Oxyzo

2022-2023

# Annual Report

# Smart financing solutions for SMEs

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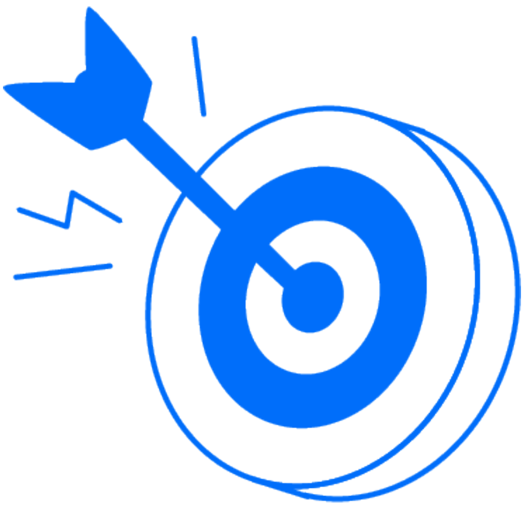
# Vision

Oxyzo aims to continuously innovate in B2B financial services space through end-to-end capabilities across origination, deployment, curated structuring and distribution enabled through technology. Oxyzo aspires to broaden the digital financial services play organically and inorganically across a strong own balance sheet play, scaling the supply chain marketplace, launching innovative fixed income products for the SME space, and scaling other fee incomes business lines including debt capital markets and securities.

# Mission



Our core mission is to cater to the dynamic demands of the B2B sector by delivering intelligent and innovative financial solutions spanning a wide array of financial products. We aim to empower businesses with tailored financing options that align with their evolving needs. Additionally, we are committed to facilitating seamless access to digital platforms that leverage our robust credit and origination capabilities. Through this, we strive to foster growth and success for our valued partners in the B2B space.

# Note from the CEO

Dear Shareholders,

We are delighted to present to you our Annual Report for the Financial Year (FY) 2022-23. FY '23 our focus was building books while continuing improved asset qualities and expanding our Business in new segments and geographic.

Reflecting on FY 2022-23, it becomes evident that this period presented numerous obstacles for global economies, including our own. The Russian-Ukraine conflict and subsequent supply chain disruptions, coupled with surging commodity prices due to persistent inflationary pressures worldwide, posed a challenging environment. As the conflict escalated, food and energy prices increased, slowing the overall growth globally with the biggest of the banks unable to arrest the inflationary pressures. In addition, RBI increased the policy repo rate by 250 basis points during the though series of MPC meetings, had key challenges to pass these additional borrowing cost to the borrowers to maintain the NIM.

The Company delivered a strong performance in FY23, leading to accelerated growth momentum and improved profitability across businesses. Key highlights of the year were:

- Gross Loans and Advances grew to ₹ 4,740 Cr against ₹ 2,578 Cr in FY'22 with 75% of the portfolio as secured. Disbursements were at peak in H2 where we disbursed ₹ 7,200 Cr contributing to ~60% of annual disbursements.
- Significant increase in Profit After Tax (PAT) to ₹ 197 Cr against ₹ 69 Cr in FY'22. This came through continued focus on lower Opex and Credit cost.
- Gross NPA (GNPA) was at lowest level of 0.9% (FY'22 1.01%) even after RBI new NPA norms due to improved assets quality and control at DPD across buckets.
- Company raised debt of ₹ 2,200+ during the year with the closing Borrowing of ₹ 3,126 Cr with diversified sourced including Debt Market (non-convertible debentures), Banks and Financial Institutions (term loans, working capital facilities and external commercial borrowings).
- Company was rated as A+ (Standalone) by ICRA & CRISIL against A+ (Consolidated) last year.
- Continued focus on sales training, process automation and improvements, tech developments and strengthening the risk and compliance framework.

With continued focus on the traditional sectors of the economy, Oxyzo shall continue to build a diversified lending portfolio balancing both growth and profitability. Going forward, Oxyzo aspires to build a full suite of financial offerings in the B2B space from Lending to Capital markets. Over the last few years, Oxyzo has diversified its customer base to include micro, small-medium enterprises, mid-corporates, new economy and financial institutions. Along with growth in its own sourcing in the core sectors of the economy, the Company intends to build further scale through channel and co-lending partnerships with other FIs. In addition, the Company shall continue to invest and scale its debt capital markets and supply chain platforms for its Enterprise clients. We are confident that with our strong foundation and an enterprising and capable team, we shall continue to create value and drive sustainable growth.

**Ruchi Kalra**

CFO & WTD

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).

Oxyzo financial services is a technology-enabled SME financing NDSI NBFC which mainly provides working capital lines to the small, medium & large Enterprises which can mostly be used for procurement of raw material. Target segment mostly includes banked, vintaged, sizable SMEs & mid-corporates who are into value addition (manufacturing & contracting) or services for B2B segment.

The model itself takes care of guaranteed end use, higher engagement, better collection efficiency and higher business yield.

Oxyzo plays a meaningful role in the raw material financing journey for MSMEs offering cash-flow based solutions to its customers. In addition, it provides an option for cheaper raw materials ("RM") through the platform OfBusiness. Its' focus segment are vintaged SMEs with credit history with annual revenue in INR 50-500 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.

Oxyzo is currently rated '[ICRA] A+' (stable) by ICRA and CRISIL and the standalone and consolidated financial statements and results for FY'23 are compliant with Indian Accounting Standards (Ind AS) and previous period figures are comparable.

## Business Model

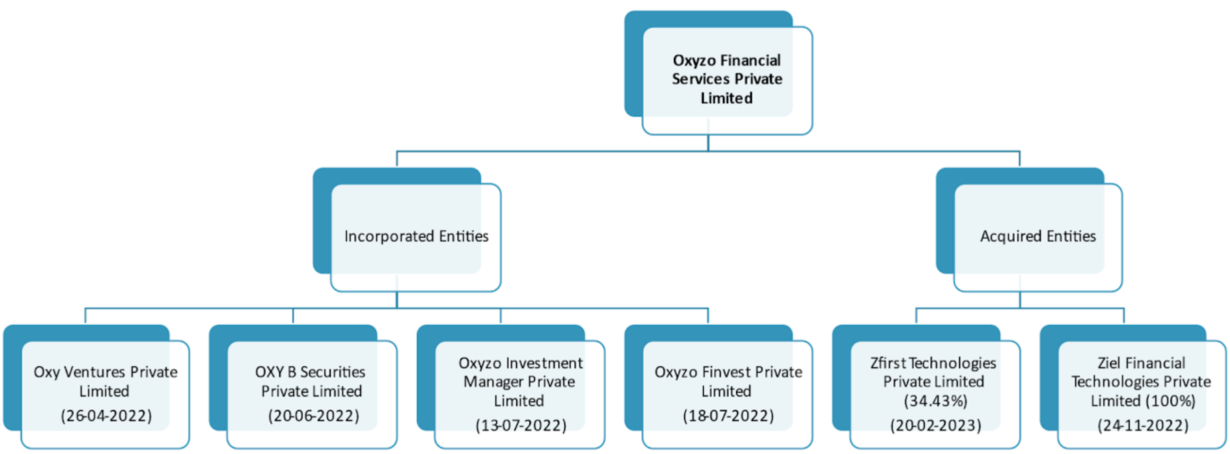
Oxyzo's key product segments are:

- Purchase Financing (short-term working capital) (68% of portfolio)
- Term Loans (32% of portfolio)

Oxyzo's unique product offering is Purchase Financing which is annual working capital limit to buy raw materials (payments mostly direct to suppliers) thereby also ensuring end use of the fund for business purposes with each disbursement (partial amount or full) having a maximum tenor of 60-150 days. The customers have the right to choose the disbursement amount (tranche) as per the requirement with each tranche to be repaid on or before the due date as per the tenor mentioned in sanction letter. The customers pay interest as per usage on a daily outstanding basis and are offered the flexibility of prepayments as there are no pre-payment charges. By this intervention, Oxyzo helps SMEs save 9- 12% on financing cost vis-à-vis the operational creditors.

## Group Structure

Oxyzo has incorporated/acquired subsidiaries in the FY'23. Hence, as per rule 6 of Companies (Accounts) Rules, 2014 and Indian Accounting Standard 110 'Consolidated Financial Statements', the Company is presenting Consolidated financial statements for the first time. Therefore, comparative figures for the previous year is not applicable. Hence, figures wherever disclosed as on 01 April 2022 reflects opening balance of Oxyzo on standalone basis.




*Consolidation done as per Ind AS 110 for the acquisition period*

## Macroeconomic Overview

Financial Year 2022-23 (FY'23) began on a mixed note. On the positive side, after two years, the impact of the Covid-19 pandemic on lives and livelihoods started receding — thanks to a successful mass immunisation programme and the advent of a less virulent variant called Omicron. However, the impact of inflationary trends, supply chain disruptions emanating from China, and the Russia-Ukraine conflict have been impacting commodity prices.

According to the International Monetary Fund's latest forecast, global growth is expected to reach 2.8% in 2023 and will rise to 3.0% in 2024. As the world adapts to the new realities, addressing the remaining challenges and seizing opportunities will be vital in shaping a resilient, inclusive, and sustainable global economy. Businesses and households have to be prepared for ongoing disruptions.

However, despite these challenges, The Indian economy demonstrated an exceptional performance during FY 2022-23, positioning itself as one of the fastest-growing economies in the world. The nation's GDP growth rate stood at 7%, driven by private sector consumption and increased Government focus on infrastructure development. Despite global macroeconomic challenges and tighter domestic monetary policies aimed at addressing inflationary pressures, the growth momentum remained steady, showcasing the underlying strength of India's economy in recovering and revitalising growth drivers.

The RBI has projected India's GDP growth at 6.5% for FY24 and has predicted inflation to subside at 5.2% with governments focus on capital expenditure, better capacity utilisation and moderate commodity prices. As per the latest Monetary Policy, quarterly inflation for FY24 is projected for Q1 at 5.1%, Q2 at 5.4%, Q3 at 5.4% and Q4 at 5.2%. The wide pipeline laid down by Government of India in the FY24 budget for capital spend will encourage project commissioning and will assist investment demand. The quarterly GDP growth projections for FY24 is Q1 at 7.8%, Q2 at 6.2%, Q3 at 6.1% and Q4 at 5.9%.

In May 2022, the RBI increased the policy repo rate by 40 basis points (bps); and thereafter continued to increase policy repo rates by 50 bps in June 2022, August 2022 and September 2022. This was followed by smaller increases of 35 bps in December 2022 and 25 bps in February 2023. The cumulative increase in FY2023 was 250 bps. At its monetary policy committee (MPC) meeting held in April 2023, the RBI unanimously decided to keep the policy rates unchanged with an emphatic statement that the pause was only for this meeting and the MPC would not hesitate to take further action as may be required in future. The challenges for us would be to control the incremental borrowing cost and at the same time pass on cost to borrowers.

FY24 is expected to see higher growth in investment, due to supportive government policies, sound macroeconomic fundamentals, improved asset quality and strong growth in credit among the private and MSME sectors.

## Financial Services

NBFCs (Non-Banking Financial Companies) play an important role in promoting inclusive growth in the country, by catering to the diverse financial needs of bank excluded customers. Further, NBFCs often take lead role in providing innovative financial services to Micro, Small, and Medium Enterprises (MSMEs) most suitable to their business requirements. NBFCs do play a critical role in participating in the development of an economy by providing a fillip to transportation, employment generation, wealth creation, bank credit in rural segments and to support financially weaker sections of the society.

The overall loan book of NBFCs is projected to grow by ~13% to reach `50 Trillion by March 2024. The RBI has been appreciative of the efforts of NBFCs including their efforts towards covering individuals beyond the financial fold. NBFCs are expected to focus upon new business such as unsecured loans and the SME segment which promises a higher growth prospect as compared to the traditional products. Additional funding of ~ 2.9 to 3.3 Trillion in FY24 would be required to achieve the projected growth. NBFCs were expected to witness healthy growth in the fiscal due to the receding effects of the Covid-19 pandemic, there were four key monitorable—data protection, over-leveraging of borrowers, unseasoned loan books, and an evolving regulatory landscape. The unsecured loan segment is powering the overall growth of the NBFCs, according to ICRA. This is primarily due to digitization.

## Regulatory Developments

The NBFC sector continued to grow its share in the financial services industry. The government and the RBI announced the slew of regulatory forbearances and schemes during the year - some of the key being are:

**Scale Based Regulatory Framework for Non-Banking Financial Companies (NBFCs):** In FY'22, RBI introduced scale-based regulations, wherein the applicability of the regulations would depend on the scale of the NBFC. NBFCs shall be categorised into base layer, middle layer, upper layer and top layer and regulations around Net Owned Fund (NOF), NPA classification, Capital adequacy process and computations, Prudential guidelines, Governance guidelines, Disclosures and Other Regulatory requirements shall be different across the various layers of NBFCs. RBI has, from time-to-time, prescribed a set of regulatory disclosures that are to be reported by the NBFCs. Through the Scale based regulations (SBR), RBI has advocated additional disclosures in the financial statements for the financial period ending 31 March 2023 and onwards. RBI also provided clarifications on this disclosure.

**DL & DLG (Digital Lending & Default Loss Guarantee Guidelines):** Digital lending is set to grow exponentially in the future. We expect RBI to issue additional guidelines to safeguard consumer interests, prevent unethical business practices, and regularize the sector of digital lending. The purpose of this regulation was to ensure that there is sustained long-term growth in the digital lending sector. Whereas the DLG Guidelines define the contractual arrangement between the RE and LSPs pursuant to which LSPs can compensate the RE for any loss due to default up to a certain percentage of the loan portfolio of the RE. Such a percentage is required to be identified by the parties upfront and in writing. The RBI further clarified that a DLG shall not involve any actual transfer of the underlying loan exposure from the books of the RE to the books of the DLG provider and that any other implicit guarantee of similar nature linked to the performance of the loan portfolio of the RE will also be covered under the definition of a DLG. Though these regulations will help establish a regulatory framework for digital lending in India, which will increase transparency and accountability in the sector and provide a level of oversight. But it came with increased burden of regulatory compliance on REs and LSP/ DLA especially around FLDG compliance and along with operational challenges.

**Compliance Risk Assessment Process:** The RBI published the Compliance Function and Role of Chief Compliance Officer (CCO) – NBFCs on April 11, 2022, and the deadline to put into place the framework for this function falls due on October 1, 2023.

## Oxyzo: Financial and Operational Performance

The Company has again shown a strong year of performance aided by a diversified portfolio mix, robust volume growth, prudent management strategic initiatives. Company entered FY 22-23 with focus on book building and managing its asset quality and maintaining its growth and profitability aspirations by increasing its operating leverage and reducing the borrowing costs.

Oxyzo reported great performance across metrices aided by expanding Net Interest Margins, prudent product mix, efficient liability management, focused management of operating costs and tightened credit policies/underwriting norms for containing credit costs.

The key standalone financial parameters for the fiscal are:

- Loans and Advances grew by 84% from ₹ 2,540 Cr as on March 31, 2022, to ₹ 4,672 Cr on March 31, 2023.
- Total revenue grew from ₹ 313 Cr in FY'22 to ₹ 562 Cr in FY'23.
- Profit Before Tax (PBT) increased by ₹ 165 Cr from ₹ 95 Cr in FY'22 to ₹ 260 Cr in FY'23.
- Profit After Tax (PAT) increased by ₹ 128 Cr from ₹ 69 Cr in FY'22 to INR 197 Cr in FY'23.
- Oxyzo's GNPA was 0.89% with a PCR of 49%. The net NPA at 0.46% as of 31 March 2023.
- Current provisioning on books as at 31 March 2023 ₹ 49.75 Cr.
- Capital adequacy as at 31 March 2023 was 42.65%, which is well above the RBI norms.
- Debt-equity ratio as at 31 March 2023 was 1.36 compared to 1.45 as at 31 March 2022.
- Free cash plus Investment as at 31 March 2023 stood at ₹ 838 Cr.
- Net worth as at 31 March 2023 was ₹ 2,295 Cr compared to ₹ 1,392 Cr as at 31 March 2021.

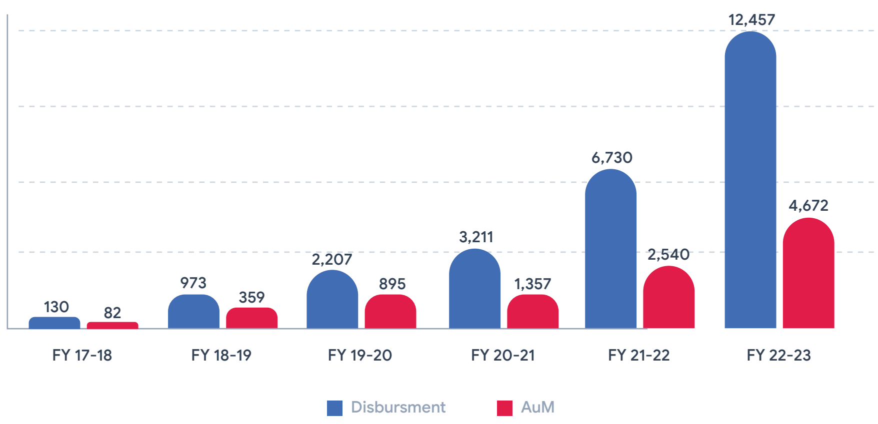
In addition to this the Company had Revenue of ₹ 571 Cr and PAT of ₹ 198 Cr on a consolidated basis.

## Business Growth

As of March 31, 2023, the gross loan portfolio stood at ₹ 4,739 Cr increasing from ₹ 2,578 Cr as of March 31, 2022. The share of secured loan portfolio stood at 73%. The disbursements were slightly impacted during first half of the year and momentum picked up during the second half of the year.

Disbursements were at pick during H2 where we disbursed ₹ 7,200 Cr contributing to ~60% of annual disbursements.

## Disbursment and AuM (Rs. in Crs)




*Note: FY 17-18 is 4 months of operation.*

Oxyzo has differentiated itself by focusing on a profitable and diversified portfolio, and balancing growth with profitability. Oxyzo's focus remains on sizable SMEs in the traditional sectors of the economy and is expanding to mid-corporates.

## Asset Quality

The company always believes in culture of "Lend right and collect tight". Our Assets quality has always been a strength for us, and we also ensured the COVID crisis had very minimal impact on its portfolio. The company has in-house Calling, field and litigation team who takes care of collection and recovery and ensures healthy portfolio of the Company.

The percentage of gross non-performing assets (GNPA) on the loan portfolio as of March 31, 2023, stood at 0.89% as against 1.01% as of March 31, 2022. With effect from September'22, we aligned to new NPA IRAC norms wherein any account shall not be upgraded to standard unless entire overdue is cleared. The overall financial metrices of the Company have improved from the prior year and the Company has made adequate expected credit loss provisions on its loan book in accordance with accounting principles in India, and accordingly, the provision for expected credit loss on financial assets as at 31 March 2023 aggregates ₹ 49.75 Cr (as at 31 March 2022, ₹ 30.63 Cr).

## Borrowings

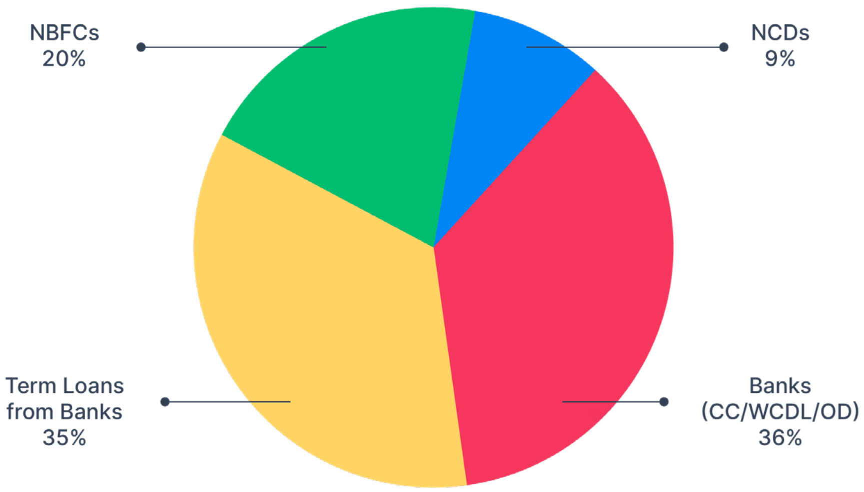
The borrowing book stood at ₹ 3,125.69 Cr as on March 31, 2023 against ₹ 2,014.79 Cr as of March 31, 2022.

The Company has diversified sources of borrowings including debt market (non-convertible debentures and commercial paper), banks and financial institutions (term loans, working capital facilities and external commercial borrowings).

The Company endeavors to maintain a prudent mix of fixed rate borrowings and variable rate borrowings with a view to minimize the weighted average cost of borrowings and maintain a healthy spread on its lending activities

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:

Borrowing Mix




The company raised INR 2,200+ Crs across financial institutions (Bank, NBFC and FIs), total borrowing stands at 3,126 Cr.

## Asset Liability Management

We maintained a strong liquidity position throughout the year. Liquidity is composed of cash/cash equivalents, available bank lines and stock of unencumbered assets. The Company has a prudent ALM policy and the Asset Liability Committee regularly monitors the ALM. The Company throughout the year has maintained positive mismatches across buckets up to 5 years i.e. the cumulative inflows of assets are higher than the cumulative outflows. Our nature of business and lending product and liability mix ensures a healthy ALM.

| Bucket | Cumm. Mismatch (INR Cr) | % age | RBI Limit |
|---|---|---|---|
| Up to 1m | 115 | +29% | **Negative 20%** |
| 1 to 3m | 1,089 | +103% | |
| 3 to 6m | 2,196 | +167% | |
| 6 to 12m | 2,073 | +97% | |
| 1-3 yr | 1,970 | +65% | |
| 3-5 yr | 2,236 | +72% | |
| Above 5 yr | 2,398 | +77% | |

## Capital Adequacy

The Company continues to fulfil all the norms and standards laid down by the RBI rules and regulations viz. recognition of non–performing assets, capital adequacy requirements, liquidity coverage ratio, etc. Company has been able to maintain a Capital Adequacy Ratio (CAR) of 42.65% as on March 31, 2023, which is well above the RBI mandated norm of 15%.

## Business Outlook

In FY 2022-23, the fundamentals of the country's economy remained resilient despite the challenges felt by the global economy. India is further expected to witness a growth of 6.0% in FY 2023-24. The credit demand is expected to grow with reducing uncertainty and investment traction going forward. Credit growth of NBFCs is expected to be driven by rising retail consumerism, formalisation of MSMEs, increasing financial penetration and investment focus on India's manufacturing sector. However, borrowing costs shall continue to remain as a challenge.

Oxyzo's core sectors of lending are manufacturing and infrastructure. In manufacturing, we are seeing the China+1 story where global organizations are shifting their base for manufacturing bases to India as well with huge PLI investments, the sector is booming. With the government's push on manufacturing (make in India, Vocal for Local, PLI schemes) and infrastructure (investments on water, roads, bridges, smart cities), the credit demand is bound to increase. Though, inflation control measures as duties and export bans in specific commodities will result in price and demand fluctuations for the Oxyzo target segments. With increased innovation in the Fintech space, newer opportunities have opened up along with increased cost efficiencies enabled through advanced tech enables financial support ecosystem (e.g. UPI, digital payments, e-signing).

To capitalize on the tailwinds and building on the strong foundation of existing MSME and emerging Corporate enterprise, Oxyzo in its next phase of growth shall:

- Continue to invest in existing geographies with focus on adding new products and segments to service the SME ecosystem more holistically.
- Expand its footprint and team to service new adjacent industrial clusters
- Expand into the Micro-enterprise lending segment through its investment in ZIEL Financial Technologies which is expanding its branch presence in Rajasthan, Uttar Pradesh, Haryana, Uttarakhand and Punjab, and focuses on credit needs of micro and small enterprises with smaller ticket size.
- Adding and selectively expand in newer segments as mid-corporates, financial institutions and building channel partnerships for origination
- Invest in providing end-to-end capabilities across origination, deployment, curated structuring and distribution enabled. Going beyond lending by building debt discovery, structuring, fixed income distribution for its target segments.

Going forward, Oxyzo aims to continuously innovate to be a diversified B2B financial services player through end-to-end capabilities across origination, deployment, curated structuring and distribution enabled through technology. We believe that the opportunity in its current segments is beyond standalone lending and hence are building debt discovery and structuring as a service for its target segments. In addition, Oxyzo recently also launched its fixed income and securities desk which it intends to grow over the next fiscal.

