01, 2017 and shall remain in full force and effect until it is terminated in accordance with the terms of Agreement.
- e) Use of Funds: Utilized for the working capital requirement.

### **2. Technical Support Agreement:**

The agreement was made on April 16, 2018 between OFB Tech Private Limited and OXYZO Financial Services Private Limited where OFB Tech Private Limited shall provide Information Technology Services to OXYZO Financial Services Private Limited w.e.f. November 01, 2017. The description of which is mentioned in the agreement.

### **3. Common Sharing Agreement:**

The agreement was made on April 16, 2018 between OFB Tech Private Limited and OXYZO Financial Services Private Limited and salient terms of the agreement are as follows:

- a) Shared Services: The OXYZO Financial Services Private Limited shall use the following facilities on a cost to cost basis:
  - Office space and its maintenance;
  - Electricity;
  - Telecommunication etc.
- b) Term: Effective from November 01, 2017 and shall remain in full force and effect until it is terminated in accordance with the terms of Agreement.

#### **Value of Transaction:**

**(Amount in Lakhs)**

<b>Nature of Transaction</b>	<b>Value as at 31-03-2020 (INR)</b>
Common Sharing Agreement (Including Technical Support) with OFB Tech Private Limited	Rs.760.72/-
Inter Company Loan Agreement with OFB Tech Private Limited	Rs.31,322.09/-
Issue of Share Capital to OFB Tech Private Limited	Rs. 19,499.95/-
Guarantee given to lenders on behalf of the company	Rs.59,994.69/-
Transaction with Ofcons Projects and Services Private Limited (Fellow Subsidiary)	Rs.74.52/-

**For OXYZO Financial Services Private Limited**

**SD/-**

**Ruchi Kalra**

**CFO and WTD**

**DIN:03103474**

**Add: Shop No. G-22 C (UGF) D-1 (K-84)**

**Green Park, Main New Delhi, South Delhi -110016**

**Dated : June 25, 2020**

**Place : New Delhi**

**SD/-**

**Asish Mohapatra**

**Director**

**DIN : 06666246**

**Add: Shop No. G-22 C (UGF) D-1**

**(K-84) Green Park, Main New Delhi,**

**South Delhi -110016**

### Annexure III

#### DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF [THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014]

**(Pursuant to Rule 5 (1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)**

- i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2019-20 and
- ii) Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20 are as under:

S. No.	Name of Director/KMP and Designation	Remuneration of Director/ KMP for financial year 2019-20 (In Lacs)	% increase in Remuneration in the Financial Year 2019-20	Ratio of remuneration of each Director/ to median remuneration of employees for financial year 2019-20
1.	Ruchi Kalra- CFO and WTD	<b>25,01,796</b>	-12%	3.75
2.	Asish Mohapatra- Non-Executive Director	<b>24,00,000</b>	-9%	3.60
3.	Vasant Sridhar- Executive Director	<b>36,72,054</b>	5%	5.50
4.	Akshat Vikram Pande- Independent Director	NA	NA	NA
5.	Rohit Kapoor- Independent Director	NA	NA	NA
6.	Sathyan David- Independent Director	NA	NA	NA
7.	Brij Kishore Kiradoo- Company Secretary	<b>9,17,257</b>	39%	1.37

(iii) the percentage increase in the median remuneration of employees in the financial year: **3.71%**

(iv) the number of permanent employees on the rolls of company (at the end of year): **279**

(v) average percentile increases already made in the salaries of employees other than the managerial personnel (managing director; or whole-time director or manager) in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: **3.53%**

(vi) affirmation that the remuneration is as per the remuneration policy of the company.: **Remuneration Policy was approved in the Board Meeting held on August 21, 2019.**

*Explanation. - the expression "median" means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one;*

(ii) if there is an even number of observations, the median shall be the average of the two middle values.

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said Rules are being sent to the members and others entitled thereto. If any, member is interested in obtaining a copy thereof, such member may write to [compliance@oxyzo.in](mailto:compliance@oxyzo.in)

**The name of every employee, who-**

- (i) If employed throughout the financial year ended on March 31, 2020, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees: **NA**
- (ii) If employed for a part of the financial year ended on March 31, 2020, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month: **NA**
- (iii) if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company: **NA**
- (iv) the percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) above; **NA**
- (v) whether any such employee is a relative of any director or manager of the company: **No**

**For OXYZO Financial Services Private Limited**

**SD/-  
Ruchi Kalra  
CFO and WTD  
DIN:03103474  
Add: Shop No. G-22 C (UGF) D-1 (K-84)  
Green Park, Main New Delhi, South Delhi -110016**

**SD/-  
Asish Mohapatra  
Director  
DIN : 06666246  
Add: Shop No. G-22 C (UGF) D-1 (K-84)  
Green Park, Main New Delhi, South Del  
-110016**

**Dated : June 25, 2020  
Place : Gurgaon, Haryana**

# JHAMB & ASSOCIATES

(Company Secretaries & Registered Valuers)



07.09.2020

To,

The Board of Directors,  
OXYZO FINANCIAL SERVICES PRIVATE LIMITED  
101, First Floor Vipul Agora Mall, MG Road Gurgaon 122002

Subject: **SECRETARIAL AUDIT REPORT**

*Dear Sir/Madam,*

With reference to the emails and management representation letter signed on 5<sup>th</sup> day of September, 2020 and on the basis of information and documents provided to us, we hereby submitting our report on secretarial audit of the Company.