## Risk Management

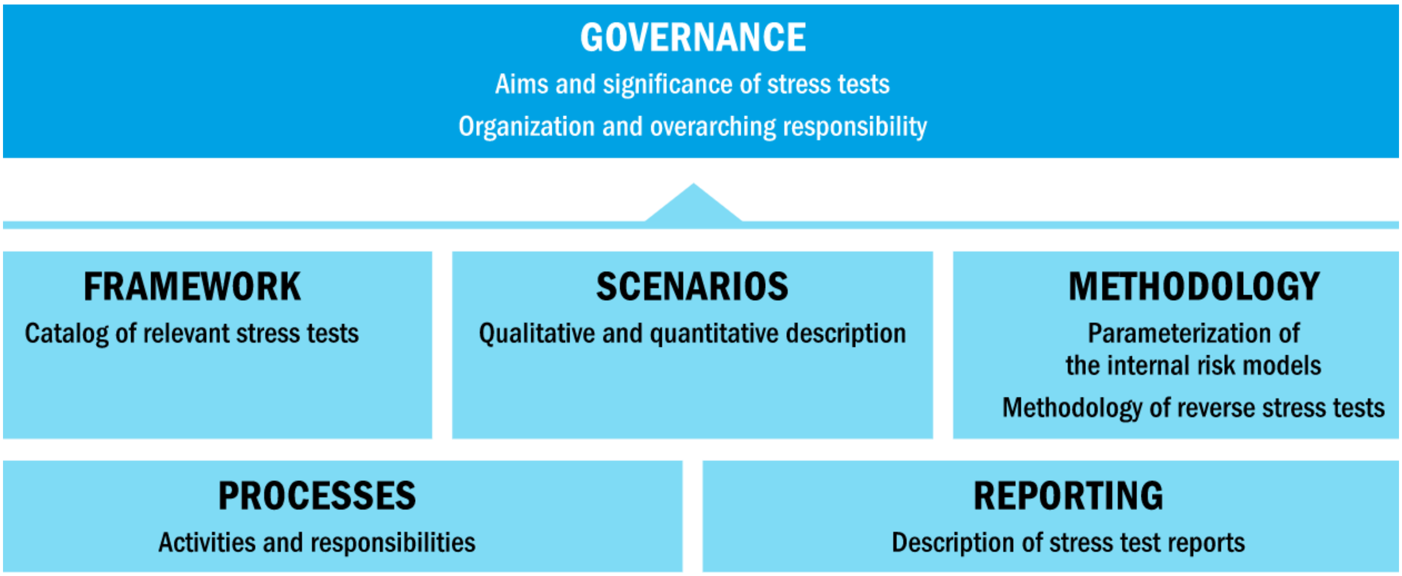
Company has a well-defined risk governance structure which includes periodic reviews and close monitoring to enable building a sustainable business that takes care of the interests of all stakeholders. It has a clearly defined risk management policy that lays down guidelines for all operational areas. 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.

Identify → Assess → Mitigate → Monitor → Report

The Company aims to operate within an effective risk management framework to actively manage all the material risks faced by the organization and make it resilient to shocks in a rapidly changing environment. It aims to establish consistent approach in management of risks and strives to reach the efficient frontier of risk and return for the organization and its shareholders.

## Internal Capital Adequacy Assessment Process (ICAAP)

We have adopted the ICAAP framework as enunciated in the Scale Based Regulation framework. As part of the risk assessment under ICAAP framework, we have quantified capital requirement for all material risks that it is exposed to and stress scenarios pertaining to these risks. Our Company has identified material risks which may impact on our earnings, capital, and reputation. We have undertaken our first ICAAP exercise and have assessed capital requirements considering all the material risks as well as stress testing scenarios. All qualitative & quantitative disclosures across Credit Risk, Market Risk, Interest rate risk, operational risk, liquidity risk have been covered in detail with methodology driven towards capital adequacy requirement.




## Credit Risk

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.

Underwriting: As an organization that operates in providing loans to MSME segment, Oxyzo has unique credit methodologies for different customer segments. We study our customers' enterprises in detail and assess peculiarities of the respective business activities. Their income, ability, intention, business sustainability and credit behavior are subjected to scrutiny through traditional and non-traditional methods. Impact Analysis is performed on the existing customer base and the customer segments are classified as High/Medium and Low Risk.

The underwriting team in the Company is drawn from SME experienced underwriters of banks and NBFCs. The Company has an approval matrix for any deviation policy to its "Risk Policy", which is revised periodically but definitely once a quarter, when all proposed deviations are studied. Time to time changes like addition of section on Supply Chain financing, Evaluation approach for lending to New Age companies and NBFCs and Expansion of list of negative sectors and modification of financial cut-offs. Oxyzo Risk Policy has considerations of Process Risk, Customer Risk, Industry Risk, Product Risk and Risk Monitoring.

## Liquidity Risk

The Company always maintain very good capital adequacy ratio of 42.65% (Tier I Capital of 42.2%) against RBI guidelines 15%. Also strong ALM, As on 31st Mar 2023, the company had liquidity buffer in for of cash Balance of INR 100 Crs. In addition, the company has Investment of INR 750 Crs. Nature of lending product and liability mix ensures a healthy ALM.

## Market Risk

Market Risk management is guided by clearly laid down policies, guidelines, processes and systems for the identification, measurement, monitoring and reporting of exposures against various risk limits.

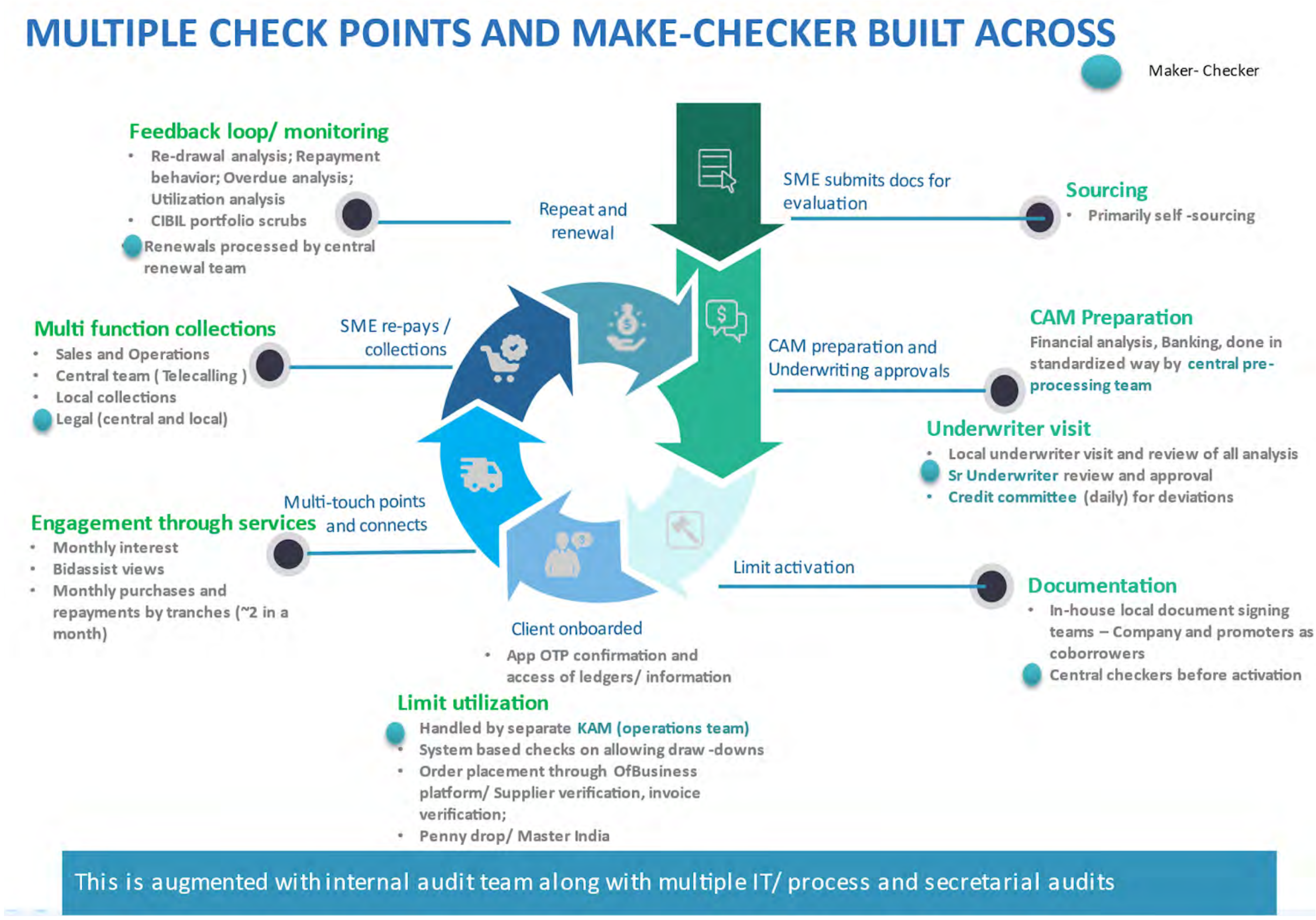
## Regulatory Risk

The Company has a robust compliance risk management framework in place guided by a Board approved Compliance Risk Management Charter which lays down the roles and responsibilities of employees towards ensuring compliance with the applicable laws and regulations as also the role of the Compliance Department in monitoring compliance. Compliance team closely monitor all changes and notifications from RBI and SEBI applicable for the Company and take prompt action on same.

## Operational Risk

The Company has put in place a comprehensive system of internal controls, systems and procedures for documenting, assessing and periodic monitoring of various risks and controls linked to various processes across all business lines.

- In house team for Internal and process Audit and Risk based concurrent reviews
- Enhanced system and tech enabled controlled to ensure data privacy and hacks
- Maker-checkers across key functions
- Key support functions as legal, tech, collections – all in-house
- All assets and businesses well covered under Insurance




## 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 established adequate internal control systems in line with the nature of its business and the size of its operations. The Company has a robust internal audit program, where the internal auditors, in house independent Internal Audit team conducts 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.

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.

To strengthen the control further during the year we engaged external firm to draft SOPs and Flow-charts and also design of Risk Control Matrix (RCM) in line with RBIA frameworks.

## 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.


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:

**Risk Monitoring Framework:** Risk monitoring framework has been further enhanced to add more data points and provide a holistic view of client health to the team. Clients are continuously monitored during the loan lifecycle. Data has been categorized mainly into 2 segments - internal risk data (repayment behavior, DPD's etc) and external risk data (credit rating changes, litigation, gst filing delays etc). Based on this, various risk flags are generated of low, medium and high severity and shown at different places in the admin system for review. Appropriate alerts are generated to notify the risk team about customers' health.

## Customer Engagement

**Oxyzo Whatsapp Chatbot:** We have launched whatsapp flows for customers to check eligibility, invoices, ledgers, disbursements, dues, apply for loan etc. This helps us increase customer engagement and satisfaction.

New Client Dashboard: We have launched a new client dashboard on the website where clients can check eligibility, invoices, ledgers, disbursements, dues, apply for loan etc. This provides anytime, anywhere self service portal to the client. It also makes us compliant with CFSS guidelines.

**Automation/Process Improvements/Compliance:**

- API integration suites have been designed to seamlessly integrate with channel partners/ co-lending partners for handling large volumes of new cases per day.
- All outgoing collection calls are now integrated with CRM and available for quick quality check.
- Centralised KYC tracker to highlight any pending KYC cases.
- Launched platforms/workflows for internal use example: Cheque management, Contract management, NACH workflows, e-signing workflows, covenant tracking workflows etc.
- Enhanced our document identification and data extraction NLP/ML engine.
- Completed Account Aggregator integration for seamless financial data fetch.
- Expanded our data lake infrastructure and strengthened the analytics engine which generates various reports across departments for better decision making.
- Technology team also made platform level changes and technology upgrades to scale the system for increased usage and availability.
- 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 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-People Count at every step

Oxyzo has invested significantly in the last year on its people processes and shall continue to do the same with the growing enterprise. The HR team worked on focused learning interventions, launch of people policies, HR technology developments and strengthening of compliance and governance mechanisms. Key highlights included:

- Onboarding 200+ new joinees, extensive on boarding and training for new and existing staff
- Successful implementation of PeopleStrong HR platform to streamline HR processes and enhance employee experience.
- Employee engagement through newsletters, activities and campaigns (Fun@work)
- Giving back to society through tree plantation drives, blood donation camps, etc.
- Performance monitoring and quarterly assessment.

## 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 2022-23, as compared to financial year 2021-22) 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.

# Key Highlights

(Amount in Crores of ₹ )

| Particulars | FY 22-23 | FY 21-22 |
|---|---|---|
| Loan Assets under Management | 4,671.59 | 2,540.12 |
| Net worth | 2,294.97 | 1,392.29 |
| Borrowing | 3,125.70 | 2,014.79 |
| Total revenue | 561.78 | 313.24 |
| Net Interest Income | 535.14 | 298.38 |
| Profit before Tax | 259.66 | 95.11 |
| Profit After Tax | 196.51 | 69.34 |
| Total comprehensive profit | 194.75 | 68.46 |
| | | |
| **Key ratios** | | |
| Gross NPA % | 0.89% | 1.01% |
| Net NPA % | 0.46% | 0.43% |
| Capital Adequacy Ratio % | 42.65% | 48.38% |
| Pre-Tax Return on Assets % | 6.26% | 4.80% |
| Basic Earning per share Rs. | 29.08 | 13.66 |
| Diluted Earning per share Rs. | 27.79 | 12.79 |
| Debt-equity ratio | 1.36 | 1.45 |

**Loan AUM** (in Crores of ₹)
**4,671.59**

**Net Worth** (in Crores of ₹)
**2,294.97**

**Gross NPA %**
**0.89%**

**Borrowing** (in Crores of ₹)
**3,125.70**

**Total Revenue** (in Crores of ₹)
**561.78**

**Pre-Tax ROE %**
**6.26%**

# Our Lending Partners

- IDFC FIRST Bank
- HDFC BANK — We understand your world
- SBI
- IndusInd Bank
- sidbi
- kotak — Kotak Mahindra Bank
- ICICI Bank
- AXIS BANK
- FEDERAL BANK — YOUR PERFECT BANKING PARTNER
- Bandhan Bank
- YES BANK
- बैंक ऑफ़ बड़ौदा Bank of Baroda
- NABKISAN FINANCE LIMITED — A Subsidiary of NABARD
- SUNDARAM FINANCE — Enduring values. New age thinking.
- Utkarsh Small Finance Bank
- BAJAJ FINSERV
- HSBC
- ujjivan — UJJIVAN SMALL FINANCE BANK — Build a Better Life
- TATA CAPITAL — Count on us
- इंडियन बैंक Indian Bank — आपका अपना बैंक • YOUR OWN BANK
- केनरा बैंक Canara Bank
- ADITYA BIRLA FINANCE
- RBL BANK — apno ka bank
- NABSAMRUDDHI FINANCE LIMITED — A Subsidiary of NABARD — Formerly Agri Business Finance Limited

Birla Sun Life Mutual Fund

responsAbility

Karnataka Bank Your Family Bank. Across India.

DCB BANK

HeroFinCorp.

SBM

AU SMALL FINANCE BANK

IDBI BANK

MAS FINANCIAL SERVICES LTD.

CREDIT SAISON

Bank of India

HINDUJA LEYLAND FINANCE

NORTHERN ARC

Chola Enter a better life

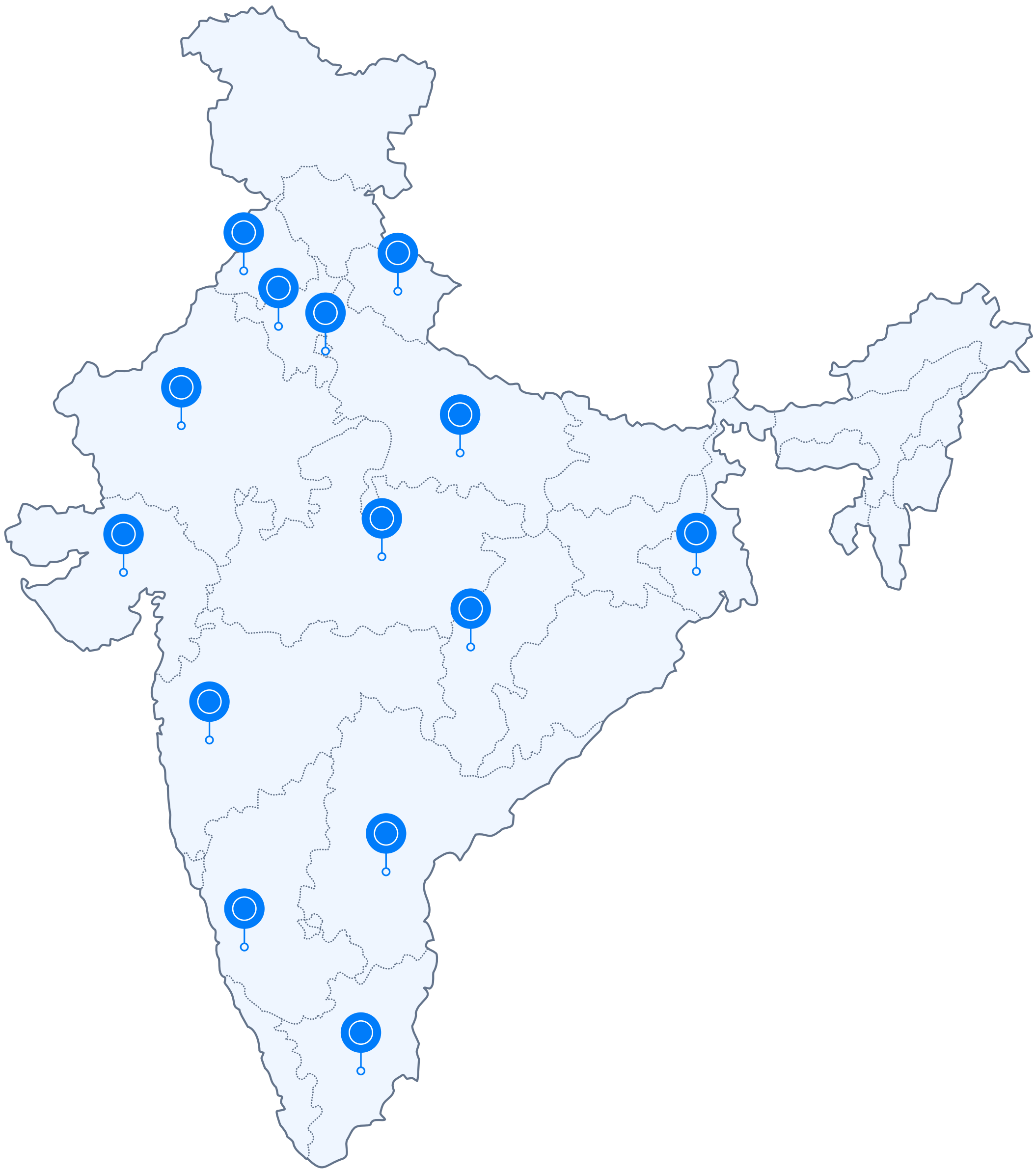
CAPRI GLOBAL CAPITAL LIMITED

ESAF SMALL FINANCE BANK

EQ Enabling Qapital

# Our Presence

- Chandigarh
- Chhattisgarh
- Delhi
- Maharashtra
- Gujarat
- Haryana
- Telangana
- Tamilnadu
- Madhya Pradesh
- West Bengal
- Maharashtra
- Karnataka
- Rajasthan



# Board and Key
# Management Team

### 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 Re- search 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

Vasant Sridhar leads asset building as the CSO of Oxyzo Financial Services Pvt Ltd. Prior to this, he established and scaled the group's presence across Southern India; built up operations and distribution for the commerce and financing businesses. He brings in strong operational know-how and execution capabilities from his past role at ITC Limited, where he drove the deployment of business excellence across manufacturing and supply chain, leading 200+ managers . His interest in leveraging technology and network effects to scale a business, comes from his experience of founding a healthcare platform for patients, doctors and hospitals during graduation at IIT Madras, where he completed his B.Tech in Chemical Engineering.

### Sathyan David
Independent Director

Sathyan David was previously the Chief General Manager, Department of Non-Banking Supervision, Reserve Bank of India and has been involved in regulation of the NBFC and banking sectors during his 35 years with RBI. He 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 - Food Market Place at Swiggy. Rohit was previously CEO - India & Southeast Asia at OYO and Executive Director at MAX Healthcare. Rohit was also a consultant with McKinsey & Company and holds an PGP from Indian School of Business, Hyderabad.

## Praveen Bhambani

Independent Director

Praveen is a Senior Advisor of Ymira Consulting, a boutique advisory firm which focusses on finding innovative solution to complex transactions, restructurings, and structuring for family business. He is also part of statutory and advisory board of companies as an Independent Director/ Non- Executive Director/ Facilitate and provide insights and oversight to companies of all sized and navigate the challenges of corporate governance and compliance. Previously, he was partner in the Deals Platform of PwC and also led the Private & Entrepreneurial business in his stint of over 2 decades in PwC.

## Pinki Jha

Company Secretary, & Chief Compliance Officer

Pinki Jha is a fellow member of Institute of Company Secretaries of India and a Law graduate. She is a seasoned professional with experience in corporate laws, securities laws, compliance & risk management, corporate governance & litigation fields with an excellent blend of in-house and advisory experience. In her past assignments she spearheaded the start-ups by providing strategic and tactical leadership in the areas of Secretarial, Legal, Compliance, Risk, Audit, AML and Corporate Governance Management, strategic planning.

## Dhruva Shree Agarwal

CIO & CTO

Dhruva Shree Agarwal is the CTO at Oxyzo and has around 17 years of experience in technology development specialising in delivering end-to-end applications/products in multiple domains eg. ecommerce, adtech, fintech etc. He has vast experience in building web/mobile apps, server architecture, designing scalable systems, team building and nurturing talent. He has completed his bachelor's degree from IIT BHU-Varanasi and was previously Director Engineering at Zomato and CTO across various start-ups.

## Prashant Roy Sharma

Head- New Initiatives

Prashant Roy Sharma leads mid-market lending and Capital Markets at Oxyzo since 2017. He has built the debt franchise at Oxyzo and brings deep expertise on debt raising, syndication and structuring. He was previously working with Goldman Sachs covering the Consumer and Retail EMEA space from an M&A perspective. He holds an MBA in Finance from FMS Delhi and Certified Financial Analyst from US-based Chartered Financial Analyst (CFA) Institute where he actively held executive positions of the President of Finance Society and President of Alpha Investment Club. Previously he has been a financial consultant with Inductis EXL in the consumer banking risk team for fraud analytics. He holds a Bachelor's in Mechanical Engineering from NIT Kurukshetra.

# Independent Auditor's Report

## To the Members of Oxyzo Financial Services Private Limited

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of Oxyzo Financial Services Private Limited ("the Company"), which comprise the Standalone Balance Sheet as at 31 March 2023, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (the "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone 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, 2023, and its standalone profit, standalone total comprehensive income, the standalone changes in equity and its standalone cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the standalone 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 Standalone 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 standalone 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 standalone financial statements.

### Key Audit Matters

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

| Sr. No. | Key Audit Matter | Auditor's Response |
|---|---|---|
| 1 | **Allowances for Expected Credit Losses:**<br><br>(Refer Note 6 and 47 to the standalone financial statements)<br><br>As at March 31, 2023, loan assets aggregated ₹ 4,67,159.48 lakhs, constituting 83.76% 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.<br><br>As part of our risk assessment, we determined that the allowance for ECL on loan assets (including undisbursed commitments) has a high degree of estimation uncertainty, with a potential range of reasonable outcomes for the standalone financial statements.<br><br>The elements of estimating ECL which involved increased level of audit focus are the following:<br><br>• Qualitative and quantitative factors used in staging the loan assets measured at amortised cost.<br>• Basis used for estimating Probabilities of Default ("PD"),<br>• Basis used for estimating Loss Given Default ("LGD")<br>• Judgements used in projecting economic scenarios and probability weights applied to reflect future economic conditions.<br><br>Adjustments to model driven ECL results to address emerging trends. | **Principal audit procedures performed:**<br><br>Read the policies approved by the Board of Directors of the Company that articulate the objectives of managing each portfolio and their business models.<br><br>Evaluated the management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction, validation and computation.<br><br>Assessed 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.<br><br>Tested that adjustment done 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.<br><br>Checked disclosures made in relation to the ECL allowance in standalone financial statements. |

## Information Other than the Standalone 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 standalone financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone 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 standalone 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 standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

## Management's Responsibility for the Standalone 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 standalone 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 expect- ed to influence the economic decisions of users taken on the basis of these standalone 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 standalone 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 standalone 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 dis-closure 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.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable
2. 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, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e. On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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:

i. The Company has disclosed the impact of pending litigations on its standalone financial statements. (Refer Note 56(i) to the standalone financial statements)

ii. The Company has made provision, as required under applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts. (Refer Note 16 to the standalone 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 60 to the standalone financial statements)

iv. (a). The Management has represented that, to the best of it's knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. (Refer note 55(vii) to the standalone financial statements)

(b). The Management has represented, that, to the best of it's knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. (Refer note 55(viii) to the standalone financial statements)

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

v. The Company has not declared or paid any dividend during the year.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, as amended is applicable for the Company only w.e.f. 1 April 2023, therefore, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended, is not applicable.

**For S.N. Dhawan & CO LLP**

Chartered Accountants

(Firm's Registration No. 000050N/N500045)

Rahul Singhal

Partner

Membership No. 096570

UDIN: 23096570BGZGPC4360

Place: Gurugram

Date: 23 May 2023

# Annexure A To The Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Oxyzo Financial Services Private Limited on the standalone financial statements as of and for the year ended 31 March 2023)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

i. (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

B. The Company has maintained proper records showing full particulars of intangible assets recognized in the Standalone Financial Statements.

(b) Property, plant and equipment is physically verified by the Management once in a three year which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. Accordingly, no physical verification has been carried out by the company during the year hence we are not able to comment on clause 3(i)(b).

(c) Based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of all the immovable properties are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year. Accordingly, the provisions of clause 3(i)(d) of the Order are not applicable.

(e) There are no proceedings which have been initiated or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) (as amended in 2016) and rules made thereunder. Accordingly, the provisions of clause 3(i)(e) of the Order are not applicable.

ii. (a) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii)(a) of the Order are not applicable.

(b) The Company's working capital sanctioned limits were in excess of Rs. 500.00 lakhs during the year, in aggregate, from banks on the basis of security of current assets. The quarterly returns or statements filed by the Company with such banks are in agreement with the unaudited books of account of the Company. (Refer note 20 to the standalone financial statements).

iii. (a) Since the Company's principal business is to give loans. Accordingly, the provisions of clause 3(iii)(a) of the Order are not applicable.

(b) In our opinion, the investments made, security given and the terms and conditions of grant of all loans and advances in the nature of loans are not, prima facie, prejudicial to the Company's interest. The Company has not provided any guarantee during the year.

(c) In respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated. Details of cases, wherein the repayment(s)/receipt(s) of the principal amount and/or the interest are not regular as at year end are as follows (Refer note 47 to the financial statements):

| Category of loan | Extent of delay | Amount (Rs. In lacs) * |
|---|---|---|
| Loan assets where credit risk has not significantly increased since initial recognition | 1-30 Days | 23,107.70 |
| Loan assets having significant increase in credit risk | 30-90 Days | 14,918.65 |
| Credit impaired loan assets (Default event triggered) | More than 90 Days | 3,935.05 |
| **Total** | | **41,951.62** |

*Before adjustment of restructured loans, loan acquisition costs and related income to arrive at EIR method

In all other cases having regard to the nature of the Company's business and the volume of information involved, it is not practicable to provide an itemised list of loan assets where delinquencies in the repayment of principal and interest have been identified.

(d) In respect of loans or advances in the nature of loans granted by the Company, the total amount which is overdue for more than 90 days as at the balance sheet date is given as under. As explained to us, the Management of the Company have taken reasonable steps for the recovery of principal/ interest amounts. (Refer note 47 to the financial statements)

**(Amount Rs. In lacs)**

| No. of Customers | Total Overdue* |
|---|---|
| 66 | 3,935.05 |

*Before adjustment of loan acquisition costs and related income to arrive at EIR method

(e) Since the Company's principal business is to give loans. Accordingly, the provisions of clause 3(iii)(e) of the Order are not applicable.

(f) The Company has not granted any loans or advances in the nature of loans which are either repayable on demand or without specifying any terms or period of repayment. Accordingly, the provisions of clause 3(iii)(f) of the Order are not applicable.

iv. According to the information and explanations given to us and basis our examination of the records of the Company, the Company has not undertaken any transactions in respect of loans, guarantees and securities covered under section 185 of the Companies Act, 2013. The Company has not made any investment as referred in section 186(1) of the Act and other requirements relating to section 186 do not apply to the Company.

v. The Company has not accepted any deposits during the year, had no unclaimed deposits at the beginning of the year and there are no amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

vi. The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

vii. (a) The Company is generally regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable except mentioned below. The company is in the process of depositing the same with appropriate authority. (Refer note 24 of the financial statements)

| Name of the Statute | Nature of the Dues | Amount (Rs. in Lakhs) | Period to which the amount relates |
|---|---|---|---|
| The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 | Provident fund | 1.76 | April 2022 to September 2022 |

(b) Details of statutory dues referred to in sub-clause (a) that have not been deposited with the appropriate authorities on account of any dispute are given below:

| Name of the Statute | Nature of the Dues | Amount (Rs. in Lakhs) | Amount deposited under protest (Rs. In Lakhs) | Period to which the amount relates | Forum where dispute is pending |
|---|---|---|---|---|---|
| Income Tax Act 1961 | Income Tax | 52.26 | 52.26 | FY 2019-20 | CIT (Appeal) |
| Income Tax Act 1961 | Income Tax | 80.96 | 80.96 | FY 2020-21 | CIT (Appeal) |

viii. There are no such transactions which were not recorded in the books of account earlier and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, the provisions of clause 3(viii) of the Order are not applicable.

ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or other lender government or any government authority.

(c) The term loans were applied for the purpose for which the loans were obtained, though idle/surplus funds which were not required for immediate utilization were temporarily used for the purpose other than for which the loan was sanctioned but were ultimately utilized for the stated end-use.

(d) On an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries. The Company does not hold any investment in any associate or joint venture (as defined in the Act) during the year ended March 31, 2023.

x. (a) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions of clause 3(x)(a) of the Order are not applicable.

(b) During the year, the Company has made private placement of shares. In respect of the same, in our opinion, the Company has complied with the requirement of Section 42 and Section 62 of the Act and the Rules framed there under. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised.

xi. (a) Considering the principles of materiality outlined in the Standards on Auditing, we report that no material fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) During the year and upto the date of this report, no report under sub-section (12) of Section 143 of the Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 (as amended) with the Central Government.

(c) Considering the principles of materiality outlined in the Standards on Auditing, we have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.

xii. The Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

xiii. Transactions with the related parties are in compliance with Sections 177 and 188 of Act and the requisite details have been disclosed in the standalone financial statements, as required by the applicable accounting standards.

xiv. (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit is performed as per a planned program approved by the Audit Committee of the Board of Directors of the Company. We have considered, the internal audit reports for the year under audit, issued to the Company during the year.

xv. The Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act. Accordingly, provisions of clause3 (xv) of the order are not applicable.

xvi. (a) The Company is required to be registered under Section 45-IA of the RBI Act, 1934 and such registration has been obtained by the Company.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration from the RBI as per the RBI Act, 1934.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the RBI. Accordingly, provisions of clause3 (xvi)(c) of the order are not applicable.

(d) The Group has no CICs which are part of the Group.

xvii. The Company has not incurred cash losses in the financial year and in the immediately preceding financial year. Accordingly, provisions of clause3 (xvii) of the order are not applicable.

xviii. There has been no resignation of the statutory auditors during the year and accordingly paragraph 3(xviii) of the Order is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the

Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due. (Refer Note 48 and 55(x) of the financial statements)

xx. (a) The Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, provision of clause 3(xx)(a) of the Order is not applicable.

(b) The Company does not have any amount remaining unspent which is required to be transferred to a special account in compliance with the provision of sub-section (6) of Section 135 of the Act. Accordingly, provision of clause 3(xx)(b) of the Order is not applicable.

**For S.N. Dhawan & CO LLP**

Chartered Accountants

(Firm's Registration No. 000050N/N500045)

Rahul Singhal

Partner

Membership No. 096570

UDIN: 23096570BGZGPC4360

Place: Gurugram

Date: 23 May 2023

# Annexure "B" 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, 2023 in conjunction with our audit of the standalone 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 standalone 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 with reference to standalone financial statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone 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 standalone 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 standalone financial statements.

## Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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, 2023, 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 S.N. Dhawan & CO LLP**

Chartered Accountants

(Firm's Registration No. 000050N/N500045)

Rahul Singhal

Partner

Membership No. 096570

UDIN: 23096570BGZGPC4360

Place: Gurugram

Date: 23 May 2023

## Standalone Balance Sheet as at 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

| Particulars | Notes | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| A. ASSETS | | | |
| **1. Financial assets** | | | |
| (a) Cash and cash equivalents | 3 | 9,847.98 | 53,820.78 |
| (b) Bank Balance other than included in (a) above | 4 | 3,107.68 | 868.66 |
| (c) Derivative financial instruments | 16 | 231.10 | 23.61 |
| (d) Receivables | | | |
| i. Trade Receivable | 5 | - | 110.31 |
| ii. Other Receivable | | - | - |
| (e) Loans | 6 | 467,159.48 | 254,011.89 |
| (f) Investments | 7 | 75,362.59 | 33,648.09 |
| (g) Other financial assets | 8 | 67.02 | 53.86 |
| | | **555,775.85** | **342,537.20** |
| | | | |
| **2. Non-financial assets** | | | |
| (a) Current tax assets (Net) | 9 | 305.98 | 397.85 |
| (b) Deferred tax assets (Net) | 10 | 1,348.08 | 663.60 |
| (c) Investment Property | 11 | 13.32 | 149.92 |
| (d) Property, plant and equipment | 12 | 131.29 | 84.18 |
| (e) Other Intangible assets | 13 | 11.13 | - |
| (f) Other non-financial assets | 14 | 60.34 | 86.99 |
| (g) Non-current Assets held for sale | 15 | 118.00 | - |
| | | **1,988.14** | **1,382.54** |
| **TOTAL ASSETS** | | **557,763.99** | **343,919.74** |
| | | | |
| | | | |
| B. LIABILITIES AND EQUITY | | | |
| LIABILITIES | | | |
| **1. Financial liabilities** | | | |
| (a) Derivative financial instruments | 16 | 0.76 | 94.19 |
| (b) Payables | | | |
| (I) Trade payables | | | |
| (i) Total outstanding dues to micro and small enterprises | 17 | 3.17 | 3.17 |
| (ii) Total outstanding dues of creditors other than micro and small enterprises | 17 | 501.24 | 227.63 |
| (II) Other payables | | | |
| (i) Total outstanding dues to micro and small enterprises | 18 | - | - |
| (ii) Total outstanding dues of creditors other than micro and small enterprises | 18 | 953.29 | 263.44 |

## Standalone Balance Sheet as at 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

| | | | |
|---|---|---|---|
| (c) Debt securities | 19 | 27,299.03 | 39,131.54 |
| (d) Borrowings (Other than debt securities) | 20 | 285,270.58 | 162,347.19 |
| (e) Other financial liabilities | 21 | 12,606.90 | 1,752.65 |
| | | **326,634.97** | **203,819.81** |
| | | | |
| **2. Non-financial liabilities** | | | |
| (a) Current tax liabilities (Net) | 22 | 805.37 | 259.21 |
| (b) Provisions | 23 | 306.66 | 302.31 |
| (c) Other non-financial liabilities | 24 | 519.94 | 309.67 |
| | | **1,631.97** | **871.19** |
| | | | |
| **EQUITY** | | | |
| (a) Equity share capital | 25(a) | 5,367.86 | 5,147.72 |
| (b) Instruments entirely equity in nature | 25(b) | 1,438.29 | 755.83 |
| (c) Other equity | 26 | 222,690.90 | 133,325.19 |
| | | **229,497.05** | **139,228.74** |
| | | | |
| **TOTAL LIABILITIES AND EQUITY** | | **557,763.99** | **343,919.74** |
| | | | |
| **See accompanying notes forming part of the standalone Ind AS financial statements** | 1-65 | | |

As per our report of even date attached
**For S.N. DHAWAN & CO LLP**

Chartered Accountants

Firm Registration No. 000050N/N500045

**Rahul Singhal**

**Partner**
Membership No: 096570

Place : Gurugram
Date : 23 May 2023

**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

**Pinki Jha**
Company Secretary
M.No.: F10683
Place: Gurugram
Date : 23 May 2023

## Standalone Statement of Profit and Loss for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

| Particulars | Notes | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|---|
| (a) Revenue from operations | | | |
| (i) Interest income | 27 | 53,514.42 | 29,837.66 |
| (ii) Fee and commission income | 28 | 1,703.72 | 1,339.00 |
| (iii) Net gain on fair value changes | 29 | 730.51 | 120.55 |
| (iv) Net gain on derecognition of financial instruments under amortised cost category | 30 | 170.98 | - |
| (b) Other income | 31 | 58.59 | 26.55 |
| **I Total Income (a+b)** | | **56,178.22** | **31,323.76** |
| | | | |
| **Expenses** | | | |
| (a) Finance costs | 32 | 18,326.80 | 14,296.86 |
| (b) Impairment on financial instruments | 33 | 2 ,767.11 | 1,367.45 |
| (c) Employees benefit expenses | 34 | 7,299.51 | 4,577.66 |
| (d) Depreciation, amortisation and impairment expense | 35 | 73.67 | 31.00 |
| (e) Other expenses | 36 | 1,745.26 | 1,539.80 |
| **II Total expenses** | | **30,212.35** | **21,812.77** |
| | | | |
| **III Profit before tax (I-II)** | | **25,965.87** | **9,510.99** |
| | | | |
| **IV Tax expense** | | | |
| (a) Current tax | 37 | 6,940.73 | 2 ,709.78 |
| (b) Deferred tax (benefits) | 37 | ( 625.37) | ( 132.49) |
| **Total tax expense** | | **6,315.36** | **2,577.29** |
| | | | |
| **V Profit for the year (III-IV)** | | **19,650.51** | **6,933.70** |
| | | | |
| **VI Other comprehensive income/ (loss), net of tax** | | | |
| (a) Items that will not be reclassified to profit or loss | | | |
| Remeasurement gain/ (loss) on defined benefit plans | | 55.81 | (46.98) |
| Income tax benefit/ (charge) on above | | (14.05) | 11.82 |
| **Sub total (a)** | | **41.76** | **(35.16)** |
| | | | |
| (b) Items that will be reclassified to profit or loss | | | |
| Derivative instruments in Cash flow hedge relationship | | ( 290.69) | (70.58) |
| Income tax benefit on above | | 7 3.16 | 17.76 |
| **Sub total (b)** | | **(217.53)** | **(52.82)** |
| | | | |
| **Other comprehensive income/(loss) for the year** | | **(175.77)** | **(87.98)** |

## Standalone Statement of Profit and Loss for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

| | | | |
|---|---|---|---|
| **VII Total comprehensive income for the year (V+VI)** | | **19,474.74** | **6,845.72** |
| | | | |
| Earnings per equity share (nominal value of share Rs. 10 each): | | | |
| Basic (in ₹) | 38 | 29.08 | 13.66 |
| Diluted (in ₹) | 38 | 27.79 | 12.79 |
| | | | |
| See accompanying notes forming part of the standalone Ind AS financial statements | 1-65 | | |

As per our report of even date attached
**For S.N. DHAWAN & CO LLP**

Chartered Accountants

Firm Registration No. 000050N/N500045

**Rahul Singhal**

**Partner**
Membership No: 096570

Place : Gurugram
Date : 23 May 2023

**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

**Pinki Jha**
Company Secretary
M.No.: F10683
Place: Gurugram
Date : 23 May 2023

## Standalone Statement of Cash Flows for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| **A CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| **Profit before tax** | **25,965.87** | **9,510.99** |
| | | |
| **Adjustments for:** | | |
| Remeasurement gain/(loss) on defined benefit plans | 55.81 | (46.98) |
| Depreciation, amortisation and impairment expense | 73.67 | 31.00 |
| Net gain on Alternative investment funds | - | (109.92) |
| Net gain on mutual funds at FVTPL | (730.51) | (10.63) |
| Interest income on investment | (5,110.41) | (1,099.23) |
| Profit/ Loss from sale of investment | (170.98) | 1.74 |
| Interest income on fixed deposits | (171.14) | (74.58) |
| Interest on income tax refund | (9.99) | - |
| Loss on derecognition of financial assets | - | 290.46 |
| Impairment allowance on loans | 1,911.87 | 690.33 |
| Impairment allowance on investment | 39.60 | 6.15 |
| Loss on loans & advances written off (net of recovery) | 815.64 | 670.97 |
| Employee stock options expense | 528.18 | 677.70 |
| | | |
| **Operating profit before working capital changes** | **23,197.61** | **10,538.00** |
| | | |
| *Changes in working capital* | | |
| Increase/(decrease) in trade payables | 273.61 | 25.10 |
| Increase/(decrease) in other payables | 689.85 | 241.98 |
| Increase/(decrease) in Other financial liabilities | 10,854.25 | (115.49) |
| Increase/(decrease) in provisions | 4.35 | 115.12 |
| Increase/(decrease) in Other non-financial liabilities | 210.27 | (121.55) |
| (Increase)/decrease in Loans and advances | (215,875.09) | (120,011.20) |
| (Increase)/decrease in Other financial assets | (13.16) | 240.04 |
| (Increase)/decrease in Receivables | 110.31 | (110.31) |
| (Increase)/decrease in Other non-financial assets | 26.65 | (65.70) |
| | | |
| **Cash flow from operating activities post working capital changes** | **(180,521.35)** | **(109,264.01)** |
| Income- tax paid | (6,292.71) | (2,769.76) |
| **Net cash flow from operating activities (A)** | **(186,814.06)** | **(112,033.77)** |
| | | |
| **B CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Purchase of property, plant and equipment | (142.48) | (83.44) |
| Purchase of Intangible assets | (11.74) | - |

## Standalone Statement of Cash Flows for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

| | | |
|---|---|---|
| Proceeds from sale of property, plant and equipment | 40.92 | 3.34 |
| Redemption from units of Alternative investment funds | - | 3,167.17 |
| Investment in mutual fund | (190,100.00) | (32,501.39) |
| Proceeds from sale of mutual funds | 220,832.02 | 2,510.51 |
| Investment in subsidiaries | (1,407.32) | - |
| Investment in debentures (net of sale proceeds) | (71,838.51) | 1,798.26 |
| Investment in Pass through certificates | - | (4,059.52) |
| Redemption from Pass through certificates | 3,591.70 | 2,523.09 |
| Investment in Fixed deposits (net of redemption) | (2,176.63) | 54.63 |
| Interest received from investments | 3,179.92 | - |
| Interest received on fixed deposits | 108.75 | 1,156.35 |
| | | |
| **Net cash used in investing activities (B)** | **(37,923.37)** | **(25,431.00)** |
| | | |
| **C CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Proceeds from debt securities (including accrued interest) | 6,897.38 | 36,044.25 |
| Repayments of debt securities | (18,729.89) | (29,380.81) |
| Net proceeds from cash credit and bank overdraft | 11,574.62 | (3,034.33) |
| Proceeds from other borrowings (including accrued interest) | 456,676.56 | 282,151.25 |
| Repayments of other borrowings | (345,919.42) | (201,139.19) |
| Proceeds from issue of share capital including share premium | 71,046.29 | 8 6,743.67 |
| Repayment towards deemed equity | (780.91) | - |
| | | |
| **Net cash flow from financing activities (C)** | **180,764.63** | **171,384.84** |
| | | |
| Increase in cash and cash equivalents (A+B+C) | **(43,972.80)** | **33,920.07** |
| Cash and cash equivalents at the beginning of the year | 53,820.78 | 19,900.71 |
| **Cash and cash equivalents at the end of the year** | **9,847.98** | **53,820.78** |
| | | |
| Cash on hand | 10.28 | 5.98 |
| Balance with banks | | |
| -In current accounts | 9,837.70 | 46,313.90 |
| -In deposit accounts | - | 7,500.00 |
| Accrued interest | - | 0 .90 |
| | **9,847.98** | **53,820.78** |

The above standalone statement of cash flows has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows'.

**See accompanying notes forming part of the standalone Ind AS financial statements** 1-65

## Standalone Statement of Cash Flows for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

As per our report of even date attached
**For S.N. DHAWAN & CO LLP**

Chartered Accountants

Firm Registration No. 000050N/N500045

**Rahul Singhal**

**Partner**
Membership No: 096570

Place : Gurugram
Date : 23 May 2023

**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

**Pinki Jha**

Company Secretary
M.No.: F10683
Place: Gurugram
Date : 23 May 2023

# Standalone statement of changes in equity for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

## A Equity share capital

(1) Current reporting year

| Balance at the beginning of the current reporting year | Changes in equity share capital during the current year | Balance at the end of the current reporting year |
|---|---|---|
| 5,147.72 | 220.14 | 5,367.86 |

(2) Previous reporting year

| Balance at the beginning of the previous reporting year | Changes in equity share capital during the previous year | Balance at the end of the previous reporting year |
|---|---|---|
| 5,010.34 | 137.38 | 5,147.72 |

## B Instruments entirely equity in nature

(a) Compulsorily convertible preference shares

(1) Current reporting year

| Balance at the beginning of the current reporting year | Changes in equity share capital during the current year | Balance at the end of the current reporting year |
|---|---|---|
| 755.83 | 682.46 | 1,438.29 |

(2) Previous reporting year

| Balance at the beginning of the previous reporting year | Changes in equity share capital during the previous year | Balance at the end of the previous reporting year |
|---|---|---|
| - | 755.83 | 755.83 |

## C Other equity

| Particulars | Reserves and Surplus | | | | | | Other Comprehensive Income (OCI) | Total |
|---|---|---|---|---|---|---|---|---|
| | Securities premium reserve | Reserve u/s 45- IC of Reserve Bank of India Act, 1934 | Deemed equity contribution | Employee Stock Options Outstanding Account | Optionally convertible redeemable preference shares | Retained Earnings | Cash flow hedges reserves | |
| **Balance at 1 April 2021** | 33,259.58 | 1,317.52 | 216.19 | - | - | 5,158.02 | - | 39,951.31 |
| Add: Profit for the year | - | - | - | - | | 6,933.70 | - | 6,933.70 |
| Add: Other comprehensive income/ (loss) (net of tax) | - | - | - | - | | (35.16) | (52.82) | (87.98) |
| **Total comprehensive income/ (loss) for the year** | - | - | - | - | - | 6,898.54 | (52.82) | 6,845.72 |
| Transfer to statutory reserve | - | 1,369.14 | - | - | - | (1,369.14) | - | - |
| Employee stock options | - | - | 564.72 | 112.98 | - | - | - | 677.70 |
| Premium on issue of equity shares | 7,919.32 | - | - | - | - | - | - | 7,919.32 |
| Securities premium on issue of Series A - CCPS | 77,946.14 | - | - | - | - | - | | 77,946.14 |
| Share issue expenses | (15.00) | - | - | - | - | - | - | (15.00) |
| **Balance at 31 March 2022** | 119,110.04 | 2,686.66 | 780.91 | 112.98 | - | 10,687.42 | (52.82) | 133,325.19 |
| Add: Profit for the year | - | - | - | - | - | 19,650.51 | - | 19,650.51 |
| Add: Other comprehensive income (net of tax) | - | - | - | - | - | 41.76 | (217.53) | (175.77) |
| **Total comprehensive income/ (loss) for the year** | - | - | - | - | - | 19,692.27 | (217.53) | 19,474.74 |
| Transfer to statutory reserve | - | 3,930.10 | - | - | - | (3,930.10) | - | - |
| Employee stock options | - | - | - | 528.18 | - | - | - | 528.18 |
| Repayment towards deemed equity | | | (780.91) | | | | | (780.91) |
| Securities premium on issue of equity shares | - | - | - | - | - | - | - | - |
| Securities premium on issue of Series A - CCPS | 70,378.84 | - | - | - | - | - | - | 70,378.84 |
| Optionally Convertible Redeemable Preference Shares | (293.53) | - | - | - | 293.53 | - | - | - |
| Converted into equity shares during the year | - | - | - | - | (220.14) | | | (220.14) |
| Share issue expenses | (15.00) | - | - | - | - | - | - | (15.00) |
| **Balance at 31 March 2023** | 189,180.35 | 6,616.76 | - | 641.16 | 73.39 | 26,449.59 | (270.35) | 222,690.90 |
| See accompanying notes forming part of the standalone Ind AS financial statements | 1-65 | | | | | | | |

## Standalone statement of changes in equity for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

As per our report of even date attached
**For S.N. DHAWAN & CO LLP**

Chartered Accountants

Firm Registration No. 000050N/N500045

**Rahul Singhal**

**Partner**
Membership No: 096570

Place : Gurugram
Date : 23 May 2023

**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

**Pinki Jha**
Company Secretary
M.No.: F10683
Place: Gurugram
Date : 23 May 2023

# Notes forming part of the Ind AS standalone financial statements for the year ended 31 March 2023

## 1. Corporate Information

Oxyzo Financial Services Private Limited (the "Company" or "Oxyzo") is a debt listed Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is holding a Certificate of Registration ('CoR') and registered as a systemically important non-deposit taking Non-Banking Financial Company ('NBFC') as defined under Section 45-IA of the Reserve Bank of India (RBI) Act, 1934 (Registration No. N-14.03380) and is primarily engaged in the business of lending. The Company has its registered office at Shop No. G-22C (UGF) D-1 (K-84) Green Park Main, New Delhi-110016 (India).