**Thanks & Regards**  
**For Jhamb & Associates**  
**(Company Secretaries & Registered Valuers)**

**SD/-**  
**Hitesh Jhamb**  
**(Proprietor)**  
**M. No. A41091**



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# JHAMB & ASSOCIATES

(Company Secretaries & Registered Valuers)



**COP No. 22129**

Enclosure: **Secretarial Audit Report**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2020**

**[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]**

To,  
The Members,  
OXYZO FINANCIAL SERVICES PRIVATE LIMITED

I/We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by OXYZO FINANCIAL SERVICES PRIVATE LIMITED (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my Opinion thereon.



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# JHAMB & ASSOCIATES

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Based on my/our verification of the OXYZO FINANCIAL SERVICES PRIVATE LIMITED 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/We hereby report that in my/our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2020, 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/we have examined the books, papers, minute books, forms and returns filed and other records maintained by OXYZO FINANCIAL SERVICES PRIVATE LIMITED (“The Company”) for the financial year ended on 31<sup>st</sup> March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under;
- (iii) Specific provisions of the Depositories Act, 1996 and the Regulations and Bye-laws Framed there under;



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(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings. **Not applicable upon the Company during the Financial Year under review.**

(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; **Not applicable as the Company is not equity listed.**

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not applicable as the Company is not equity listed.**

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **Not applicable upon the Company during the Financial Year under review.**

(e) The Securities and Exchange Board of India (Issue and Listing



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of Debt Securities) Regulations, 2008;

- (f) 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; **Not applicable as the Company is not Registrar and Share Transfer Agent.**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **Not applicable as the Company is not equity listed.**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not applicable as the Company is not equity listed.**
- (i) Other laws applicable upon the Company are:
  - (i) RBI Regulations for being an NBFC Company
  - (ii) Labour Laws

I/we have also examined compliance with the applicable clauses of the following:

- a. Secretarial Standards issued by The Institute of Company Secretaries of India.



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- b.** The Listing Agreements entered into by the Company with Bombay Stock Exchange(s);

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I/we further report that

The Board of Directors of the Company is 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 is 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 and for meaningful participation at the meeting. Some meetings convened at shorter notice with requisite approvals. Most notices were



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given by hand delivery to Directors and shareholders and few were given via e-mails.

Most decisions are carried unanimously. The dissenting members' views, if any, are captured and recorded as part of the minutes.

**I/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.

## **MANAGEMENT RESPONSIBILITY**

1. 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;
2. I have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I



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believe that the processes and practices, I followed provide a reasonable basis for my opinion;

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. I have not examined any other specific laws except as mentioned above.

5. Wherever required, I have obtained the Management Representation about the compliance of laws, rules and regulation and happening of events etc;

6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification thereof;

7. 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;

**I/we further report that** during the audit period the company has

(a) Increased the Authorized Share Capital by Rs. 11,79,26,460/- in four tranches during the year as follows:

- From Rs. 37,60,00,000 to Rs. 39,63,40,000 on 03.06.2019,



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- From Rs. 39,63,40,000 to Rs. 43,70,20,000 on 01.07.2019,
- From Rs. 43,70,20,000 to Rs. 46,28,86,570 on 08.11.2019 and
- From Rs. 46,28,86,570 to Rs. 49,39,26,460 on 20.11.2019 respectively.

(b) Increased the Paid up Share Capital of the Company by Rs. 12,22,10,890/- from Rs. 35,52,68,810/- to Rs. 47,74,79,700/- in twenty two tranches during the year as follows:

- Allotted 8,13,600 equity shares on 30.04.2019
- Allotted 4,06,800 equity shares on 06.05.2019
- Allotted 8,13,600 equity shares on 30.05.2019
- Allotted 4,06,800 equity shares on 07.06.2019
- Allotted 4,06,800 equity shares on 17.06.2019
- Allotted 8,13,600 equity shares on 29.06.2019
- Allotted 4,06,800 equity shares on 03.07.2019
- Allotted 5,69,520 equity shares on 26.07.2019
- Allotted 4,06,800 equity shares on 03.09.2019
- Allotted 8,13,600 equity shares on 06.09.2019
- Allotted 7,75,995 equity shares on 21.09.2019
- Allotted 2,06,932 equity shares on 23.09.2019