## 2. Significant Accounting Policies:

### 2.1 Statement of compliance:

These Standalone financial statements (herein after referred to as '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. Further, the Company has complied with all the directions related to Implementation of Indian Accounting Standards prescribed for Non-Banking Financial Companies (NBFCs) in accordance with the RBI notification no. RBI/2019-20/170 DOR NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 and other applicable RBI circulars/notifications.

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

The financial statements were reviewed by the audit committee and authorized for issue by the Company's Board of Directors on 23 May 2023.

### 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 and derivative financial instruments. 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 Functional and presentation currency:

These financial statements are prepared in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest lakhs and two decimals thereof, except as stated otherwise.

### 2.4 Presentation of financial statements:

The Balance Sheet, the Statement of Change in Equity and the Statement of Profit and

Loss is presented in the format prescribed under Division III of Schedule III of the Act,

as amended from time to time, for Non-Banking Financial Companies ('NBFCs"), that are required to comply with Ind AS. The Statement of Cash Flows has been presented as per the requirements of Ind AS 7, Statement of Cash Flows. 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 Balance Sheet, the Statement of Change in Equity and the Statement of Profit and Loss is presented in the format prescribed under Division III of Schedule III of 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.

## 2.5 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.

Incomes are recognised net of the goods and services tax, wherever applicable.

### 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) and at fair value through other comprehensive income (OCI)) 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 financial assets at amortised cost, transaction costs, and all other premiums or discounts and it represents a rate that exactly discounts estimated future cash payments / receipts through the expected life of the financial asset/financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability. 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.

Delayed payment interest (penal interest and the like) levied on customers for delay in repayments/non payment of contractual cashflows is recognised on realization basis.

### ii. Other revenue from operation:

The Company recognizes revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial Instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers. The Company identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognizes revenue only on satisfactory completion of performance obligations. Revenue is measured at fair value of the consideration received or receivable.

a. **Fee and commission income:**

Revenue (other than for those items to which IND AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. IND AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

Fee and commission income includes fees other than those that are an integral part of EIR. The fees included in the Company's statement of profit and loss includes service and administration charges towards rendering of additional services to its loan customers and others fees charged for servicing of loans, fees charged on account of loan commitments and loan advisory fees.

Foreclosure charges are collected from loan customers for early payment / closure of loan and are recognised on realisation

b. **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 recognized 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.

c. **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.

iii. **Other income:**

The Company recognizes revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial Instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers. The Company identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognizes revenue only on satisfactory completion of performance obligations. Revenue is measured at fair value of the consideration received or receivable.

### 2.6 Expenditures:

(i) **Finance costs:**

Finance costs represents interest expense and transaction cost 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 group companies. 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.

### 2.7 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 consistent with the criteria specified in Ind AS 16 'Property, plant and equipment'. 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.

Useful life as used by the Company as indicated in Schedule II are listed below:

- Computers and Laptops- 3 Years

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.

### 2.8 Intangible assets:

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. The cost of such assets includes purchase price, licensee fee, import duties and other taxes and any directly attributable expenditure to bring the assets to their working condition for intended use. The Company's other intangible assets mainly include the value of computer software.

Intangible assets comprise computer software which is amortized on a straight-line basis over the estimated useful economic life. The useful life of the intangible assets are estimated at 3 to 5 years.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted in future periods in such a manner that the carrying amount of the asset is allocated over its remaining useful life.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the assets are recognized in the Statement of Profit and Loss when the asset is derecognized.

### 2.9 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. Depreciation is recognised using straight line method in same line as mentioned in para 2.7 above.

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.

### 2.10 Assets held for sale:

Assets held for sale comprises of house & land properties, which were held as collaterals against the loans given to customer, whose physical and legal possessing has been taken over by the company due to customers' default on repayment of the loan. Management intends to sell these properties for which regular auctions are conducted. Such assets are classified as held for sale when their carrying amount is intended to be recovered principally through sale rather than through continued use.

### 2.11 Impairment of non–financial assets:

The Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. 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 risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses are recognized in profit or loss.

### 2.12 Employee benefits:

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

Employee benefits expected to be settled 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:

The Company operates the following post-employment schemes:

a. *Defined contribution plans:* The Company's employee provident fund scheme and employees' state insurance 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 provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each Balance Sheet date, using the Projected Unit Credit method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

Net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, attrition rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

The Company contributes on a lumpsum basis towards the ascertained liabilities to the LIC's New Group Gratuity Cash Accumulation Plan managed by insurance company Life Insurance Corporation of India (LIC).

Re-measurement, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods

### (iii) Long term employee benefits:

Benefits under compensated absences constitute other employee benefits. Employee entitlements to annual leave are recognized when they accrue to the eligible employees. An accrual is made for the estimated liability for annual leave as a result of services provided by the eligible employees up to the Balance Sheet date. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

Expenses are recognized immediately in the Statement of Profit and Loss.

## 2.13 Employees Stock Option Scheme:

Equity-settled shared based payments to employees are measured at fair value of the equity instruments at the grant date in accordance with Ind AS 102, "Share based payments". Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 46.1 & 46.2.

The fair value determined at the grant date of the equity-settled share based payments is expected over the vesting period using the graded vesting method, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company reviews its estimate of the number of equity instruments expected to vest. The impact of the original estimates, if any, is recognized in the profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the "Share Option Outstanding Account" in Other Equity.

The employees of the Company have also been granted stock options in respect of the shares of OFB Tech Private Limited, the holding company. The Company has entered into repayment arrangement for the provision of share based payments with the parent company for the ESOP granted and reimburse to the parent company as and when expenses recognised on the basis of grant date fair valuation

## 2.14 Investment in subsidiaries and associates:

The investment in subsidiaries are carried at cost as per Ind AS 27. Investment carried at cost is tested for impairment as per Ind AS 36. An investor, regardless of the nature of its involvement with an entity (the investee), shall determine whether it is a parent by assessing whether it controls the investee. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has ability to affect those returns through its power over the investee. Thus, an investor controls an investee if and only if the investor has all the followings:

a. Power over the investee;

b. Exposure, or rights, to variable returns from its involvement with the investee and

c. The ability to use its power over the investee to affect the amount of the investor's returns

On disposal of investment, the difference between its carrying amount the net disposal proceeds is charged or credited to the Statement of Profit and Loss..

## 2.15 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.

Financial assets are measured at FVTOCI subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment losses or reversals, interest revenue and are recognised in profit and loss. Upon disposal, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the statement of profit and loss.

### 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.

### f. Servicing of Assets/Liabilities

- The Company transfers loans through securitisation and direct assignment transactions. The transferred loans are derecognised and gains/losses are accounted for, only if the Company transfers substantially all its risks and rewards specified in the underlying assigned loan contracts. In accordance with the Ind AS 109, on derecognition of a financial asset under assigned transactions for a fee, the Company recognises the fair value of future service fee income over service obligations cost on net basis as service fee income in the statement of profit and loss and, correspondingly creates a service asset in balance sheet.
- The Company recognises either a servicing asset or a servicing liability for servicing contract. If the fee to be received is not expected to compensate the Compensate the Company adequately for performing the servicing activities, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing activities, a servicing asset is recognised. Corresponding amount is recognised in statement of profit and loss.

### g. Transfer of Loan Exposure

Transfer of a loan exposure results in immediate separation from the risks and rewards associated with such loans to the extent that the economic interest has been transferred. The transferee gets an unfettered right to transfer or otherwise dispose of such loans free of any restraining condition to the extent of economic interest transferred to them. Profit or loss on such loans is recognised in the statement of profit and loss for the period in which such loans have been transferred.

### 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.

### iii Instruments Entirely Equity in nature

The classification of a financial instruments or its component parts, on initial recognition as a financial liability, a financial asset or an equity instrument, is done in accordance with the substance of the contractual arrangement and the definitions of a financial liability, a financial asset and an equity instrument. An instrument is classified as an equity instrument or an instrument entirely equity in nature when the said instrument has no other financial instrument or contract that has:

- total cash flows based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the entity (excluding any effects of such instrument or contract) and
- the effect of substantially restricting or fixing the residual return to the instrument holders.

Instruments entirely equity in nature, are presented as a separate line item on the face of the Balance Sheet under 'Equity' after 'Equity Share Capital' but before 'Other Equity'.

### iv Equity Instruments

An equity instruments is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the face value and proceeds received in excess of the face value are recognised as securities premium.

## 2.16 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

When measuring the fair value of an asset or a liability, the Company uses observable market data to the extent possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company measures financial instruments, such as, investments, at fair value on each reporting date. In addition, the fair value of financial instruments measured at amortized cost and FVTPL is disclosed in Note 43.

### 2.17 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.

# Notes forming part of the Ind AS standalone financial statements for the year ended 31 March 2023

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 nonpayment 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

*excluding grace period of seven days.

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.

### 2.18 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.

# Notes forming part of the Ind AS standalone financial statements for the year ended 31 March 2023

## 2.19 Foreign Currency Transactions:

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates prevailing on the date of the transaction. Exchange differences arising due to the differences in the exchange rate between the transaction date and the date of settlement of any monetary items are taken to the statement of profit and loss. Monetary assets and monetary liabilities denominated in foreign currency are translated at the exchange rate prevalent at the date of the Balance Sheet and resultant gain/ loss is taken to the Statement of Profit and Loss.

## 2.20 Derivative financial instruments:

The Company enters into derivative financial instruments to manage its exposure to interest rate risk and foreign exchange rate risk. Derivatives held include foreign exchange forward contracts, interest rate swaps and cross currency interest rate swaps. Derivatives are initially recognised at fair value at the date of a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain/loss is recognised in the statement of profit and loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the statement of profit and loss depends on the nature of the hedge relationship. The Company designates certain derivatives as hedges of highly probable forecast transactions (cash flow hedges). A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

### Hedge accounting

The Company makes use of derivative instruments to manage exposures to interest rate and foreign currency. In order to manage particular risks, the Company applies hedge accounting for transactions that meet specific criteria. At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging / economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Company would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

### Cash Flow Hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect profit and loss. For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in Finance Cost in the statement of profit and loss. When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss. When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time remains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the statement of profit and loss.

## 2.21 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.

### 2.22 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.

### 2.23 Taxation:

#### Current Tax:

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with Income tax Act, 1961, Income Computation and Disclosure Standards and other applicable tax laws. The tax rates and tax laws used to compute the amount are those that are enacted at the reporting date.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with Income tax Act, 1961, Income Computation and Disclosure Standards and other applicable tax laws. The tax rates and tax laws used to compute the amount are those that are enacted at the reporting date.

#### Deferred Tax:

Deferred tax assets and liabilities are recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are only recognised for temporary differences, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current ax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities are realised simultaneously.

### 2.24 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 nonoccurrence 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.

### 2.25 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.

### 2.26 Earnings per share:

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted av7rage 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.

### 2.27 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.

### 2.28 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. (Refer note no.47).

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 47

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, provisions and useful lives of tangible assets and intangible assets.

## 2.29 Recent Accounting Accouncements:

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

### Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

### Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

### Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

# Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

| 3 | Cash and cash equivalents | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| | Cash on hand | 10.28 | 5.98 |
| | Balances with banks: | | |
| | - in current accounts | 9,837.70 | 46,313.90 |
| | - in deposit accounts | - | 7,500.00 |
| | Accrued interest on deposits with bank | - | 0.90 |
| | **Total** | **9,847.98** | **53,820.78** |

| 4 | Bank balance other than cash and cash equivalents* | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| | Deposits with bank held as margin money against borrowings | 3,002.00 | 825.37 |
| | Accrued interest on deposits with bank | 105.68 | 4 3.29 |
| | **Total** | **3,107.68** | **8 68.66** |
| | *Deposits marked as lien with banks against borrowings | | |

| 5 | Trade Receivable | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| | Considered Good – Secured | - | - |
| | Considered Good – Unsecured (Refer Note-5.2) | - | 110.31 |
| | Trade Receivables which have significant increase in credit risk | - | - |
| | Trade Receivables- credit impaired | - | - |
| | **Total** | **-** | **110.31** |
| | Impairment allowance on trade receivable is Nil (previous year Nil) | | |

### 5.1 Trade receivable aging schedule for the year ending 31 March 2023 summaried as below:

| Particulars | Outstanding for following periods from due date of payments | | | | | |
|---|---|---|---|---|---|---|
| | Less than 6 months | 6 months - 1 years | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Undisputed trade receivables – considered good | - | | - | | - | - |
| (ii) Undisputed Trade Receivables — which have significant increase in credit risk | - | | - | | - | - |
| (iii) Undisputed Trade Receivables — credit impaired | - | | - | | - | - |
| (iv) Disputed trade receivables – considered good | - | | - | | - | - |
| (v) Disputed Trade Receivables — which have significant increase in credit risk | - | | - | | - | - |
| (vi) Disputed Trade Receivables — credit impaired | - | | - | | - | - |

# Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

### 5.2 Trade receivable aging schedule for the year ending 31 March 2022 summaried as below:

| Particulars | Outstanding for following periods from due date of payments | | | | | |
|---|---|---|---|---|---|---|
| | Less than 6 months | 6 months - 1 years | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Undisputed trade receivables – considered good | 110.31 | | - | | - | 110.31 |
| (ii) Undisputed Trade Receivables — which have significant increase in credit risk | - | | - | | - | - |
| (iii) Undisputed Trade Receivables — credit impaired | - | | - | | - | - |
| (iv) Disputed trade receivables – considered good | - | | - | | - | - |
| (v) Disputed Trade Receivables — which have significant increase in credit risk | - | | - | | - | - |
| (vi) Disputed Trade Receivables — credit impaired | - | | - | | - | - |

| 6 | Loans | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| | **At amortised cost** | | |
| | **A. Loans** | | |
| | (i) Purchase finance | 322,982.72 | 212,793.64 |
| | (ii) Term Loans | 149,091.13 | 44,744.01 |
| | (iii) Others (Staff Loans) | 688.04 | 8.45 |
| | (iv) Interest accrued on loans | 1,155.52 | 306.90 |
| | **Total (A) - Gross** | **473,917.41** | **257,853.00** |
| | | | |
| | Less: Impairment loss allowance | 4,974.99 | 3,063.13 |
| | Less: Revenue received in advance | 1,782.94 | 777.98 |
| | **Total (A) - Net** | **467,159.48** | **254,011.89** |
| | | | |
| | **B.** | | |
| | (i) Secured by tangible assets* | 29,947.65 | 10,205.97 |
| | (ii) Secured by others | 138,221.12 | 44,685.22 |
| | (iii) Covered by bank guarantee | 176,061.49 | 1 40,275.50 |
| | (iv) Unsecured | 129,687.15 | 62,686.31 |
| | **Total (B) - Gross** | **473,917.41** | **257,853.00** |
| | | | |
| | Less: Impairment loss allowance | 4,974.99 | 3,063.13 |
| | Less: Revenue received in advance | 1,782.94 | 777.98 |
| | **Total (B) - Net** | **467,159.48** | **254,011.89** |

# Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

| | | |
|---|---|---|
| **C. Loans in India**** | | |
| (i) Public sector | - | - |
| (ii) Others | 473,917.41 | 2 57,853.00 |
| **Total (C) - Gross** | **473,917.41** | **257,853.00** |
| | | |
| Less: Impairment loss allowance | 4,974.99 | 3,063.13 |
| Less: Revenue received in advance | 1,782.94 | 777.98 |
| **Total (C) - Net** | **467,159.48** | **254,011.89** |

* Based on the net book value of the tangible assets provided as security.

** The Company has not granted loans to any party outside India

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

Refer note 47 on credit risk

## Amount of loans or advance in the nature of loan outstanding and Percentage

| Type of Borrower | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|
| | Amount | Percentage | Amount | Percentage |
| Promoters | - | - | - | - |
| Directors | - | - | - | - |
| KMPs | - | - | - | - |
| Related Parties | 130.88 | 0.03% | 435.71 | 0.17% |

| 7 Investments | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **(A) Investment carried at cost**<br>**Investments in equity instrument in subsidiaries***<br>**Unquoted Investments (all fully paid)** | | |
| | | |
| **(i) OXY Ventures Private Limited (refer note i)**<br>- Equity share of ₹10 each, previous year Nil each (fully paid up) | 200.00 | - |
| **(ii) OXY B Securities Private Limited (refer note ii)**<br>- Equity share of ₹10 each, previous year Nil each (fully paid up) | 5.10 | - |
| **(iii) Oxyzo Investment Manager Private Limited (refer note iii)**<br>- Equity share of ₹10 each, previous year Nil each (fully paid up) | 10.10 | - |
| **(iv) Oxyzo Finvest Private Limited (refer note iv)**<br>- Equity share of ₹10 each, previous year Nil each (fully paid up) | 0.10 | - |
| **(v) Ziel Financial Technologies Private Limited (refer note v)**<br>- Equity share of ₹10 each, previous year Nil each (fully paid up) | 798.00 | - |
| **(vi) Zfirst Technologies Private Limited (refer note vi)**<br>- Equity share of ₹10 each, previous year Nil each (fully paid up) | 0.02 | - |

## Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

| | | |
|---|---|---|
| **Investments in compulsory convertible preference shares (CCPS)*** | | |
| **(i) Zfirst Technologies Private Limited (refer note vi)**<br>- CCPS of ₹10 each, previous year Nil each (fully paid up) | 394.00 | - |
| | | |
| **(B) Investments at amortised Cost:** | | |
| Debt securities** | 72,009.49 | - |
| Interest accrued on debt securities** | 1,946.65 | - |
| Less: Impairment loss allowance | (54.18) | - |
| | | |
| Pass through certificates (PTC) | 53.02 | 3,644.71 |
| Accrued interest on PTC | 0.29 | 16.45 |
| Less: Impairment loss allowance on pass through certificates | - | (14.58) |
| | | |
| **(C) Investments at fair value through other comprehensive income (OCI):** | | |
| Investments in compulsory convertible note of other Companies | | |
| Unquoted Investments (all partly paid) | | |
| Diptab Ventures Private Limited (refer note vii) | | |
| - Convertible note of 4 each, previous year Nil each (partly paid up) | - | - |
| | | |
| **(D) Investments at fair value through profit and loss:** | | |
| Investment in Mutual funds | - | 30,001.51 |
| | | |
| **Total (A)** | **75,362.59** | **33,648.09** |
| | | |
| (i) Investment outside India | - | - |
| (ii) Investment in India | 75,362.59 | 33,648.09 |
| | | |
| **Total (B)** | **75,362.59** | **33,648.09** |

* The Company has elected to account for investment in subsidiary at cost in accordance with Ind AS 27 'Separate Financial Statements'

** Includes investment in unsecured perpetual debentures of Banks amounting to ₹26,257.58 lakhs

(i) During the year ended 31 March 2023, on 6 June 2022 and 13 June 2022 the Company has invested of ₹200.00 lakhs in Oxy Ventures Private Limited, a wholly owned subsidiary of the Company, by subscribing to 20,00,000 lakhs equity shares of face value of ₹10 each per share.

(ii) During the year ended 31 March 2023, on 5 July 2022 and 2 August 2022 the Company has invested ₹5.10 lakhs in Oxy B Securities Private Limited, a wholly owned subsidiary of the Company, by subscribing to 51,000 equity shares of face value of ₹10 each per share.

(iii) During the year ended 31 March 2023, on 16 August 2022 and 23 January 2023 the Company has invested of ₹10.10 lakhs in Oxyzo Investment Manager Private Limited, a wholly owned subsidiary of the Company, by subscribing to 101,000 equity shares of face value of ₹10 each per share.

(iv) During the year ended 31 March 2023, on 22 November 2022 the Company has invested ₹ 0.10 lakhs in Oxyzo Finvest Private Limited, a wholly owned subsidiary of the Company, by subscribing to 1,000 equity shares of face value of ₹10 each per share.

# Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

(v) During the year ended 31 March 2023, on 24 November 2022 the Company has acquired 26,80,000 equity shares (represents 100% outstanding share capital) at face value of ₹10 each per share from the promoters of Ziel Financial Technologies Private Limited. As a result, Ziel Financial Technologies Private Limited has become the wholly owned subsidiary of the Company w.e.f 24 November 2022. Further, on 26 December 2022 and 24 March 2023, the Company has subscribed 23,00,000 and 30,00,000 equity shares at face value of ₹10 each per share respectively of the wholly owned subsidiary company.

(vi) During the year ended 31 March 2023, on 20 February 2023 the Company has completed the acquisition of 100 equity shares of face value of ₹10 each per share at a premium of ₹10 each and 19,70,000 compulsory convertible preference shares of face value of ₹10 each per share at a premium of ₹10 each from the Angel investors of ZFirst Technologies Private Limited. Consequently the Company hold 34.43% stake in ZFirst Technologies Private Limited on diluted basis. As per Ind AS, by virtue of control, the Company has classified ZFirst Technologies Private Limited as subsidiary company.

(vii) During the year ended 31 March 2023, on 21 July 2022, the Company has invested ₹130 in 130 convertible note paid up ₹1 per note of Diptab Ventures Private Limited having nominal value of ₹4 each at premium of ₹49,379 per convertible note. The Company has entered into investment agreement with the issuer and accordingly the issuer will issue compulsory convertible preference share at the price of series B to the Company.

| 8 | Other financial assets | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| | Margin money against borrowings | - | 20.83 |
| | Interest accrued on margin money against borrowings | - | 0.14 |
| | Other recoverable from related party (Refer Note 43) | 13.99 | 0.86 |
| | Other advances | 5 3.03 | 32.03 |
| | **Total** | **67.02** | **53.86** |

| 9 | Current tax assets (Net) | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| | Current tax assets | 305.98 | 397.85 |
| | **Total** | **305.98** | **397.85** |

| 10 | Deferred tax assets | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| | **Tax effect of items constituting deferred tax assets** | | |
| | Provision for gratuity | 52.04 | 52.92 |
| | Provision for variable pay | - | 5.31 |
| | Provision for compensated absences | 25.14 | 22.39 |
| | Impairment on financial instruments | 898.54 | 499.05 |
| | Impairment on Non Current Asset Held for sale | 4.33 | - |
| | Deferred processing fee on loan assets | 448.73 | 195.80 |
| | Cash Flow Hedge Reserve | 90.92 | 17.76 |
| | | **1,519.70** | **793.23** |

## Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

| | | |
|---|---|---|
| **Tax effect of items constituting deferred tax liabilities** | | |
| Difference between book balance and tax balance of property, plant and equipment | 2.58 | 1.50 |
| Fair value changes in investment | - | 0.76 |
| Prepaid Expenses | - | 2 1.63 |
| Unamortised processing fees on borrowings | 169.04 | 105.74 |
| | **171.62** | **1 29.63** |
| | | |
| **Deferred tax assets /(liabilities) (net)** | **1,348.08** | **6 63.60** |

**Deferred taxes arising from temporary differences for the year ended 31 March 2023 are summarized as follows:**

| Deferred tax assets /(Liabilities) | As at 1 April 2022 | Recognized in profit or loss | Recognized in other comprehensive income | As at 31 March 2023 |
|---|---|---|---|---|
| **Tax effect of items constituting deferred tax assets** | | | | |
| Provision for gratuity | 52.92 | 13.17 | (14.05) | 52.04 |
| Provision for Variable pay | 5.31 | (5.31) | - | - |
| Provision for compensated absences | 22.39 | 2.75 | - | 25.14 |
| Impairment on financial instruments | 499.05 | 399.49 | - | 898.54 |
| Impairment on Non Current Asset Held for sale | - | 4.33 | - | 4.33 |
| Deferred processing fee | 195.80 | 252.93 | - | 448.73 |
| Cash Flow Hedge Reserve | 17.76 | - | 73.16 | 90.92 |
| | **793.23** | **667.36** | **59.11** | **1,519.70** |
| | | | | |
| **Tax effect of items constituting deferred tax liabilities** | | | | |
| Difference between book balance and tax balance of | 1.50 | 1.08 | - | 2.58 |
| Fair value change in investment | 0.76 | (0.76) | - | - |
| Prepaid Expenses | 21.63 | (21.63) | - | - |
| Unamortised processing fees on borrowings | 105.74 | 63.30 | - | 169.04 |
| | 129.63 | 41.99 | - | 171.62 |
| **Deferred tax assets /(liabilities) (net)** | **663.60** | **625.37** | **59.11** | **1,348.08** |

# Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

**Deferred taxes arising from temporary differences for the year ended 31 March 2022 are summarized as follows:**

| Deferred tax assets /(Liabilities) | As at 1 April 2021 | Recognized in profit or loss | Recognized in other compre-hensive income | As at 31 March 2022 |
|---|---|---|---|---|
| **Tax effect of items constituting deferred tax assets** | | | | |
| Provision for gratuity | 34.38 | 6.72 | 11.82 | 52.92 |
| Provision for Variable pay | - | 5.31 | - | 5.31 |
| Provision for compensated absences | 12.73 | 9.66 | - | 22.39 |
| Impairment on financial instruments | 466.37 | 32.68 | - | 499.05 |
| Deferred processing fee | 96.45 | 99.35 | - | 195.80 |
| Cash Flow Hedge Reserve | - | - | 17.76 | 17.76 |
| | 609.93 | 153.72 | 29.58 | 793.23 |
| **Tax effect of items constituting deferred tax liabilities** | | | | |
| Difference between book balance and tax balance of | 0.19 | 1.31 | | 1.50 |
| Fair value change in investment | - | 0.76 | | 0.76 |
| Prepaid Expenses | - | 21.63 | | 21.63 |
| Unamortised processing fees on borrowings | 108.21 | (2.47) | | 105.74 |
| | 108.40 | 21.23 | | 129.63 |
| Deferred tax assets /(liabilities) (net) | 501.53 | 132.49 | 29.58 | 663.60 |

## 11 Investment Property

| Particulars | Land-freehold | Total |
|---|---|---|
| Gross carrying amount (at cost) | | |
| As at 01 April 2021 | 149.92 | 1 49.92 |
| Additions | - | - |
| Disposals | - | - |
| Transfer | - | - |
| As at 31 March 2022 | 149.92 | 1 49.92 |
| Additions | - | - |
| Disposals | - | - |
| Transfer (Refer Note 15) | 136.60 | 136.60 |
| As at 31 March 2023 | 13.32 | 13.32 |
| | | |
| Accumulated depreciation | | |
| As at 01 April 2021 | - | - |
| Charge for the year | - | - |
| Adjustments | - | - |

# Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

| | | |
|---|---|---|
| As at 31 March 2022 | - | - |
| Charge for the year | - | - |
| Adjustments | - | - |
| As at 31 March 2023 | - | - |
| | | |
| Carrying amount | | |
| As at 31 March 2022 | 149.92 | 149.92 |
| As at 31 March 2023 | 13.32 | 13.32 |

(i) As at 31 March 2023 and as at 31 March 2022, the fair value (Level 3) of property is ₹13.32 Lakh and ₹162.42 Lakh respectively. The property is carried at cost on basis of management's best estimate that fair value of property is higher than the carry value.

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

## 12 Property, plant and equipment

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

| Particulars | Furniture and Fixtures | Computers | Total |
|---|---|---|---|
| Gross carrying amount (at cost) | | | |
| As at 01 April 2021 | - | 71.67 | 71.67 |
| Additions | - | 83.44 | 83.44 |
| Disposals | - | (10.45) | (10.45) |
| As at 31 March 2022 | - | 144.66 | 144.66 |
| Additions | 1.01 | 141.47 | 142.48 |
| Disposals | - | (68.70) | (68.70) |
| As at 31 March 2023 | 1.01 | 217.43 | 218.44 |
| | | | |
| Accumulated depreciation | | | |
| As at 01 April 2021 | - | 36.59 | 36.59 |
| Additions | - | 3 1.00 | 31.00 |
| Disposals | - | (7.11) | (7.11) |
| As at 31 March 2022 | - | 60.48 | 60.48 |
| Additions | 0.01 | 54.44 | 54.45 |
| Disposals | - | (27.78) | (27.78) |
| As at 31 March 2023 | 0.01 | 87.14 | 87.15 |
| | | | |
| Carrying amount | | | |
| As at 31 March 2022 | - | 84.18 | 8 4.18 |
| As at 31 March 2023 | 1.00 | 130.29 | 131.29 |

# Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

## 13 Other Intangible assets

Details of the Company's intangible assets and their carrying amounts are as follows:

| Particulars | Computer software | Total |
|---|---|---|
| **Gross carrying amount (at cost)** | | |
| **As at 01 April 2021** | - | - |
| Additions | - | - |
| Disposals | - | - |
| **As at 31 March 2022** | - | - |
| Additions | 11.74 | 11.74 |
| Disposals | - | - |
| **As at 31 March 2023** | **11.74** | **11.74** |
| | | |
| **Accumulated depreciation** | | |
| **As at 31 March 2022** | - | - |
| Additions | 0.61 | 0.61 |
| Disposals | - | - |
| **As at 31 March 2023** | **0.61** | **0.61** |
| | | |
| **Carrying amount** | | |
| As at 31 March 2022 | - | - |
| As at 31 March 2023 | **11.13** | **11.13** |

## 14 Other non-financial assets

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Prepaid expenses (Refer Note 43) | 60.34 | 85.94 |
| Advance to employees | - | 1.05 |
| **Total** | **60.34** | **86.99** |

## 15 Non current assets held for sale

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Non current assets held for sale | 136.60 | - |
| Less: Impairment on assets held for sale | 18.60 | - |
| **Total** | **118.00** | **-** |

During the year ended 31 March 2023, the Company initiated identification and evaluation of potential buyers for its land situated at Madanpur Dabas, New Delhi. The Company anticipates completion of the sale in foreseeable future and accordingly, investments property amounting to ₹118.00 lakhs in respect of land have been reclassified under 'assets held for sale' at lower of cost or fair market value. The cost of land was ₹136.60 which has been impaired during the year on the basis of valuation report issued by registered valuer.

## Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

| 16 | Derivative financial Instruments | As at 31 March 2023 | | | As at 31 March 2022 | | |
|---|---|---|---|---|---|---|---|
| | | Notional Amounts | Fair Value - Assets | Fair Value - Liabilities | Notional Amounts | Fair Value - Assets | Fair Value - Liabilities |
| | **Part I** | | | | | | |
| | (i) Currency derivatives: | | | | | | |
| | -Currency swaps | 4,752.48 | 231.10 | - | 4,752.48 | - | 94.19 |
| | **Subtotal (i)** | **4,752.48** | **231.10** | **-** | **4,752.48** | **-** | **94.19** |
| | (ii) Interest rate derivatives | | | | | | |
| | Forward Rate Agreements and interest rate swaps | 257.12 | | 0.76 | 4,752.48 | 23.61 | - |
| | **Subtotal (ii)** | **257.12** | **-** | **0.76** | **4,752.48** | **23.61** | **-** |
| | **Total Derivative Financial Instruments (i)+(ii)** | **5,009.60** | **231.10** | **0.76** | **9,504.96** | **23.61** | **94.19** |
| | | | | | | | |
| | **Part II** | | | | | | |
| | Included in above (Part I) are derivatives held for hedging and risk management purposes as follows: | | | | | | |
| | (i) Fair value hedging: | | | | | | |
| | -Currency derivatives | - | - | - | - | - | - |
| | -Interest Rate derivatives | - | - | - | - | - | - |
| | **Subtotal (i)** | **-** | **-** | **-** | **-** | **-** | **-** |
| | (i) Cash flow hedging: | | | | | | |
| | -Currency derivatives | 4,752.48 | 231.10 | - | 4,752.48 | - | 94.19 |
| | -Interest rate derivatives | 257.12 | - | 0.76 | 4,752.48 | 23.61 | - |
| | **Subtotal (ii)** | **5,009.60** | **231.10** | **0.76** | **9,504.96** | **23.61** | **94.19** |
| | **Total Derivative Financial Instruments (i+ii)** | **5,009.60** | **231.10** | **0.76** | **9,504.96** | **23.61** | **94.19** |

| 17 | Trade payables | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| | Total outstanding dues of creditors micro enterprises and small enterprises | 3.17 | 3.17 |
| | Total outstanding dues of creditors other than micro enterprises and small enterprises | 501.24 | 227.63 |
| | **Total** | **504.41** | **230.80** |

# Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

### 17.1 Trade Payable aging schedule for the year ending 31 March 2023 summaried as below:

| Particulars | Outstanding for following periods from due date of payments | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) MSME | - | - | - | - | - |
| (ii) Others | 490.48 | 2.75 | 3.22 | 0.17 | 496.62 |
| (iii) Disputed dues - MSME | - | - | | 3.17 | 3.17 |
| (iv) Disputed dues - Others | - | - | 4.62 | - | 4.62 |
| **Total** | **490.48** | **2.75** | **7.84** | **3.34** | **504.41** |

### 17.2 Trade Payable aging schedule for the year ending 31 March 2022 summaried as below:

| Particulars | Outstanding for following periods from due date of payments | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) MSME | - | - | - | - | - |
| (ii) Others | 205.43 | 7.44 | 10.13 | - | 223.00 |
| (iii) Disputed dues - MSME | - | - | 3.17 | - | 3.17 |
| (iv) Disputed dues - Others | - | - | 4.63 | - | 4.63 |
| **Total** | **205.43** | **7.44** | **17.93** | **-** | **230.80** |

| 18 | Other payables | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| | Total outstanding dues to micro and small enterprises | - | - |
| | Total outstanding dues of creditors other than micro and small enterprises | | |
| | Employee related payable | 68.19 | 51.90 |
| | Payable to OFB Tech Private Limited (Holding Company) (Refer Note 43) | 885.10 | 211.54 |
| | **Total** | **953.29** | **263.44** |

| 19 | Debt securities | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| | **At amortised cost** | | |
| | | | |
| | **Unsecured** | | |
| | Commercial paper (Refer Note 19.1) | - | 6,328.58 |
| | Accrued interest on commercial paper | - | 61.19 |
| | | **-** | **6,389.77** |

## Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

| | | |
|---|---|---|
| **Secured** | | |
| Debentures (Refer Note 19.2) | 26,471.67 | 31,446.53 |
| Accrued interest on debentures | 919.51 | 1,426.45 |
| | **27,391.18** | **32,872.98** |
| | | |
| Less: Unamortised processing fees on borrowings | 92.15 | 131.21 |
| **Total** | **27,299.03** | **39,131.54** |
| Debt securities in India | 27,299.03 | 39,131.54 |
| Debt securities outside India | - | - |
| **Total** | **27,299.03** | **39,131.54** |

### 19.1 Commercial papers: Unsecured:

| Repayment Terms^ | Tenue | Interest Range (At 31 March 2023) | Interest Range (At 31 March 2022) | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|---|---|
| Bullet | Upto 1 year | - | 6.95% to 8.90% | - | 6,328.58 |
| **Total** | | | | **-** | **6,328.58** |

### 19.2 Security and terms of repayment for redeemable non-convertible debenture (NCD)

| Repayment Terms | Tenure | Interest Range (At 31 March 2023) | Interest Range (At 31 March 2022) | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|---|---|
| **Listed NCD:** | | | | | |
| **Fixed Interest rate** | | | | | |
| 3,500 NCD's of ₹1,00,000/- each (Previous year 1,500 NCD's of ₹100,000/- each) | Upto 3 year | 9.75% to 12.75% | 12.75% | 3 ,500.00 | 1,500.00 |
| 250 NCD's of ₹1,000,000/- each (Previous year 250 NCD's of ₹1,000,000/- each) | Upto 3 year | 9.00% | 8.75% to 9.00% | 2 ,500.00 | 2,500.00 |
| Current year NIL# (Previous year 600 NCD's of ₹2,50,000/- each) | Upto 2 year | - | 10.00% | - | 1,500.00 |
| Current year NIL# (Previous year 100 NCD's of ₹4,00,000/- each) | Upto 2 year | - | 10.00% | - | 400.00 |
| Current year NIL# (Previous year 5000 NCD's of ₹4,000/- each) | Upto 3 year | - | 12.71% | - | 200.00 |
| | | | | | |

# Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

| | | | | | |
|---|---|---|---|---|---|
| **Floating Interest rate** | | | | | |
| **Linked with 5.77% GSec 2030** | | | | | |
| 614 NCD's of ₹10,00,000/- each (Previous year 614 NCD's of ₹10,00,000/- each) | Upto 2 year | 8.65% to 8.75% | 8.65% to 8.75% | 6 ,140.00 | 6,140.00 |
| | | | | | |
| **linked with BSE Sensex** | | | | | |
| 4,000 NCD's of ₹1,00,000/- each (Previous year 4700 NCD's of ₹ 1,00,000/- each) | Upto 3 year | 9.00% | 11.50% to 14.95% | 4 ,000.00 | 4,700.00 |
| **Linked with Repo Rate** | | | | | |
| 480 NCD's of ₹250,000/- each# (Previous year 480 NCD's of ₹ 750,000/- each) | Upto 2 year | 9.30% | 9.30% | 1 ,200.00 | 3,600.00 |
| | | | | **17,340.00** | **20,540.00** |
| **Unlisted NCD:** | | | | | |
| **Fixed Interest rate** | | | | | |
| 519 NCD's of ₹1,000,000/- each (Previous year 519 NCD's of ₹1,000,000/- each) | Upto 4 year | 11.24% | 11.24% | 5,190.00 | 5,190.00 |
| 30,000 NCD's of ₹10,000/- each (Previous year 30,000 NCD's of ₹10,000/- each) | Upto 2 year | 9.50% | 9.50% | 3,000.00 | 3,000.00 |
| 2,825 NCD's of ₹33,333.33/- each# (Previous year 2,825 NCD's of ₹66,666.67/- each) | Upto 3 year | 12.60% | 12.60% | 941.67 | 1,883.33 |
| Current year NIL# (Previous year 2,500 NCD's of ₹33,328/- each) | Upto 2 year | - | 11.20% | - | 8 33.20 |
| | | | | 9,131.67 | 10,906.53 |
| **Total** | | | | **26,471.67** | **31,446.53** |

(a) Non-convertible redeemable debentures are secured by first and exclusive charge over the specific identified book debts/ loan receivables of the company.

(b) Non-convertible redeemable debentures of ₹ 7,631.67 lakhs (previous year ₹ 13,173.33 Lakhs) are secured by corporate guarantee also from the Holding Company, OFB Tech Private Limited.

(c) During the previous year, non-convertible redeemable debentures of ₹ Nil (previous year ₹ 1700.00 Lakhs) are secured by first paripassu charge on the immovable property being freehold land situated at Mappedu Village, Tiruvallur taluk and district, Chennai, Tamil Nadu.

#Non-convertible redeemable debentures ("NCD") are redeemed during the year by reducing the face value of the NCD

Interest and unamortised processing fees is not included.

# Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

| 20 | Borrowings (other than debt securities) | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| | **At amortised cost** | | |
| | | | |
| | **Secured** | | |
| | External commercial borrowings (Refer Note 20.1) | 5,343.96 | 4,752.33 |
| | Term loans from banks (Refer Note 20.2) | 208,566.25 | 102,021.73 |
| | Term loans from financial institutions (Refer Note 20.3) | 58,654.09 | 54,394.44 |
| | Accrued interest on term loans | 776.95 | 533.42 |
| | | **273,341.25** | **161,701.92** |
| | **Secured** | | |
| | Cash credit and bank overdraft (Refer Note 20.4) | 12,508.82 | 934.20 |
| | | **12,508.82** | **934.20** |
| | | | |
| | **Total (A) - Gross** | **285,850.07** | **162,636.12** |
| | | | |
| | Less: Unamortised processing fees on borrowings | 579.49 | 288.93 |
| | **Total (A) - Net** | **285,270.58** | **162,347.19** |
| | | | |
| | Borrowings (other than debt securities) in India | 279,910.47 | 157,576.22 |
| | Borrowings (other than debt securities) outside India | 5,360.11 | 4,770.97 |
| | | | |
| | **Total (B) - Net** | **285,270.58** | **162,347.19** |

## 20.1 Security and terms of repayment of External commercial borrowings in foreign currency ^

| Repayment Terms | Tenure | Interest Range (At 31 March 2023) | Interest Range (At 31 March 2023) | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|---|---|
| **Floating Interest rate Linked with USD 6M LIBOR** | | | | | |
| Bullet | Upto 5 years | 9.81% | 4.65% | 5,343.96 | 4,752.33 |
| **Total** | | | | **5,343.96** | **4,752.33** |

Note: During the previous year, the company has availed total External Commercial Borrowing (ECBs) of USD 6.5 million for financing prospective borrowers as per the ECB guidelines issued by Reserve Bank of India ("RBI") from time to time. The borrowing had a maturity of five years. In terms of RBI guidelines, borrowings have been swapped into rupees and fully hedged for the entire maturity by way of cross currency swaps.

^ External Commercial Borrowing (ECB) is secured by first and exclusive charge on specific identified receivables of the Company.

# Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

## 20.2 Security and terms of repayment for secured term loans from banks^

| Repayment Terms | Tenure | Interest Range (At 31 March 2023) | Interest Range (At 31 March 2022) | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|---|---|
| **Fixed Interest rate** | | | | | |
| Monthly | Upto 4 years | 9.50% to 12.00% | 9.50% to 13.00% | 11,340.55 | 12,860.93 |
| | | | | | |
| **Floating Interest rate** | | | | | |
| Bullet | Upto 1 years | 7.90% to 9.50% | 7.00% to 9.25% | 98,990.40 | 42,000.00 |
| Quarterly | Upto 4 years | 8.55% to 9.90% | 8.30% to 9.25% | 53,768.07 | 8,000.00 |
| Monthly | Upto 4 years | 8.75% to 11.90% | 8.05% to 12.35% | 44,467.23 | 39,160.80 |
| **Total** | | | | **208,566.25** | **102,021.73** |

^ Term loans from bank are secured by first and exclusive charge on specific identified receivables of the Company. Term loans from banks of ₹2,257.90 lakhs (previous year ₹ 14,308.72 lakhs) are secured by corporate guarantee also by holding Company.

## 20.3 Security and terms of repayment for secured term loans from financial institutions^

| Repayment Terms | Tenure | Interest Range (At 31 March 2023) | Interest Range (At 31 March 2022) | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|---|---|
| **Fixed Interest rate** | | | | | |
| Half yearly | Upto 2 years | - | 12.00% | - | 833.33 |
| Quarterly | Upto 3 years | 9.10% to 10.25% | 9.10% to 11.60% | 6,250.00 | 5,875.00 |
| Monthly | Upto 4 years | 9.00% to 11.75% | 9.50% to 12.25% | 4,640.68 | 9,057.41 |
| | | | | | |
| **Floating Interest rate** | | | | | |
| Bullet | Upto 2 years | 9.50% | 8.50% to 8.90% | 4,300.00 | 2,500.00 |
| Quarterly | Upto 3 years | 8.90% | 6.85% to 11.50% | 10,000.00 | 2,750.00 |
| Monthly | Upto 3 years | 9.00% to 11.50% | 8.70% to 12.25% | 33,463.41 | 33,378.70 |
| **Total** | | | | **58,654.09** | **54,394.44** |

^ Term loans from financial institutions are secured by first and exclusive charge on specific identified receivables of the Company. Term loans from financial institutions of ₹ 1,715.09 lakhs (previous year ₹ 14,987.47 lakhs) are secured by corporate guarantee by holding Company. Term loan from financial institution of ₹ 474.65 lakhs (previous year ₹ 1,350.67 lakhs) secured by guarantee of third party.

## 20.4 Security and terms of repayment for secured Loans repayable on demand (Cash credit and bank overdraft)^

| Repayment Terms | Tenure | Interest Range (At 31 March 2023) | Interest Range (At 31 March 2022) | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|---|---|
| **Floating Interest rate** | | | | | |
| Bullet | Upto 1 year | 8.15% to 9.65% | 9.25% | 12,508.82 | 934.20 |
| **Total** | | | | **12,508.82** | **934.20** |

# Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

^ During the current year, cash credit and bank overdraft are secured by first and exclusive charge on specific identified receivables of the Company. Further cash credit and bank overdraft limit of certain banks are secured by fixed deposits.

^ During the previous year, 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.

The Company's working capital sanctioned limits were in excess of Rs. 500 lakhs during the year, in aggregate, from banks on the basis of security of current assets. The quarterly returns or statements filed by the Company with such banks are in agreement with the unaudited books of account of the Company.

| 21 | Other financial liabilities | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| | Margin money from borrowers | 6,536.24 | 963.52 |
| | Interest accrued but not due on margin money | 118.22 | 17.94 |
| | Loans pending disbursement (Refer Note 43) | 5,952.44 | 769.90 |
| | Others | - | 1.29 |
| | **Total** | **12,606.90** | **1,752.65** |

| 22 | Current tax liabilities | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| | Provision for Tax [net of taxes paid ₹ 6,135.36 Lakhs (Previous year net of taxes paid ₹ 2,450.57 lakh)] | 805.37 | 259.21 |
| | **Total** | **805.37** | **259.21** |

| 23 | Provisions | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| | Provision for employee benefits: | | |
| | Provision for gratuity (Refer Note 40(b)) | 206.79 | 213.34 |
| | Provision for compensated absences (Refer Note 40(c)) | 99.87 | 88.97 |
| | **Total** | **306.66** | **302.31** |

| 24 | Other non-financial liabilities | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| | Statutory remittances | 519.94 | 309.67 |
| | **Total** | **519.94** | **309.67** |

Undisputed statutory dues related to provident fund amounting to Rs. 3.19 lakhs have not been deposited for the FY 2022-23 which includes 1.76 lakhs outstanding for more than 6 months due to Aadhaar verification issue. The Company is in the process to get the verification completed and deposit the amount with the statutory authority.

# Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

## 25 Equity

### (a) Equity Share Capital

#### i. Share capital authorised, issued, subscribed and paid-up

| Particulars | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|
| | No. of shares | (₹ in lakhs) | No. of shares | (₹ in lakhs) |
| **Authorised Equity share capital** | | | | |
| Equity shares of Rs.10 each | 73,381,715 | 7,338.17 | 73,381,715 | 7,338.17 |
| **Total** | **73,381,715** | **7,338.17** | **73,381,715** | **7,338.17** |
| | | | | |
| Issued, subscribed and paid up Equity share capital | | | | |
| Equity shares of Rs.10 each | 53,678,676 | 5,367.86 | 51,477,209 | 5,147.72 |
| | **53,678,676** | **5,367.86** | **51,477,209** | **5,147.72** |

#### 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 31 March 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|
| | No. of shares | (₹ in lakhs) | No. of shares | (₹ in lakhs) |
| **At the beginning of the year** | **51,477,209** | **5,147.72** | **50,103,388** | **5,010.34** |
| Add: | | | | |
| - Issued during the year (refer note vi) | 20 | - | 1,373,821 | 137.38 |
| - Converted during the year (refer note vii) | 2,201,447 | 220.14 | - | - |
| **Outstanding at the end of the year^** | **53,678,676** | **5,367.86** | **51,477,209** | **5,147.72** |

#### iv. Equity shares in the Company held by the promoter of the Company

| Particulars | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|
| | No. of shares | % of holding | No. of shares | % of holding |
| OFB Tech Private Limited (holding company) | 51,477,159 | 95.90 | 51,477,159 | 100.00 |
| Ruchi Kalra (including nominee shares)^ | 2,201,467 | 4.10 | 20 | - |

^Till February 2022, Ms. Ruchi Kalra was holding 10 shares as nominee shareholder of OFB Tech Private Limited and on 25 February 2022 10 shares were transferred from OFB Tech Private Limited in her name as beneficiary shareholder; Cumulative holding as on 31 March 2022 was 20 Equity Shares.

# Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

v. Details of shareholders holding more than 5% equity shares in the company

| Particulars | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|
| | No. of shares | % of holding | No. of shares | % of holding |
| OFB Tech Private Limited (holding company) | 51,477,159 | 95.90 | 51,477,159 | 100.00 |

(vi) The Company under the provisions of Sections 42 and 62(1)(c) of the Companies Act, 2013, as amended, including the rules made thereunder, has concluded Private Placement, by allotting 10 equity shares at a price of ₹ 1,041.26 per equity share with a face value of ₹ 10 per share including a premium of ₹ 1,031.26 per share aggregating ₹ 0.10 lakhs, on 05 April 2022 and further another allotment of 10 equity shares at a price of ₹ 1,041.26 per equity share with a face value of ₹ 10 per share including a premium of ₹ 1,031.26 per share aggregating ₹ 0.10 lakhs, on 06 April 2022.