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- Allotted 3,62,132 equity shares on 29.10.2019
- Allotted 2,58,665 equity shares on 31.10.2019
- Allotted 2,58,665 equity shares on 01.11.2019
- Allotted 4,13,865 equity shares on 08.11.2019
- Allotted 16,55,461 equity shares on 22.11.2019
- Allotted 2,58,665 equity shares on 29.11.2019
- Allotted 7,75,995 equity shares on 03.02.2020
- Allotted 3,62,132 equity shares on 12.03.2020
- Allotted 5,17,331 equity shares on 24.03.2020
- Allotted 5,17,331 equity shares on 27.03.2020

(c) Issued 9950 Non-Convertible Debentures in six tranches during the period under review:

- Allotted 100 NCD on 09.07.2019 of Face Value of Rs. 10 Lakh aggregating to Rs. 10 Cr.
- Allotted 200 NCD on 30.07.2019 of Face Value of Rs. 10 Lakh aggregating to Rs. 20 Cr.
- Allotted 1700 NCD on 24.09.2019 of Face Value of Rs. 1 Lakh aggregating to Rs. 17 Cr.



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- Allotted 350 NCD on 12.12.2019 of Face Value of Rs. 10 Lakhs aggregating to Rs. 35 Cr.
- Allotted 5000 NCD on 28.01.2020 of Face Value of Rs. 20,000 aggregating to Rs. 10 Cr.
- Allotted 2600 NCD on 13.03.2020 of Face Value of Rs. 1 Lakh aggregating to Rs. 26 Cr.

(d) Issued Commercial papers of Rs. 15 Crores

<b>Lender's Name</b>	<b>Type of Facility</b>	<b>Amount Sanctioned</b>	<b>Principal Amount Outstanding</b>	<b>Repayment Date/Schedule</b>
Northern Arc Money Market Alpha Trust	Commercial Paper	10 Crores	10 crores	21-04-2020
Northern Arc Money Market Alpha Trust	Commercial Paper	5 Crores	5 crores	28-05-2020

(e) Delisting and Redemption:



RV Reg No. : IBBI/RV/11/2019/12355 GST No.:  
07AREPJ1432E1ZB

Office: A-259, Defence Colony, New Delhi-110024.



Mob: +91-9953001339 / 9654080119;

E-mail: [jassociates.cs@gmail.com](mailto:jassociates.cs@gmail.com); [hiteshjamb66@gmail.com](mailto:hiteshjamb66@gmail.com)

# JHAMB & ASSOCIATES

(Company Secretaries & Registered Valuers)



400 Non-Convertible Debentures issued in two tranches - Series A and B on 18.01.2019 and 30.01.2019 respectively Pre-Redeemed on 12-03-2020

Such Debentures were delisted from Bombay Stock Exchange for the purpose of Redemption thereof on 01-04-2020

(f) Listing:

During the year under review, following Non-Convertible Debentures (NCDs) were listed on Bombay Stock Exchange in the following pattern:

- Listed 1700 Market Linked NCD on BSE on 14.10.2019
- Listed 350 units NCD on BSE on 23.12.2019
- Listed 5000 units of NCD on BSE on 03.02.2020
- Listed 2600 units of NCD on BSE on 24.03.2020

(g) Achieved the status of Systematically important NBFC on June 28, 2019.

(h) Received Show Cause Notice from SEBI pursuant to the provisions of Clause 4(c) of SEBI Circular No IMD/DF/17/2011



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# JHAMB & ASSOCIATES

## (Company Secretaries & Registered Valuers)



September 28, 2011 w.r.t the Market Linked Debentures allotted by Company on 1<sup>st</sup> March, 2019. Reply thereof submitted by Company to SEBI. Order of SEBI is awaited.

- (i) Financial statements of the year 2019-20 are the first financial statements of the Company prepared in accordance with IND AS.
- (j) Section 180 is not applicable upon the Company being a Private Company pursuant to exemptions given to the Private Company.
- (k) Section 185 is not applicable upon the Company being an NBFC Company pursuant to Section 185 (3)(b) of the Companies Act, 2013
- (l) 186 is not applicable upon the Company being an NBFC Company pursuant to Section 186 (11)(a) of the Companies Act, 2013 read with Rule 11(2) of the Companies (Meeting of Board and its Powers) Rules, 2014.
- (m) Necessary resolution passed w.r.t.



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# RV

# JHAMB & ASSOCIATES

(Company Secretaries & Registered  
Valuers)



Related Party Transactions u/s 188 of the Companies Act, 2013.