During the previous year, the Company has issued 1,080,263 Equity shares and 2,93,558 equity shares of face value of ₹ 10 each fully paid-up at ₹ 462.85 per share and ₹ 1,041.26 per share fully paid up including a premium of ₹ 452.85 and ₹ 1,031.26 per share in September 2021 and March 2022 respectively. Out of these, 1,080,263 and 2,93,528 equity shares were allotted to the holding company.

(vii) Pursuant to the applicable provisions of Section 55 of the Companies Act, 2013 and applicable rules made thereunder and pursuant to the request received from the Promoter, the Company has converted 22,01,447 Series A OCRPS held by the Promoter into Equity Shares having face value ₹ 10 each in the ratio of 1:1, on 11 April 2022.

## (b) Instruments entirely equity in nature

### i. Cumulative, mandatorily and compulsorily convertible preference shares ("CCPS")

| Particulars | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|
| | No. of shares | (₹ in lakhs) | No. of shares | (₹ in lakhs) |
| **Authorised** | | | | |
| -Series A cumulative, mandatory and fully convertible preference shares of Rs. 10 each | 14,382,874 | 1,438.29 | 14,382,874 | 1,438.29 |
| **Total** | **14,382,874** | **1,438.29** | **14,382,874** | **1,438.29** |
| | | | | |
| **Issued, subscribed and paid up** | | | | |
| -Series A cumulative, mandatory and fully convertible preference shares of Rs. 10 each | 14,382,868 | 1,438.29 | 7,558,340 | 755.83 |
| **Total** | **14,382,868** | **1,438.29** | **7,558,340** | **755.83** |

### ii. Terms/rights attached to cumulative, mandatorily and compulsorily convertible preference shares ("CCPS")

Series A CCPS are initially convertible into equity shares of Rs. 10 each at such conversion price that one Series A CCPS shall convert into one equity share upon earlier of the following:

(a) in connection with an IPO, prior to the filing of a prospectus (or equivalent document, by whatever name called) by the Company with the competent authority or such later date as may be permitted under Applicable Laws, or

(b) at any time at the option of preference share holders, or

(c) one day prior to the expiry of 20 years from the date of issuance of preference shared and the Series A conversion price shall be subject to adjustment from time to time.

# Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

iii. Reconciliation of cumulative, mandatorily and compulsorily convertible preference shares ("CCPS")

| Particulars | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|
| | No. of shares | (₹ in lakhs) | No. of shares | (₹ in lakhs) |
| At the beginning of the year | 7,558,340 | 755.83 | - | - |
| Add: | | | | |
| -Issued during the year (refer note v) | 6,824,528 | 682.46 | 7,558,340 | 755.83 |
| **Outstanding at the end of the year** | **14,382,868** | **1,438.29** | **7,558,340** | **755.83** |

iv. Details of shareholders holding more than 5% cumulative, mandatorily and compulsorily convertible preference shares ("CCPS")

| Particulars | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|
| | No. of shares | % of holding | No. of shares | % of holding |
| Alpha Wave Ventures II LP | 5,430,276 | 37.76 | - | - |
| Internet Fund VII Pte. Ltd. | 3,302,191 | 22.96 | 3,302,191 | 43.69 |
| Norwest Capital, LLC | 2,788,515 | 19.39 | 2,788,515 | 36.89 |
| Creation Investments Social Ventures Fund V, LP | 1,467,634 | 10.20 | 1,467,634 | 19.42 |
| Matrix Partners India Investments IV, LLC | 1,382,145 | 9.61 | - | - |

(v) During the year ended 31 March 2023, pursuant to the provisions of Sections 42, 62(1)(c) and 55 of the Companies Act, 2013, as amended, including the rules made thereunder the Company has issued 68,24,528 Series A CCPS at a price of ₹ 1,041.26 per CCPS with a face value of ₹ 10 per share including a premium of ₹ 1,031.26 per share aggregating ₹ 71,061.08 lakhs on private placement basis on 05 April 2022, 06 April 2022 and 06 August 2022 with voting rights pari passu with the equity shares of the Company carrying preferential dividend @ 0.0001% per annum in such time preference shares are outstanding. During the previous year, the Company has issued 7,558,340 Series A CCPS at a price of ₹ 1,041.26 per CCPS with a face value of ₹ 10 per share including a premium of ₹ 1,031.26 per share aggregating ₹ 78,701.97 lakhs on private placement basis between 29 March 2022, 30 March 2022 and 31 March 2022 with voting rights pari passu with the equity shares of the Company carrying preferential dividend @ 0.0001% per annum in such time preference shares are outstanding.

## 26 Other equity

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Securities premium reserve | 189,180.35 | 119,110.04 |
| Statutory reserve (in terms of Section 45-IC of the Reserve Bank of India Act, 1961) | 6,616.76 | 2,686.66 |
| Deemed equity contribution | - | 780.91 |
| Retained earnings | 26,449.59 | 10,687.42 |
| Employee stock Options Outstandingt Account | 641.16 | 112.98 |
| Optionally convertible redeemable preference shares | 73.39 | - |
| Cash flow hedges reserve | (270.35) | (52.82) |
| **Total** | **222,690.90** | **133,325.19** |

## Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

i. Securities premium reserve[1]

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Opening balance** | 119,110.04 | 33,259.58 |
| Add: Securities premium on issue of Series A-CCPS (Refer note 25b(v)) | 70,378.63 | 77,946.14 |
| Add: Securities premium on issue of Equity shares (Refer note 25a(vi)) | 0.21 | 7,919.32 |
| Less: Optionally Convertible Redeemable Preference Shares (Refer note (vi)) | 293.53 | - |
| Less: Share issue expenses | 15.00 | 15.00 |
| **Closing balance** | **189,180.35** | **119,110.04** |

ii. Statutory reserve (in terms of Section 45-IC of the Reserve Bank of India Act, 1934)[2]

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Opening balance** | 2,686.66 | 1,317.52 |
| Add: Transferred from retained earnings | 3,930.10 | 1,369.14 |
| **Closing balance** | **6,616.76** | **2,686.66** |

iii. Cash flow hedges reserves)[3]

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Opening balance** | (52.82) | - |
| Add: Transferred from other comprehensive income | (217.53) | (52.82) |
| **Closing balance** | **(270.35)** | **(52.82)** |

iv. Deemed equity contribution[4]

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Opening balance** | 780.91 | 216.19 |
| Less: Transferred to payable (Refer note 26(7)) | (780.91) | - |
| Add: Share based payment expense as per Statement of profit | | 564.72 |
| **Closing balance** | **-** | **780.91** |

v. Employee stock Options Outstanding Account[5]

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Opening balance** | 112.98 | - |
| Add: Share based payment expense as per Statement of profit and loss (refer note 46.2) | 528.18 | 112.98 |
| **Closing balance** | **641.16** | **112.98** |

## Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

vi. Equity Component of Optionally convertible redeemable preference shares

### a. Optionally convertible redeemable preference shares

| Particulars | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|
| | No. of shares | (₹ in lakhs) | No. of shares | (₹ in lakhs) |
| **Authorised** | | | | |
| -Series A optionally convertible and redeemable preference shares of Rs. 10 each | 2,935,263 | 293.53 | 2,935,263 | 293.53 |
| **Total** | **2,935,263** | **293.53** | **2,935,263** | **293.53** |
| | | | | |
| **Issued, subscribed and paid up** | | | | |
| -Series A optionally convertible and redeemable preference shares of Rs. 10 each | 733,816 | 73.39 | - | - |
| **Total** | **733,816** | **73.39** | **-** | **-** |

### b. Reconciliation of Optionally convertible redeemable preference shares

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Opening balance** | - | - |
| Add: Transferred from Securities premium reserve (Refer Note 26(8)) | 293.53 | - |
| Less: Converted into equity shares during the year (Refer Note 25(a)(vii)) | 220.14 | - |
| **Closing balance** | **73.39** | - |

Terms/rights attached to optionally convertible redeemable preference shares ("OCRPS"). Company has issued Series A OCRPS, without any dividend right, will rank pari passu among themselves, convertible into one equity shares each as per conditions mentioned below. Upon conversion of Series A OCRPS into Equity Shares, the holder of the Equity Shares shall be entitled to participate in the dividend of equity shares on pari passu basis with the holder of all other Equity Shares.

Out of these 22,01,447 Series A OCRPS convertible into equity upon closing of issue, 3,66,908 Series A OCRPS convertible into equity shares upon the Company achieving a pre-tax return on asset of 6% per quarter and remaining 3,66,908 Series A OCRPS convertible into equity shares upon the earlier of (a) completion of an equity capital raise by the Company of not less than USD 100,000,000 (United States Dollars One Hundred Million) (including through a (i) primary investment or a (ii) simultaneous primary investment and secondary sale of Equity Securities) at a pre-money valuation of not less than USD 2500,000,000 (United States Dollars Two Billion Five Hundred Million Thousand and Five Hundred Million) or (b) a Qualified IPO at a pre-money valuation of not less than USD 2500,000,000 (United States Dollars Two Billion Five Hundred Million).

vii. Retained earnings[6]

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Opening balance** | 10,687.42 | 5,158.02 |
| Add: Profit for the year | 19,650.51 | 6,933.70 |
| Add: Transferred from other comprehensive income | 41.76 | (35.16) |
| Less: Transferred to statutory reserve u/s 45-IC of the Reserve Bank of India Act, 1934 | 3,930.10 | 1,369.14 |
| **Closing balance** | **26,449.59** | 10,687.42 |

# Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

## Nature and purpose of other equity

### (1) Securities premium

Securities premium is used to record the premium on issue of shares. It can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.

### (2) Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934

This reserve is maintained in accordance with the provisions of Section 45-IC of the Reserve Bank of India Act, 1934 wherein every non-banking financial company shall create a reserve fund the transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the Statement of profit and loss and before any dividend is declared.

### (3) Cash flow hedge reserve

It represents the cumulative gains/(losses) arising on revaluation of the derivative instruments designated as cash flow hedges through OCI.

### (4) Deemed equity contribution

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 46.1.

### (5) Employee stock Options Outstanding Account

Share options outstanding account is created as required by Ind AS 102 'Share Based Payments' on the Employee Stock Option Scheme operated by the Company.

### (6) Retained earnings

Retained earnings represents the surplus in Profit and Loss Account and appropriations.

The Company recognises change on account of remeasurement of the net defined benefit liability (asset) as part of retained earnings with separate disclosure, which comprises of:

(a) actuarial gains and losses;

(b) return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset) ; and

(c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).

**(7)** During the year, the Company has reimbursed the Stock Option costs classified under deemed equity to the Holding Company pursuant to agreement executed between the company and holding company.

**(8)** During the year ended 31 March 2023, on 06 April 2022 the Company has allotted 29,35,263 Series A OCRPS of ₹ 10 each as bonus shares on selective basis of an aggregate nominal value of ₹ 293.53 lakhs credited as fully paid up bonus shares to the one of the Promoter out of the Securities Premium Account.

| 27 | Interest income (on financial assets measured at amortised cost) | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|---|
| | Interest on loans (Refer note 43) | 48,232.87 | 28,663.85 |
| | Interest income from investments | 5,110.41 | 1,099.23 |
| | Interest on deposits with banks | 171.14 | 74.58 |
| | **Total** | **53,514.42** | **29,837.66** |

| 28 | Fee and commission income | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|---|
| | Service and other fees (Refer note 43) | 956.59 | 1,244.66 |
| | Subvention charges (Refer note 43) | 747.13 | 94.34 |
| | **Total** | **1,703.72** | **1,339.00** |

## Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

| 29 | Net gain on fair value changes (on financial assets measured at FVTPL) | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|---|
| | -On Alternative investment funds | - | 109.92 |
| | -On Mutual fund investments | 730.51 | 10.63 |
| | **Total** | **730.51** | **120.55** |
| | **Fair value changes:** | | |
| | -Realised (Including reinvested) | 730.51 | 117.54 |
| | -Unrealised | - | 3.01 |
| | **Total** | **730.51** | **120.55** |

| 30 | Net gain on derecognition of financial instruments under amortised cost category | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|---|
| | -On Debt Securities | 170.98 | - |
| | **Total** | **170.98** | **-** |

| 31 | Other income | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|---|
| | Interest on income tax refund | 9.99 | - |
| | Ex-Gratia grant received | - | 19.64 |
| | Miscellaneous income | - | 6.91 |
| | Excess liabilities written back | 48.60 | - |
| | **Total** | **58.59** | **26.55** |

| 32 | Finance costs (on financial liabilities measured at amortised cost) | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|---|
| | **Interest expenses on:** | | |
| | | | |
| | **Borrowings:** | | |
| | -On Loans from banks | 10,120.38 | 5 ,167.78 |
| | -On Loans from financial institutions* | 4,901.95 | 5,124.85 |
| | | | |
| | **Debt securities** | | |
| | -On Debentures | 3,059.02 | 3,728.46 |
| | -On Commercial paper | 114.22 | 224.85 |
| | | | |
| | **Others:** | | |
| | -On security deposits | 131.23 | 50.92 |
| | | | |
| | **Total** | **18,326.80** | **14,296.86** |

*includes premium on principal only swaps on foreign currency loans to ₹ 241.26 lakhs (previous year ₹ 205.09 lakhs)

# Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

| 33 Impairment on financial instruments | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| **Impairment on financial instruments measured at amortised cost** | | - |
| Impairment allowance on loans (Refer Note 47) | 1,911.87 | 690.33 |
| Impairment allowance on investment | 39.60 | 6.15 |
| Loss on loans & advances written off | 815.64 | 670.97 |
| [Net off recovery ₹ 76.91 lakhs (Previous year ₹ 6.9 Lakhs)] | | |
| **Total** | **2,767.11** | **1,367.45** |

| 34 Employees benefit expense | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| Salaries and wages (Refer note 43) | 5,294.35 | 3 ,712.39 |
| Contribution to provident and other fund (Refer note 40(a)) | 115.21 | 78.30 |
| Share based payment to employees (Refer note 43, 46.1 & 46.2) | 1,719.50 | 677.70 |
| Gratuity (refer note 40(b)) | 132.77 | 87.21 |
| Staff welfare expense | 37.68 | 22.06 |
| **Total** | **7,299.51** | **4,577.66** |

| 35 Depreciation, amortisation and impairment expense | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| Depreciation on property, plant and equipment | 54.45 | 31.00 |
| Amortisation of intangible assets | 0.61 | - |
| Impairment of non-financial assets | 18.61 | - |
| **Total** | **73.67** | **31.00** |

| 36 Other expenses | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| Rates and taxes | 235.58 | 177.25 |
| Communication costs | 18.10 | 14.82 |
| Printing and stationery | 2.63 | 1.35 |
| Auditor remuneration (net of GST): | | |
| - For statutory audit | 21.00 | 15.00 |
| - For limited review | 9.00 | 6.00 |
| - For tax audit | 3.00 | 3.00 |
| - For other certification and reporting | 4.50 | 3.90 |
| - For out of pocket expenses | - | 0.30 |
| Legal and professional (Refer note 43) | 234.64 | 205.96 |
| Insurance | 46.99 | 17.47 |
| Travelling and conveyance (Refer note 43) | 396.71 | 186.27 |
| Information technology expenses (Refer note 43) | 239.81 | 216.72 |
| Corporate Social Responsibility (refer note 53) | 120.00 | 60.00 |

# Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

| | | |
|---|---|---|
| Loss on sale of bonds | - | 1.74 |
| Loss on derecognition of financial assets | - | 290.46 |
| Business auxiliary services (refer note 43) | 377.40 | 314.89 |
| Bank charges | 2.87 | 6.58 |
| Directors' sitting fees | 14.75 | 8.00 |
| Miscellaneous | 18.28 | 10.09 |
| **Total** | **1,745.26** | **1,539.80** |

## 37 Income tax expense

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

| Particulars | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| **Current tax** | | |
| In respect of the current year | 6,940.73 | 2,709.78 |
| In respect of earlier years | | |
| | **6,940.73** | **2,709.78** |
| | | |
| **Deferred tax charge/ (benefits)** | (625.37) | (132.49) |
| In respect of the current year | **(625.37)** | **(132.49)** |

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 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| Profit before tax | 25,965.87 | 9,510.99 |
| Domestic tax rate | 25.168% | 25.168% |
| **Expected tax expense [A]** | **6,535.09** | **2,393.73** |
| Tax effect of adjustments to reconcile expected income tax expense | | |
| Corporate Social responsibility expenses not allowable for tax purpose | 30.20 | - |
| Relating to origination and reversal of temporary differences | (196.54) | - |
| Net Addition/deduction u/s 36(i)(viia) | 146.83 | - |
| Non deductible expenses | (200.22) | 183.91 |
| Others | - | (0.35) |
| **Total adjustments [B]** | **(219.73)** | **183.56** |
| | | |
| **Actual tax expense [C=A+B]** | **6,315.36** | **2,577.29** |
| Tax expense comprises: | | |
| Current tax expense | 6,940.73 | 2,709.78 |
| Deferred tax credit | (625.37) | (132.49) |
| **Tax expense recognized in profit or loss [D]** | **6,315.36** | **2,577.29** |

# Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

### Income tax expense recognized in other comprehensive income

| Particulars | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| Income tax relating to remeasurement gains/(losses) on defined benefit plans | (14.05) | 11.82 |
| Derivative instruments in Cash flow hedge relationship | 73.16 | 17.76 |
| | **59.11** | **29.58** |
| **Bifurcation of the income tax recognised in other comprehensive income into:-** | | |
| Items that will not be reclassified to profit or loss | (14.05) | 11.82 |
| Items that will be reclassified to profit or loss | 73.16 | 17.76 |
| | **59.11** | **29.58** |

### 38 Earnings per share

| Particulars | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| a) Basic earnings ₹ per share | 29.08 | 13.66 |
| b) Diluted earnings ₹ per share | 27.79 | 12.79 |

During the year, on 06 April 2022 the Company has issued 29,35,263 Series A OCRPS of ₹ 10 each as bonus shares on selective basis of an aggregate nominal value of ₹ 293.53 lakhs credited as fully paid up bonus shares to the one of the Promoter of the company out of the Securities Premium Account.

Accordingly, basic and diluted earnings per share has been calculated based on the weighted average number of shares outstanding in the current and previous year, as adjusted by issuance of OCRPS.

### c. Reconciliations of earnings used in calculating earnings per share

| Particulars | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| **Basic earnings per share** | | |
| Profits attributable to the equity holders of the company used in calculating basic earnings per share | 19,650.51 | 6,933.70 |
| **Diluted earnings per share** | | |
| Profit attributable to the equity holders of the company used in calculating diluted earnings per share | 19,650.51 | 6,933.70 |

### d. Weighted average number of shares used as the denominator

| Particulars | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share | 67,565,360 | 50,766,525 |
| Adjustments for calculation of diluted earnings per share | 3,143,331 | 3,449,436 |
| Weighted average number of equity shares used as the denominator in calculating basic earnings per share | 70,708,691 | 54,215,961 |

# Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

## 39 Change in liabilities arising from financing activities

| Particulars | Debt securities | Borrowings (Other than debt securities) | Total |
|---|---|---|---|
| **As at 1 April 2021** | **32,468.10** | **84,369.46** | **116,837.56** |
| | | | |
| **Cash flows:** | | | |
| Proceeds from debt securities/borrowings | 36,044.25 | 279,116.92 | 315,161.17 |
| Repayment of debt securities/borrowings | (29,380.81) | (201,139.19) | (230,520.00) |
| **As at 31 March 2022** | **39,131.54** | **162,347.19** | **201,478.73** |
| | | | |
| **Cash flows:** | | | |
| Proceeds from debt securities/borrowings | 6,897.38 | 468,251.18 | 475,148.56 |
| Repayment of debt securities/borrowings | (18,729.89) | (345,919.42) | (364,649.31) |
| **As at 31 March 2023** | **27,299.03** | **284,678.95** | **311,977.98** |

## 40 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 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| Contribution to employees provident fund | 114.99 | 78.06 |
| Contribution to employee state insurance schemes | 0.22 | 0.24 |
| **Total** | **115.21** | **78.30** |

### b. Defined benefit plans

The Company operates a funded gratuity benefit plan wherein every employee is entitled to a benefit equivalent to 15/26 days salary (includes dear-ness 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 trust named "Oxyzo Financial Services Private Limited Employee Group Gratuity Trust" was formed on 25 March 2022, approval of which from Income Tax department is received on 24 March 2023 w.e.f 25 March 2022. Currently, company manages employee gratuity fund and have fund policy with LIC.
The gratuity plan of the company is funded 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 stand-alone financial statements). |

# Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

| | |
|---|---|
| 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 ₹ 20,00,000). |
| Asset Liability Mismatching or Market Risk | The duration of the liability is longer compared to duration of assets, exposing the Company to market risk for volatilities/fall in interest rate. |
| Investment Risk | The probability or likelihood of occurrence of losses relative to the expected return on any particular investment. |

The most recent actuarial valuation of the present value of the defined benefit obligation were carried out as at 31 March 2023 by Ms. Vichitra Malhotra (FIAI M.No. 10336), 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 31 March 2023 | As at 31 March 2022 |
| Discount rate (per annum) | 7.45% | 7.30% |
| Salary growth rate (per annum) | 9.00% | 9.00% |
| Retirement age | 60 Years | 60 Years |
| Attrition / Withdrawal rates, based on age: (per annum) | | |
| Upto 30 years | 9.44% | 5.00% |
| 31-44 years | 5.71% | 2.00% |
| Above 44 years | 0.00% | 0.00% |
| In service mortality | IALM 2012-14 | IALM 2012-14 |

## Assets and Liability (Balance Sheet Position)

| Particulars | Gratuity | |
|---|---|---|
| | As at 31 March 2023 | As at 31 March 2022 |
| Present Value of Obligation | 374.09 | 280.81 |
| Less: Fair Value of Plan Assets | 167.30 | 67.47 |
| **Net Asset / (Liability)** | **206.79** | **213.34** |

# Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

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

| Particulars | Gratuity | |
|---|---|---|
| | Year ended 31 March 2023 | Year ended 31 March 2022 |
| **Current service cost** | 116.41 | 77.38 |
| Past service cost and (gain)/Loss from settlements | - | - |
| Net interest cost/ (Income) on the Net Defined Benefit/(Liability)/Asset | 16.36 | 9 .83 |
| **Component of defined benefit cost recognised in profit or loss** | **1 32.77** | **87.21** |
| | | |
| **Remeasurement on the net defined benefit liability:** | | |
| Actuarial (gains)/ losses arising from changes in demographic assumptions | (16.70) | 21.97 |
| Actuarial (gains)/ losses arising from changes in financial assumptions | (12.66) | 8.35 |
| Actuarial (gains)/ losses arising from experience adjustment | (25.24) | 17.64 |
| Return on plan assets, excluding amount recognised in net interest expense | (1.21) | (0.98) |
| **Component of defined benefit cost recognised in Other comprehensive Income** | **(55.81)** | **46.98** |

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.