**Place: Delhi**

**Date: 07/09/2020**

**UDIN: A041091B000676363**

**CS HITESH JHAMB**  
**COMPANY SECRETARY IN PRACTICE**  
**M. NO. - A41091**  
**CP.NO. - 22129**



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E-mail: [jassociates.cs@gmail.com](mailto:jassociates.cs@gmail.com); [hiteshjamb66@gmail.com](mailto:hiteshjamb66@gmail.com)

## Details of Debenture Trustee

PURSUANT TO REGULATION 53 (E) OF SECURITIES AND EXCHANGE BOARD OF INDIA  
(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

S. No.	Details of Debenture Trustee
1.	Catalyst Trusteeship Limited Office No.-83-87, 8th Floor, Mittal Tower,B Wing, Nariman Point, Mumbai,Maharashtra-400021 Tel: 022-49220506 Fax: 022-49220505 Email id: deeshatrivedi@ctltrustee.com
2.	VISTRA ITCL (INDIA) LIMITED Registered office: IL & FS Financial Centre, Plot No- C22, G Block, Bandra Kurla Complex, East Mumbai- 400051 Tel : +91 22 2659 3535 Fax: 912226533297 vistra ITCL (India) Limited Email: Mumbai@vistra.com / dipti.jain@vistra.com

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

SD/-  
Ruchi Kalra  
CFO and WTD  
DIN:03103474  
Add: #101, 1st Floor, Vipul Agora  
Mall, MG Road, Gurugram - 122001,  
India

SD/-  
Asish Mohapatra  
Director  
DIN : 06666246  
Add: #101, 1st Floor, Vipul Agora  
Mall, MG Road, Gurugram - 122001,  
India

Dated : November 10, 2020  
Place : Gurgaon

## Related Party Disclosure

**PURSUANT TO REGULATION 53 (F) OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND ANNEX XIV OF RBI MASTER DIRECTION - NON-BANKING FINANCIAL COMPANY - SYSTEMICALLY IMPORTANT NON-DEPOSIT TAKING COMPANY AND DEPOSIT TAKING COMPANY (RESERVE BANK) DIRECTIONS, 2016**

1. The Company is in compliance with the Accounting Standard on "Related Party Disclosures"- Disclosure as required by Ind AS -24 on "Related Party Disclosure" notified under the companies (Indian Accounting Standard) Rules, 2015: **Please refer note no. 35 of Note to Account of Annual Accounts.**

2. A. The disclosure requirements are as follows:

Sr. no.	In the accounts of	Disclosures of amounts at the year end and the maximum amount of loans/ advances/ Investments outstanding during the year.
1	Holding Company	<ul style="list-style-type: none"><li>➤ Loans and advances in the nature of loans to subsidiaries by name and amount. - NIL</li><li>➤ Loans and advances in the nature of loans to associates by name and amount- NIL</li><li>➤ Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount. -NIL</li></ul>
2	Subsidiary	Same disclosures as applicable to the parent company in the accounts of subsidiary company. -NA
3	Holding Company	Investments by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan- NIL

B. Disclosures of transactions of OXYZO Financial Services Private Limited with **OFB Tech Private Limited**, holding more than 10 % in OXYZO Financial Services Pvt. Ltd: **Please refer note no. 35 of Note to Account of Annual Accounts or Annexure – II (AOC-2) of Board report.**

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

**SD-  
Ruchi Kalra  
CFO and WTD  
DIN:03103474  
Add: #101, 1st Floor, Vipul Agora Mall,  
MG Road, Gurugram - 122001, India**

**SD-  
Asish Mohapatra  
Director  
DIN : 06666246  
Add: #101, 1st Floor, Vipul Agora Mall,  
MG Road, Gurugram - 122001, India**

**Dated : November 10, 2020  
Place : Gurgaon**



**OXYZO Financial Services Private  
Limited Corp. Office:**  
#101, First Floor, Vipul Agora Mall, MG  
Road, Gurgaon-122002  
Contact: 0124- 4006603  
Email: [finance@oxyzo.in](mailto:finance@oxyzo.in)  
Website: [www.oxyzo.in](http://www.oxyzo.in)

## **Declaration by Management**

### **Declaration by the Management under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding compliance with Code of Conduct.**

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I Ruchi Kalra, CFO and WTD of the Company, hereby confirm on behalf of the Company that all Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct as applicable to them for the Financial Year ended March 31, 2020.

**By order of the Board of Director  
For OXYZO Financial Services Private Limited**

**SD/-  
Ruchi Kalra  
CFO and WTD  
DIN: 03103474**

**Date: November 10, 2020  
Place: Gurgaon**

**Registered Office:** Shop No. G-22 C (UGF) D-1 (K-84), Green Park Main,  
New Delhi, South Delhi - 110016  
CIN: U65929DL2016PTC306174, Phone: 011-41054262