## Changes in the Fair Value of Plan Assets

| Particulars | Gratuity | |
|---|---|---|
| | As at 31 March 2023 | As at 31 March 2022 |
| **Fair Value of Plan Assets as at the beginning** | **67.47** | **-** |
| Investment Income | 4.92 | - |
| Employer's Contribution | 93.70 | 66.49 |
| Return on plan assets , excluding amount recognised in net interest expense | 1.21 | 0.98 |
| Transfer In / (Out) | - | - |
| **Fair Value of Plan Assets as at the end** | **167.30** | **67.47** |

## Movements in the present value of the defined benefit obligation are as follows :-

| Particulars | Gratuity | |
|---|---|---|
| | Year ended 31 March 2023 | Year ended 31 March 2022 |
| Present value of obligation as at the beginning | 280.81 | 136.60 |
| Current service cost | 116.41 | 77.38 |
| Interest cost | 21.28 | 9.82 |
| Re-measurement (or Actuarial) (gain) / loss arising from: | | |
| - changes in demographic assumptions | (16.70) | 21.97 |
| - changes in financial assumptions | (12.66) | 8.35 |
| - experience adjustment | (25.24) | 17.64 |
| - Others | - | - |

# Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

| | | |
|---|---|---|
| Past service cost | - | - |
| Benefits paid | (0.74) | - |
| Transfer in/(out) | 10.93 | 9.05 |
| **Present value of obligation as at the end** | **374.09** | **280.81** |

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 year, while holding all other assumptions constant.

| Particulars | 31 March 2023 | | 31 March 2022 | |
|---|---|---|---|---|
| | Decrease | Increase | Decrease | Increase |
| Discount Rate (-/+ 1%) | 440.56 | 321.38 | 351.02 | 226.84 |
| (% change compared to base due to sensitivity) | 17.80% | -14.10% | 25.00% | -19.20% |
| | | | | |
| Salary Growth Rate (-/+ 1%) | 335.58 | 414.42 | 239.96 | 325.40 |
| (% change compared to base due to sensitivity) | -10.30% | 10.80% | -14.50% | 15.90% |
| | | | | |
| Attrition Rate (-/+ 50% of attrition rates) | 389.22 | 360.93 | 289.70 | 272.66 |
| (% change compared to base due to sensitivity) | 4.00% | -3.50% | 3.20% | -2.90% |
| | | | | |
| Mortality Rate (-/+ 10% of mortality rates) | 374.00 | 374.20 | 280.82 | 280.82 |
| (% 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 | Gratuity | |
|---|---|---|
| | As at 31 March 2023 | As at 31 March 2022 |
| **Weighted average duration (based on discounted cashflows)** | 17 Years | 23 Years |
| **Expected cash flows over the next (valued on undiscounted basis):** | | |
| 1 year | 15.61 | 3.13 |
| 2-5 years | 88.80 | 25.47 |
| 6-10 years | 109.72 | 37.40 |
| More than 10 years | 1,464.54 | 1,675.48 |

# Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

### c. Other long-term benefits:

Provision for unfunded Compensated Absences for all employees is based upon actuarial valuations carried out at the end of every financial year. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. Pursuant to the issuance of the Indian Accounting Standard (Ind AS) 19 on 'Employee Benefits', commitments are actuarially determined using the 'Projected Unit Credit' Method. Gains and losses on changes in actuarial assumptions

| | |
|---|---|
| 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 benefit 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 above 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. |

### Assets and Liability (Balance Sheet Position)

| Particulars | Leave | |
|---|---|---|
| | As at 31 March 2023 | As at 31 March 2022 |
| Present Value of Obligation | 99.87 | 88.97 |

Bifurcation of Present Value of Obligation at the end of the year as per revised Schedule III of the Companies Act, 2013

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Current Liability (Short term) | 6.17 | 2.26 |
| Non-Current Liability (Long term) | 93.70 | 86.71 |
| **Present Value of Obligation as at the end** | **99.87** | **88.97** |

### Expense Recognised in Income Statement

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Expense Recognised in Income Statement | 19.65 | 44.46 |
| **Expense Recognised in Income Statement** | **19.65** | **44.46** |

## Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

### Demographic Assumptions

The principal demographic assumptions used in the valuation are shown in the table below

| Principal assumptions: | Leave | |
|---|---|---|
| | As at 31 March 2023 | As at 31 March 2022 |
| Mortality Rate | 100% of IALM 2012-14 | 100% of IALM 2012-14 |
| Normal retirement age | 60 Years | 60 Years |
| Attrition / Withdrawal rates, based on age: (per annum) | | |
| Upto 30 years | 9.44% | 5.00% |
| 31-44 years | 5.71% | 2.00% |
| Above 44 years | 0.00% | 0.00% |
| Rate of Leave Availment (per annum) | 0.00% | 0.00% |
| Rate of Leave Encashment during employment (per annum) | 0.00% | 0.00% |

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 period, while holding all other assumptions constant.

| Particulars | 31 March 2023 | | 31 March 2022 | |
|---|---|---|---|---|
| | Decrease | Increase | Decrease | Increase |
| Discount Rate (-/+ 1%) | 118.32 | 85.38 | 111.70 | 71.61 |
| (% change compared to base due to sensitivity) | 18.50% | -14.50% | 25.60% | -19.50% |
| | | | | |
| Salary Growth Rate (-/+ 1%) | 85.44 | 117.84 | 71.71 | 111.07 |
| (% change compared to base due to sensitivity) | -14.40% | 18.00% | -19.40% | 24.80% |
| | | | | |
| Attrition Rate (-/+ 50% of attrition rates) | 107.02 | 94.89 | 92.48 | 85.94 |
| (% change compared to base due to sensitivity) | 7.20% | -5.00% | 3.90% | -3.40% |
| | | | | |
| Mortality Rate (-/+ 10% of mortality rates) | 99.93 | 99.80 | 89.06 | 88.88 |
| (% change compared to base due to sensitivity) | 0.10% | -0.10% | 0.10% | -0.10% |

Please note that the sensitivity analysis presented above may not be representative of the actual change in the present value of 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

# Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

### Other disclosures

### Maturity profile of defined benefit obligation

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Weighted average duration (based on discounted cashflows) | 17 Years | 23 Years |
| Expected cash flows over the next (valued on undiscounted basis): | | |
| 1 year | 6.17 | 2.26 |
| 2-5 years | 22.61 | 8.10 |
| 6-10 years | 24.73 | 9.86 |
| More than 10 years | 424.13 | 555.25 |

## 41 Segment reporting

The Company is engaged primarily in the business of financing and all its operations are in India only. Accordingly, there is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company.

## 42 Cost allocation

The Company has received allocation of common costs viz. rent, cost of utilities, payroll, technical support etc. on an appropriate basis, from its holding company, OFB Tech Private Limited and other group companies, pursuant to cost sharing arrangement between the group companies. (Refer Note 43)

Further, the Company has also allocated common costs related to Payroll and other expenses to holding company, OFB Tech Private Limited, and Other group companies. (Refer Note 43)

## 43 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 |
| OXY Ventures Private Limited | Wholly-owned subsidiary (w.e.f. 26 April 2022) |
| OXY B Securities Private Limited | Wholly-owned subsidiary (w.e.f. 20 June 2022) |
| Oxyzo Investment Manager Private Limited | Wholly-owned subsidiary (w.e.f. 13 July 2022) |
| Oxyzo Finvest Private Limited | Wholly-owned subsidiary (w.e.f. 18 July 2022) |
| Ziel Financial Technologies Private Limited | Wholly-owned subsidiary (w.e.f. 24 November 2022) |
| Zfirst Technologies Private Limited | Subsidiary (w.e.f. 20 February 2023) |
| OFG Manufacturing Businesses Private Limited (Formerly known as Ofcons Projects And Services Private Limited) | Fellow subsidiary company |
| Oagri Farm Private Limited | Fellow subsidiary company |
| Samruddhi Organic Farm (India) Private Limited | Fellow subsidiary company (w.e.f. 08 November 2021) |
| E-Mox Manufacturing Private Limited | Fellow subsidiary company (w.e.f. 01 February 01 2022) |

# Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

| 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 (till 13 May 2022) |
| Praveen Kumar Bhambani | Independent director (w.e.f 06 August 2022) |
| Rohit Kapoor | Independent director |
| Brij Kishore Kiradoo | Company Secretary (till 17 May 2022) |
| Pinki Jha | Company Secretary (w.e.f 26 May 2022) |

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

| Particulars | Nature of transaction | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---:|---:|
| OFB Tech Private Limited | Issue and allotment of equity share capital | - | 8,056.38 |
| | Purchase of property, plant and equipment | 33.53 | |
| | Sale of property, plant and equipment | 37.21 | 0.60 |
| | Business auxiliary services (cost allocation received) | 379.53 | 315.36 |
| | Business auxiliary services (cost allocation made) | 0.26 | - |
| | Employee costs and reimbursements (cost allocation received)* | 33.26 | 29.30 |
| | Employee stock options (cost allocation made)# | 561.30 | 82.65 |
| | Tech Support Services (cost allocation received) | 122.89 | 147.07 |
| | Interest and subvention Income (Net of expenses) | 1,670.97 | 1,052.32 |
| | Travelling and other expenses (cost allocation received) | 30.66 | 63.87 |
| | Travelling and other expenses (cost allocation made) | 5.93 | 27.02 |
| | Gratuity and leave encashment recoverable | 29.40 | 16.68 |
| | Gratuity and leave encashment payable | 18.10 | 1.43 |
| | Payment on behalf of borrowers | 159,464.50 | 107,189.27 |
| | Employee costs and reimbursements (cost allocation made)# | 1,191.32 | 564.72 |
| | Prepaid Insurance (on allocation basis) | 31.21 | - |
| OXY Ventures Private Limited | Investment in equity share capital | 200.00 | - |
| | Employee costs and reimbursements (cost allocation made) | 11.06 | - |
| | Business auxiliary services (Cost allocation made) | 0.07 | - |
| | Debt arrangement and facilitation fee | 4.00 | |
| | Sale of property, plant and equipment | 0.24 | - |
| OXY B Securities Private Limited | Investment in equity share capital | 5.10 | - |
| Oxyzo Finvest Private Limited | Investment in equity share capital | 0.10 | - |
| Oxyzo Investment Manager Private Limited | Investment in equity share capital | 10.10 | - |

## Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

| | | | |
|---|---|---|---|
| Ziel Financial Technologies Private Limited | Reimbursement of business loan premium | 37.60 | - |
| | Service fees expenses | 100.09 | - |
| Zfirst Technologies Private Limited | Reimbursement of business loan premium | 6.59 | |
| | Service fees expenses | 101.68 | - |
| OFG Manufacturing Businesses Private Limited (Formerly known as Ofcons Projects And Services Private Limited) | Business auxiliary services (cost allocation made) | 1.84 | 0.63 |
| | Loan Given | - | 224.00 |
| | Loan Repaid | 99.96 | 11.62 |
| | Purchase of property, plant and equipment | 0.39 | - |
| | Sale of property, plant and equipment | 3.47 | 2.19 |
| | Interest and other income | 10.88 | 13.87 |
| | Gratuity and leave encashment recoverable | 4.93 | 3.39 |
| | Gratuity and leave encashment payable | 1.18 | 2.52 |
| | Legal and other expenses (cost allocation made) | - | 1.95 |
| | Payment on behalf of borrowers | - | 1,019.63 |
| Samruddhi Organic Farm (India) Private Limited | Interest and other income | - | 20.00 |
| | Loan Given | - | 200.88 |
| | Loan Repayment receipt (Including interest and other income) | - | 860.93 |
| E-Mox Manufacturing Private Limited | Interest and other income | 11.62 | 5.54 |
| | Loan Given | 134.11 | 146.43 |
| | Loan Repaid | 359.84 | 140.54 |
| Oagri Farm Private Limited | Business auxiliary services (cost allocation made) | 0.58 | - |
| | Business auxiliary services (cost allocation received) | - | 0.16 |
| | Purchase of property, plant and equipment | - | 0.60 |
| | Legal and other expenses (cost allocation made) | - | 0.47 |
| | Legal and other expenses (cost allocation received) | - | 0.18 |
| | Interest Income | - | 6.36 |
| | Payment on behalf of borrowers | - | 184.77 |
| | Gratuity and leave encashment payable | - | 4.29 |

# Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

| | | | |
|---|---|---|---|
| Ruchi Kalra | Managerial remuneration | 21.41 | 26.65 |
| | Reimbursement | 4.24 | - |
| | Post employment benefits | 4.64 | - |
| | Optionally convertible redeemable preference shares | 293.53 | - |
| | | **323.82** | **26.65** |
| Vasant Sridhar | Managerial remuneration | 34.94 | 38.70 |
| | Reimbursement | 4.74 | - |
| | Value of Stock option exercised | - | 368.22 |
| | Fair Value of Employee Stock Option | 267.67 | 144.34 |
| | Post employment benefits | 4.64 | - |
| | Keyman Insurance Policy | 0.50 | - |
| | | **312.49** | **551.26** |
| Brij Kishore Kiradoo | Remuneration | 6.96 | 16.15 |
| | Employee stock option compensation expense | - | 144.40 |
| | | **6.96** | **160.55** |
| Pinki Jha | Remuneration | 29.45 | - |
| | Reimbursement | 4.27 | - |
| | Fair Value of Employee Stock Option | 13.72 | - |
| | Post employment benefits | 1.67 | - |
| | | **49.11** | **-** |
| Sathyan David | Directors sitting fees | 9.00 | 5.25 |
| Akshat Vikram Pande | Directors sitting fees | - | 1.75 |
| Praveen Kumar Bhambani | Directors sitting fees | 3.00 | - |
| Rohit Kapoor | Directors sitting fees | 2.75 | 1.00 |

* Includes KMP salary cross charged amounting ₹ 33.26 Lakhs (previous year ₹ 29.30 Lakhs)
# Includes KMP salary cross charged amounting ₹ 10.37 Lakhs (previous year ₹ 10.14 Lakhs)

### Balance outstanding at year end

| Name of related party | Nature | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|---|
| OFB Tech Private Limited | Other Payables | 885.10 | 211.54 |
| | Payable- loan pending disbursement | 5,952.44 | 769.90 |
| OXY Ventures Private Limited | Investment in Equity share capital | 200.00 | - |
| | Other recoverable | 13.32 | - |
| OXY B Securities Private Limited | Investment in Equity share capital | 5.10 | - |
| Oxyzo Finvest Private Limited | Investment in Equity share capital | 0.10 | - |
| | Receivable | 0.17 | - |
| | Payables | - | - |
| Oxyzo Investment Manager Private Limited | Investment in Equity share capital | 10.10 | - |
| Zfirst Technologies Private Limited | Investment in Equity share capital | 0.02 | - |

# Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

| | | | |
|---|---|---|---|
| | Investment in compulsory convertible preference shares | 394.00 | - |
| | Trade Payables | 54.36 | - |
| Ziel Financial Technologies Private Limited | Investment in Equity share capital | 798.00 | - |
| | Trade Payables | 75.37 | - |
| OFG Manufacturing Businesses Private Limited | Receivable | 9.10 | 5.61 |
| (Formerly known as Ofcons Projects And Services Private Limited) | Receivable against loan given | 130.88 | 221.62 |
| Oagri Farm Private Limited | Other recoverable | 0.69 | - |
| | Payable | - | 4.75 |
| E-Mox Manufacturing Private Limited | Receivable against loan given | - | 214.09 |

Guarantee given to lenders by holding Company for Loan outstanding as at 31 March 2023 ₹ 11,604.38 lakhs and 31 March 2022 ₹ 43,403.72 lakhs

## 44. Capital

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

### 44.1 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 cash equivalents and other bank balances as presented in the 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 2.50 to 3.00 determined as a proportion of net debt to total equity.

### 44.2 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 2023 of the Company are as under:

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Capital Adequacy ratio - Tier I** | 42.21% | 47.99% |
| **Capital Adequacy ratio - Tier II** | 0.44% | 0.38% |
| | **42.65%** | **48.38%** |

# Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

## 45. Financial instruments

### 45.1 Financial instruments by category and fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:
(a) recognised and measured at fair value and
(b) measured at amortised cost and for which fair values are disclosed in the financial statements.
To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

| As at 31 March 2023 | Carrying amount | | | | | Fair Value | | |
|---|---|---|---|---|---|---|---|---|
| **Particulars** | **FVTPL** | **FVTOCI** | **Amortised Cost** | **Cost** | **Total** | **Level 1** | **Level 2** | **Level 3** |
| **Financial Assets** | | | | | | | | |
| Cash and cash equivalents* | - | - | 9,847.98 | - | 9,847.98 | - | - | - |
| Bank balances other than above* | - | - | 3,107.68 | - | 3,107.68 | - | - | - |
| Derivative financial instruments | - | 231.10 | - | - | 231.10 | - | 231.10 | - |
| Trade Receivables* | - | - | - | - | - | - | - | - |
| Loans | - | - | 467,159.48 | - | 467,159.48 | - | - | 467,159.48 |
| Investments | - | - | 73,955.27 | 1,407.32 | 75,362.59 | - | - | 73,955.27 |
| Other financial assets* | - | - | 67.02 | - | 67.02 | - | - | - |
| **Total financial assets** | **-** | **231.10** | **554,137.43** | **1,407.32** | **555,775.85** | **-** | **231.10** | **541,114.75** |
| **Financial liabilities** | | | | | | | | |
| Derivative financial instruments | - | 0.76 | - | - | 0.76 | - | 0.76 | - |
| Trade payables* | - | - | 504.41 | - | 504.41 | - | - | - |
| Other payables* | - | - | 953.29 | - | 953.29 | - | - | - |
| Debt Securities | - | - | 27,299.03 | - | 27,299.03 | - | 27,299.03 | - |
| Borrowings (Other than debt securities) | - | - | 285,270.58 | - | 2 85,270.58 | - | - | 285,270.58 |
| Other financial liabilities* | - | - | 12,606.90 | - | 12,606.90 | - | - | - |
| **Total financial liabilities** | **-** | **0.76** | **326,634.21** | **-** | **326,634.97** | **-** | **27,299.79** | **285,270.58** |

# Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

| As at 31 March 2022 | | | Carrying amount | | | | Fair Value | |
|---|---|---|---|---|---|---|---|---|
| **Particulars** | **FVTPL** | **FVTOCI** | **Amortised Cost** | **Cost** | **Total** | **Level 1** | **Level 2** | **Level 3** |
| **Financial Assets** | | | | | | | | |
| Cash and cash equivalents* | - | - | 53,820.78 | - | 53,820.78 | - | - | - |
| Bank balances other than above* | - | - | 868.66 | - | 868.66 | - | - | - |
| Derivative financial instruments | - | 23.61 | - | - | 23.61 | - | 23.61 | - |
| Trade Receivables* | - | - | 110.31 | - | 1 10.31 | - | - | - |
| Loans | - | - | 254,011.89 | - | 254,011.89 | - | - | 254,011.89 |
| Investments | 33,648.09 | - | - | - | 33,648.09 | 33,648.09 | - | - |
| Other financial assets* | - | - | 53.86 | - | 53.86 | - | - | - |
| **Total financial assets** | **33,648.09** | **23.61** | **308,865.50** | **-** | **342,537.20** | **33,648.09** | **23.61** | **254,011.89** |
| | | | | | | | | |
| **Financial liabilities** | | | | | | | | |
| Derivative financial instruments | - | 94.19 | - | | 94.19 | - | 94.19 | - |
| Trade payables* | - | - | 230.80 | | 230.80 | - | - | - |
| Other payables* | - | - | 263.44 | | 263.44 | - | - | - |
| Debt Securities | - | - | 39,131.54 | | 39,131.54 | - | 39,131.54 | - |
| Borrowings (Other than debt securi-ties) | - | - | 162,347.19 | | 1 62,347.19 | - | - | 162,347.19 |
| Other financial liabilities* | - | - | 1,752.65 | | 1,752.65 | - | - | - |
| **Total financial liabilities** | **-** | **94.19** | **203,725.62** | | **203,819.81** | **-** | **39,225.73** | **162,347.19** |

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

### 45.2 Valuation framework

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. The Company measures fair values using fair value hierarchy, which reflects the significance of the inputs used in making the measurements. Refer note 2.15 for details on fair value measurement and hierarchy.

The Company uses suitable valuation models to determine the fair value of common and simple financial instruments, that use only observable market data and require little management judgement and estimation.

**Loans:** The fair value of loan and advances are estimated by discounted cash flow models and using Effective Interest Rate (EIR) method. Fair value is then reduced by the impairment loss allowance on loans which is already calculated incorporating probability of default and loss given defaults.

# Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

**Debt securities, borrowings (other than debt securities):** The fair values of the Company's borrowings and other debt securities are calculated based on a discounted cash flow model and for the purpose of disclosures debt securities are classified under Level 2 and borrowings (other than debt securities) are classified under Level 3 and are measured at amortised cost using Effective Interest Rate (EIR) method. The discount rates were based on the available interest rates in the market.

**Investments:** Investment in debt securities is recorded at discounted cash flow models and using Effective Interest Rate (EIR) method. Fair value in other Investment is based on the information available from external sources such as market-observable including secondary market prices or NAV and where no data is available, it is estimated using prevailing rate on balance sheet date. Management believes that the carrying value of the investments approximates the fair value.

There were no transfers between levels during the year.

# Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

## 46.1 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. From 08 April 2016 to 31 March 2018, the options expire within 7 years from the date of last vesting and from 01 April 2018 onwards, the options expire within 3 years from the date of last vesting.

During the year OFB had sub-divided it's shares in the ratio of 1:10 on Jun 25, 2021. Further the OFB had made bonus issuance in the ratio of 1:2120 on July 05, 2021.

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. Further the plan has been extended to the employees of the company by the holding company.

| Particulars | Grant Date | Number of options |
|---|---|---|
| Grant-I (FY 16-17) | 08-Apr-16 | 721,140 |
| Grant-II to Grant-IV (FY 17-18) | 08-Apr-17 to 28-Feb-18 | 1,972,530 |
| Grant-V to Grant-VI (FY 18-19) | 02-Jul-18 to 05-Jul-18 | 2,417,940 |
| Grant-VII to Grant-X (FY 19-20) | 01-Apr-19 to 05-Jul-19 | 3,287,550 |
| Grant-XII to Grant-XIII (FY 20-21) | 01-Oct-20 to 01-Mar-21 | 3,287,550 |
| Grant-XIV to Grant XXV (FY 21-22) | 01-Apr-21 to 01-Jan-22 | 6,327,367 |
| Grant-XXVIII to Grant XXXX (FY 22-23) | 01-Apr-22 to 01-Mar-2023 | 2,831,457 |

Vesting Period - As determined by Compensation Committee subject to minimum of 1 year and maximum of 4 years from the grant date.

Exercise Period - The options vest at various dates over the period of one to four year from the date of grant. From 08 April 2016 to 31 March 2018, the options expire within 7 years from the date of last vesting and from 01 April 2018 onwards, the options expire within 3 years from the date of last vesting.

Exercise Price - Exercise price shall be determined by Compensation Committee and specified in Grant letter's but it shall not be less than the face value of shares of the Company.

Vesting Conditions - Vesting of option is a function of achievement of performance criteria or any other criteria as specified by Compensation committee and communicated in the grant letter. Further, the vesting takes place on staggered basis over the respective vesting period

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Expense arising from share-based payment transactions (Refer note 34) | 1,191.32 | 564.72 |
| **Total expense arising from share-based payment transactions recognised in Statement of Profit and Loss** | **1,191.32** | **564.72** |

# Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

**The details of activity under the ESOP Plans have been summarised below:**

| Particulars | 31 March 2023 | | 31 March 2022 | |
|---|---|---|---|---|
| | 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 | 12,589,408 | 45.64 | 7,890,120 | 22.48 |
| Granted during the year | 2,831,457 | 302.59 | 6,327,367 | 74.24 |
| Exercised during the year | (65,753) | (26.28) | (1,246,300) | (15.84) |
| Forfeited during the year* | (116,188) | (70.96) | (381,780) | (25.83) |
| Outstanding at the end of the year** | 15,238,923 | 93.27 | 12,589,408 | 45.64 |
| Exercisable at the end of the year | 4,692,464 | 77.98 | 938,330 | 7.36 |
| Weighted average remaining contractual life of the options outstanding at the end of the year | 6.05 Years | | 6.07 years | |

* Unvested options forfeited in accordance with terms prescribed under the respective ESOP Schemes.

** Includes 318,150 numbers of ESOP expired but has not been forfeited by the holding company.

### Fair value of options granted

The weighted average fair value of stock options granted during the year pertaining to ESOP 2016 plan is ₹ 60.19 (previous year ₹ 15.22). The fair value at grant date is determined using the Black-Scholes model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. The following tables list the inputs used for fair valuation of options for the ESOP plans.

| Particulars | For options granted during the year | |
|---|---|---|
| | 31 March 2023 | 31 March 2022 |
| Dividend yield (%) | 0.0% | 0.0% |
| Expected volatility (%) | 44.3%-44.5% | 30.50% - 35.00% |
| Risk free interest rate (%) | 7.4% -7.5% | 5.70% - 6.10% |
| Expected life of share options (in years) | 4.85 | 4.80 |
| Fair value of options at grant date (in Rupees) | 58.88-132.20 | 8.19 - 138.71 |
| Fair value of share at grant date (in Rupees) | 18.12-20.24 | 49.84 - 231.24 |
| Exercise price (in Rupees) | 76.74-347.21 | 48.17-347.21 |

### 46.2 Share based payments

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

Oxyzo Financial Services Private Limited ('Oxyzo'), the company, had framed an Oxyzo Stock Options Plan, 2021 ('ESOP 2021 Plan'), which was duly approved by the Shareholder of the Oxyzo in the Extraordinary General Meeting held on 22 November 2021, created an ESOP pool and further expanded the same in the Extraordinary General Meeting held on 10 March 2022. ESOP 2021 Plan will be administered by Compensation committee and in the absence of such committee Board of Directors of the Oxyzo shall ensure the administration of the ESOP 2021 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. All vested options not exercised as per exercise period shall lapse.

# Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

| Particular's | Grant Date | Number of options |
|---|---|---|
| Grant-I | Monday, January 3, 2022 | 2,132,651 |
| Grant-II | Wednesday, April 6, 2022 | 280,709 |

Vesting Period - As determined by Compensation Committee subject to minimum of 1 year and maximum of 4 years from the grant date.
Exercise Period - The options vest at various dates over the period of one to four year from the date of grant. All vested options not exercised as per exercise period shall lapse.
Exercise Price - Exercise price shall be determined by Compensation Committee and specified in Grant letter's but it shall not be less than the face value of shares of the Company.
Vesting Conditions - Vesting of option is a function of achievement of performance criteria or any other criteria as specified by Compensation committee and communicated in the grant letter. Further, the vesting takes place on staggered basis over the respective vesting period

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Expense arising from share-based payment transactions (Refer note 34) | 528.18 | 112.98 |
| **Total expense arising from share-based payment transactions recognised in Statement of Profit and Loss** | **528.18** | **112.98** |

### The details of activity under the ESOP Plans have been summarised below:

| Particulars | 31 March 2023 | | 31 March 2022 | |
|---|---|---|---|---|
| | 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 | 2,132,651 | 650 | - | - |
| Granted during the year | 280,709 | 1,042 | 2,132,651 | 650 |
| Outstanding at the end of the year | 2,413,360 | 696 | 2,132,651 | 650 |
| Weighted average remaining contractual life of the options outstanding at the end of the year | 3.4 years | | 3.4 years | |

### Fair value of options granted

The weighted average fair value of stock options granted during the year pertaining to ESOP 2022 plan is ₹ 86.10 (previous year ₹ 50.80). The fair value at grant date is determined using the Black-Scholes model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. The following tables list the inputs used for fair valuation of options for the ESOP plans.

| Particulars | For options granted during the year | |
|---|---|---|
| | 31 March 2023 | 31 March 2022 |
| Dividend yield (%) | 0.0% | 0.0% |
| Expected volatility (%) | 39.00% | 38.00% |
| Risk free interest rate (%) | 5.90% | 5.40% |
| Expected life of share options (in years) | 3.4 | 3.4 |
| Fair value of options at grant date (in Rupees) | 86.10 | 50.80 |
| Exercise price (in Rupees) | 1,042.00 | 650.00 |

# Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

## 47 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.

| Risk | Exposure arising from | Measurement | Management |
|---|---|---|---|
| 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:

| Particulars | Balance as at 31 March 2023 | Balance as at 31 March 2022 |
|---|---|---|
| Loans | 467,159.48 | 254,011.89 |
| Investments | 75,362.59 | 33,648.09 |
| Trade Receivables | - | 110.31 |
| Cash and cash equivalents | 9,847.98 | 53,820.78 |
| Other bank balances | 3,107.68 | 868.66 |
| Other financials asset | 67.02 | 53.86 |

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

# Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

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-montd PD in the given case) while Stage 3 assets are considered to have a 100% PD. (Refer Note 2.17)

## 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.

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

## Collateral and other credit enhancements

# Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

Financial instruments are not considered to have low credit risk when they are regarded as having a low risk of loss simply because of the value of collateral and the financial instrument without that collateral would not be considered low credit risk. Financial instruments are also not considered to have low credit risk simply because they have a lower risk of default than the entity's other financial instruments or relative to the credit risk of the jurisdiction within which an entity operates.

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 macro- economic 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

| Impairment | 31 March 2023 | | 31 March 2022 | |
|---|---|---|---|---|
| | Exposure | Impairment allowance | Exposure | Impairment allowance |
| Credit impaired loan assets (Default event triggered) (Stage 3) | 3,935.05 | 1,996.15 | 2,609.84 | 1,508.88 |
| Loan assets having significant increase in credit risk (Stage 2) | 14,918.65 | 677.82 | 10,757.29 | 249.87 |
| Other loan assets (Stage 1) | 455,063.71 | 2,301.02 | 244,485.87 | 1,104.38 |
| Impairment on account of COVID-19 | | | | 200.00 |
| **Total** | **473,917.41** | **4,974.99** | **257,853.00** | **3,063.13** |

An analysis of Expected credit loss rate* :

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Stage-1 | 0.51% | 0.45% |
| Stage-2 | 4.54% | 2.32% |
| Stage-3 | 50.73% | 57.82% |
| **Total** | **1.05%** | **1.19%** |

* Expected credit loss rate is computed ECL divided by EAD

## Specific Provision

Company reviews and monitors all cases 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.

## Reconciliation of gross carrying amount is given below:

# Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

| Particulars | 31 March 2023 | | | | 31 March 2022 | | | |
|---|---|---|---|---|---|---|---|---|
| | Stage-1 | Stage-2 | Stage-3 | Total | Stage-1 | Stage-2 | Stage-3 | Total |
| **Gross carrying amount opening balance** | **244,485.87** | **10,757.29** | **2,609.84** | **257,853.00** | **121,789.30** | **14,946.90** | **1,672.30** | **138,408.50** |
| New assets originated | 383,880.73 | 6,858.20 | 279.22 | 391,018.15 | 221,271.52 | 7,416.07 | 136.73 | 228,824.32 |
| Assets repaid (excluding write offs) | (165,678.83) | (7,696.67) | (685.69) | (174,061.19) | (96,093.82) | (12,011.76) | (596.36) | (108,701.94) |
| Transfers from Stage 1 | (9,755.27) | 7,964.85 | 1,790.42 | - | (5,007.59) | 3,666.67 | 1,340.92 | - |
| Transfers from Stage 2 | 2,204.34 | (3,146.29) | 941.95 | - | 2,546.34 | (3,203.07) | 656.73 | - |
| Transfers from Stage 3 | - | 259.70 | (259.70) | - | 43.49 | - | (43.49) | - |
| Settlement loss and bad debts written | (73.13) | (78.43) | (740.99) | (892.55) | (63.37) | (57.52) | (556.99) | (677.88) |
| **Gross carrying amount closing balance** | **455,063.71** | **14,918.65** | **3,935.05** | **473,917.41** | **244,485.87** | **10,757.29** | **2,609.84** | **257,853.00** |

### Reconciliation of ECL balance is given below:

| Particulars | 31 March 2023 | | | | 31 March 2022 | | | |
|---|---|---|---|---|---|---|---|---|
| | Stage-1 | Stage-2 | Stage-3 | Total | Stage-1 | Stage-2 | Stage-3 | Total |
| **ECL allowance opening balance** | **1,304.38** | **249.87** | **1,508.88** | **3,063.13** | **1,060.34** | **324.43** | **988.03** | **2,372.80** |
| New assets originated/change in ECL estimate | 2,325.15 | 551.59 | 1,489.52 | 4,366.26 | 1,812.67 | 483.32 | 913.04 | 3,209.03 |
| Assets repaid (excluding write offs) | (278.92) | (22.84) | (1,260.09) | (1,561.85) | (633.53) | (423.38) | (783.91) | (1,840.82) |
| Transfers from Stage 1 | (980.86) | 303.58 | 677.28 | - | (878.41) | 123.84 | 754.57 | - |
| Transfers from Stage 2 | 4.40 | (371.42) | 367.02 | - | 5.13 | (200.82) | 195.69 | - |
| Transfers from Stage 3 | - | 45.47 | (45.47) | - | 1.55 | - | (1.55) | - |
| Settlement loss and bad debts written off | (73.13) | (78.43) | (740.99) | (892.55) | (63.37) | (57.52) | (556.99) | (677.88) |
| **ECL allowance closing balance** | **2,301.02** | **677.82** | **1,996.15** | **4,974.99** | **1,304.38** | **249.87** | **1,508.88** | **3,063.13** |

### Write off policy

## Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

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.

### 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 31 March 2023, the net of expected cash inflows and outflows within 12 months are Rs. 198,065.82 (31 March 2022: Rs. 188,990.02). Refer note 48 for Maturity analysis of assets and liabilities and note 51 (IX) for asset liability management (ALM).

Refer note 48 for maturity analysis of assets and liabilities.

### 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 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Variable rate borrowing | 274,788.26 | 134,853.31 |
| Fixed rate borrowing | 37,781.35 | 66,625.41 |
| **Total borrowings** | **312,569.61** | **201,478.72** |

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

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Interest sensitivity** | | |
| Interest rates – increase by 100 basis points (31 March 2022: 100 bps) | 1,467.56 | 1,196.71 |
| Interest rates – decrease by 100 basis points (31 March 2022: 100 bps) | (1,467.56) | (1,196.71) |

### D) Foreign currency risk

# Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

There are no un-hedged liability or assets denominated in foreign currency with the Company as at 31 March 2023 and 31 March 2022.

| Particulars | Foreign Currency | Year Ended 31 March 2023 | | | Year Ended 31 March 2022 | | |
|---|---|---|---|---|---|---|---|
| | | Exchange Rate | Amount in Foreign Currency in Lakhs | Amount | Exchange Rate | Amount in Foreign Currency in Lakhs | Amount |
| **I. Assets** | | | | | | | |
| Receivables (trade & other) | N.A. | - | - | - | - | - | - |
| Other Monetary assets | N.A. | - | - | - | - | - | - |
| **Total Receivables (A)** | N.A. | - | - | - | - | - | - |
| Hedges by derivative contracts (B) | N.A. | - | - | - | - | - | - |
| **Unhedged receivables (C=A-B)** | N.A. | - | - | - | - | - | - |
| | | | | | | | |
| **II. Liabilities** | | | | | | | |
| Payables (trade & other) | USD | - | - | - | - | - | - |
| Borrowings (ECB and Others) | USD | 82.2148 | 65.00 | 5,343.96 | 73.1128 | 65.00 | 4,752.33 |
| **Total Payables (D)** | USD | 82.2148 | 65.00 | 5,343.96 | 73.1128 | 65.00 | 4,752.33 |
| Hedges by derivative contracts (E) | USD | 82.2148 | 65.00 | 5,343.96 | 73.1128 | 65.00 | 4,752.33 |
| **Unhedged Payables F=D-E)** | USD | - | - | - | - | - | - |
| | | | | | | | |
| **III. Contingent Liabilities and Commitments** | | | | | | | |
| Contingent Liabilities | N.A. | - | - | - | - | - | - |
| Commitments | N.A. | - | - | - | - | - | - |
| **Total (G)** | N.A. | - | - | - | - | - | - |
| Hedges by derivative contracts(H) | N.A. | - | - | - | - | - | - |
| **Unhedged Payables (I=G-H)** | N.A. | - | - | - | - | - | - |
| | | | | | | | |
| **Total unhedged FC Exposures (J=C+F+I)** | N.A. | - | - | - | - | - | - |

Note: For the above disclosure, Interest accrued on borrowings at respective year end has not been considered

## 48 Maturity analysis of assets and liabilities

## Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

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

| Particulars | 31 March 2023 | | | 31 March 2022 | | |
|---|---|---|---|---|---|---|
| | Within 12 months | After 12 months | Total | Within 12 months | After 12 months | Total |
| **ASSETS** | | | | | | |
| **Financial assets** | | | | | | |
| Cash and cash equivalents | 9,847.98 | - | 9,847.98 | 53,820.78 | - | 53,820.78 |
| Bank balances other than (a) above | 3,107.68 | - | 3,107.68 | 868.66 | - | 868.66 |
| Derivative financial instruments | - | 231.10 | 231.10 | 23.61 | - | 23.61 |
| Trade Receivable | - | - | - | 110.31 | - | 110.31 |
| Loans* | 382,008.25 | 85,151.23 | 467,159.48 | 228,799.80 | 25,212.09 | 254,011.89 |
| Investments | 28,281.34 | 47,081.25 | 75,362.59 | 32,827.53 | 820.56 | 33,648.09 |
| Other financial assets | 67.02 | - | 67.02 | 53.86 | - | 53.86 |
| | | | | | | |
| **Non-financial assets** | | | | | | |
| Current tax assets (Net) | - | 305.98 | 305.98 | - | 397.85 | 397.85 |
| Deferred tax assets (Net) | - | 1,348.08 | 1,348.08 | - | 663.60 | 663.60 |
| Investment Property | - | 13.32 | 13.32 | - | 149.92 | 149.92 |
| Property, Plant and Equipment | - | 131.29 | 131.29 | - | 84.18 | 84.18 |
| Other intangible assets | - | 11.13 | 11.13 | - | - | - |
| Other non-financial assets | 60.34 | - | 60.34 | 86.99 | - | 86.99 |
| Non-current Assets held for sale | 118.00 | - | 118.00 | - | - | - |
| **Total Assets** | **423,490.61** | **134,273.38** | **557,763.99** | **316,591.54** | **27,328.20** | **343,919.74** |
| | | | | | | |
| **LIABILITIES** | | | | | | |
| **Financial liabilities** | | | | | | |
| Derivative financial instruments | 0.76 | - | 0.76 | 94.19 | - | 94.19 |
| Trade Payables | | | | | | |
| (i) Total outstanding dues to micro and small enterprises | 3.17 | - | 3.17 | 3.17 | - | 3.17 |
| (ii) Total outstanding dues of creditors other than micro and small enterprises | 501.24 | - | 501.24 | 227.63 | - | 227.63 |
| Other payables | | | | | | |
| (i) Total outstanding dues to micro and small enterprises | - | - | - | - | - | - |
| (ii) Total outstanding dues of creditors other than micro and small enterprises | 953.29 | - | 953.29 | 263.44 | - | 263.44 |
| Debt securities | 13,572.85 | 13,726.18 | 27,299.03 | 18,562.08 | 20,569.46 | 3 9,131.54 |

# Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

| | | | | | | |
|---|---|---|---|---|---|---|
| Borrowings (Other than debt securities) | 199,275.10 | 85,995.48 | 285,270.58 | 106,354.18 | 55,993.01 | 162,347.19 |
| Other financial liabilities | 9,771.83 | 2,835.07 | 12,606.90 | 1,752.65 | - | 1,752.65 |
| | | | | | | |
| **Non-Financial Liabilities** | | | | | | |
| Provisions | 21.24 | 285.42 | 306.66 | 5 .39 | 296.92 | 302.31 |
| Current tax liabilities | 805.37 | - | 805.37 | 259.21 | - | 259.21 |
| Other non-financial liabilities | 519.94 | - | 519.94 | 309.67 | - | 309.67 |
| **Total Liabilities** | **225,424.79** | **102,842.15** | **328,266.94** | **127,831.61** | **76,859.39** | **204,691.00** |
| **Equity (including other equity)** | **-** | **229,497.05** | **229,497.05** | **-** | **139,228.74** | **139,228.74** |

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

### 49 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, 2023 is as under:

| Particulars | Number of Significant counterparties (Borrowings) | Amount (Rs. lakhs) | % of Total deposits | % of Total Liabilities |
|---|---|---|---|---|
| As at 31 March 2023 | 10 | 191,073.57 | NA | 58.21% |
| As at 31 March 2022 | 10 | 99,325.70 | NA | 48.52% |

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

### (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)

| Particulars | Number of Significant counterparties (Borrowings) | Amount (Rs. lakhs) | % of Total deposits | % of Total Liabilities |
|---|---|---|---|---|
| As at 31 March 2023 | 10 | 191,073.57 | NA | 58.21% |
| As at 31 March 2022 | 10 | 99,325.70 | NA | 48.52% |

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

## Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

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

| S.No. | Name of the Product | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|---|
| | | Amount (Rs. lakhs) | % of Total Liabilities | Amount (Rs. lakhs) | % of Total Liabilities |
| 1 | Non Convertible Debentures | 27,299.03 | 8.32% | 32,741.77 | 16.00% |
| 2 | Commercial Paper | - | 0.00% | 6,389.77 | 3.12% |
| 3 | Borrowings (Other than debt securities) | 285,270.58 | 86.90% | 162,347.19 | 79.31% |
| | **TOTAL** | **312,569.61** | **95.22%** | **201,478.73** | **98.43%** |

### (v) Stock Ratios:

| S.No. | Stock Ratio | % As at 31 March 2023 | % As at 31 March 2023 |
|---|---|---|---|
| | **Commercial paper as a % of total public funds** | | |
| 1 | Commercial papers as a % of total liabilities | - | 3.12% |
| 2 | Commercial papers as a % of total assets | - | 1.86% |
| | **Non-convertible debentures as a % of total public funds** | | |
| 3 | Non-convertible debentures (original maturity of less than one year) as a % of total liabilities | - | - |
| 4 | Non-convertible debentures (original maturity of less than one year) as a % of total assets | - | - |
| | **Other short-term liabilities as a % of total public funds** | | |
| 5 | Other short-term liabilities as a % of total liabilities | 3.83% | 1.38% |
| 6 | Other short-term liabilities as a % of total assets | 2.25% | 0.82% |

Notes:
- Commercial Paper and NCDs for stock ratio is the Gross outstanding as at 31st March, 2023 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. Further Company has board approved Internal Capital Adequacy Assessment Process (ICAAP) policy in place as per RBI Scale Based Regulation (SBR).

## Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

### 50 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 31 March 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|---|---|
| | | **Liabilities side:** | | | | |
| (1) | | **Loans and advances availed by the non-banking financial company** | **Amount out-standing** | **Amount overdue** | **Amount out-standing** | **Amount overdue** |
| | (a) | Debentures : Secured | 2 7,299.03 | - | 32,741.77 | - |
| | | : Unsecured | - | - | - | - |
| | | (other than falling within the meaning of public deposits) | | | | |
| | (b) | Deferred Credits | - | - | - | - |
| | (c) | Term Loans | 272,761.76 | - | 161,412.99 | - |
| | (d) | Inter-corporate loans and borrowing | - | - | - | - |
| | (e) | Commercial Paper | - | - | 6,389.77 | - |
| | (f) | Public Deposits | - | - | - | - |
| | (g) | Other Loans (short term bank loan) | 1 2,508.82 | - | 934.20 | - |
| (2) | | **Breakup of (1)(f) above (Outstanding Public Deposit inclusive of interest accrued thereon but not paid:** | | | | |
| | (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 | - | - | - | - |
| | | **Assets side:** | | **Amount out-standing** | | **Amount out-standing** |
| (3) | | **Break-up of Loans and Advances including bills receivables [Other than those included in (4) below]:** | | | | |
| | (a) | Secured (net of provision and revenue received in advance of Rs. 1,427.22 lakhs (previous year Rs. 493.46 lakhs)) | | 342,803.04 | | 194,673.23 |
| | (b) | Unsecured (net of provision and revenue re-ceived in advance of Rs. 5,330.71 lakhs (previous year Rs. 3,347.65 lakhs)) | | 124,356.44 | | 59,338.66 |
| (4) | | **Break up of Leased Assets and stock on hire and other assets counting towards AFC activities** | | | | |
| | (i) | Lease assets including lease rentals under sun-dry debtors: | | | | |
| | | (a) Financial lease | | - | | - |
| | | (b) Operating lease | | - | | - |
| | (ii) | Stock on hire including hire charges under sundry debtors: | | | | |
| | | (a) Assets on hire | | - | | - |
| | | (b) Repossessed Assets | | - | | - |

# Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

| | | | | |
|---|---|---|---|---|
| | (iii) | Other loans counting towards AFC activities | | |
| | | (a) Loans where assets have been repossessed | - | - |
| | | (b) Loans other than (a) above | - | - |
| | | | | |
| **(5)** | | **Break-up of Investments:** | | |
| | | Current Investments: | | |
| | 1. | Quoted: | | |
| | | (i) Shares: (a) Equity | - | - |
| | | (b) Preference | - | - |
| | | (ii) Debentures and Bonds | 26,929.46 | - |
| | | (iii) Units of mutual funds | - | 30,001.51 |
| | | (iv) Government Securities | 203.99 | - |
| | | (v) Others (AT-1 Debentures of Banks) | 1,094.57 | - |
| | 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 (Including interest accrued on deposits) | - | 7,500.90 |
| | | (vi) Pass through certificates | 53.31 | 2,851.88 |
| | | (vii) Others (Alternative investment funds) | | - |
| | | Long Term investments: | | |
| | 1. | Quoted: | | |
| | | (i) Shares: (a) Equity | - | - |
| | | (b) Preference | - | - |
| | | (ii) Debentures and Bonds | 20,510.93 | - |
| | | (iii) Units of mutual funds | - | - |
| | | (iv) Government Securities | - | - |
| | | (v) Others (AT-1 Debentures of Banks) | 25,163.01 | - |
| | 2. | Unquoted: | | |
| | | (i) Shares: (a) Equity (net of provisions) | 1,013.32 | - |
| | | (b) Preference | 394.00 | - |
| | | (ii) Debentures and Bonds (net of provisions) | - | - |
| | | (iii) Units of mutual funds | - | - |
| | | (iv) Government Securities | - | - |
| | | (v) Fixed deposit with bank (Including interest accrued on deposits) | 3,107.68 | 868.66 |
| | | (vi) Pass through certificates | - | 823.86 |
| | | (vii) Others | - | - |

# Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(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 31 March 2023 | | | As at 31 March 2022 | | |
|---|---|---|---|---|---|---|
| | 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 | 130.88 | - | 130.88 | 212.63 | 221.62 | 434.25 |
| (c) Other related parties | - | - | - | - | - | - |
| 2. Other than related parties | 342,672.16 | 124,356.44 | 467,028.60 | 194,460.60 | 59,117.04 | 253,577.64 |
| **Total** | **342,803.04** | **124,356.44** | **467,159.48** | **194,673.23** | **59,338.66** | **254,011.89** |

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

| Category | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|
| | 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 | 1,407.32 | 1,407.32 | - | - |
| (b) Associates | - | - | | |
| (c) Companies in the same group | - | - | - | - |
| (d) Other related parties | - | - | - | - |
| 2. Other than related parties | 73,955.27 | 74,009.45 | 33,648.09 | 33,648.09 |
| **Total** | **75,362.59** | **75,416.77** | **33,648.09** | **33,648.09** |

* Quoted value on stock exchange as of 31 March 2023 is not readily available.

### (8) Other information

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| (i) Gross Non-Performing Assets | | |
| (a) Related parties | - | - |
| (b) Other than related parties | 4,194.75 | 2,609.84 |
| | | |
| (ii) Net Non-Performing Assets | | |
| (a) Related parties | - | - |
| (b) Other than related parties | 2,153.13 | 1,100.96 |
| | | |
| (iii) Assets acquired in satisfaction of debt | 118.00 | 136.60 |

# Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

### 51 Disclosures required pursuant to Non-banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 amended time to time and requirements under scale based regulations for NBFCs

#### I. Capital

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| (i) CRAR (%) | 42.65% | 48.38% |
| (ii) CRAR - Tier I Capital (%) | 42.21% | 47.99% |
| (iii) CRAR - Tier II Capital (%) | 0.44% | 0.38% |
| (iv) Amount of subordinated debt raised as Tier-II c apital | - | - |
| (v) Amount raised by issue of Perpetual Debtl nstruments | - | - |

#### II. Investments

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **1. Value of Investments** | | |
| (i) Gross Value of Investments | | |
| (a) In India | 75,416.77 | 33,648.09 |
| (b) Outside India | - | - |
| (ii) Provisions for Depreciation | | |
| (a) In India | (54.18) | (14.58) |
| (b) Outside India | - | - |
| (iii) Net Value of Investments | | |
| (a) In India | 75,362.59 | 33,662.67 |
| (b) Outside India | - | - |
| | | |
| **2. Movement of provisions held towards depreciation on investments** | | |
| (i) Opening balance | (14.58) | 8.43 |
| (ii) Add : Provisions made during the year | (54.18) | (23.01) |
| (iii) Less : Write-off / write-back of excess provisions during the year | 14.58 | - |
| (iv) Closing balance | **(54.18)** | **(14.58)** |

#### III. Disclosure on Un-hedged Foreign Currency Exposure

The Company has no unhedged foreign currency exposure as on 31 March 2023 and 31 March 2022.

#### IV. (a) Derivatives

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| (i) The notional principal of swap agreements | 5,009.60 | 4,752.48 |
| (ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements | 591.48 | - |

# Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

| | | |
|---|---|---|
| (iii) Collateral required by the applicable NBFC upon entering into swaps | - | - |
| (iv) Concentration of credit risk arising from the swaps $ | - | - |
| (v) The fair value of the swap book @ | 230.34 | (70.58) |

## (b) Exchange traded interest rate derivatives

The Company has not traded in exchange traded interest rate derivative during the current and previous year.

## (c) Disclosures on risk exposure in derivatives

### Qualitative disclosure

#### Financial Risk Management

The Company has to manage various risks associated with the lending business. These risks include liquidity risk, exchange risk, interest rate risk and counterparty risk. The Company has entered into interest rate swaps wherein it has converted floating rate linked to various benchmarks into fixed rate rupee liabilities. The currency risk on borrowings is actively managed through currency swaps.

#### Measurement and Accounting

All derivative contracts are recognised on the balance sheet and measured at fair value. Hedge accounting is applied to all the derivative instruments as per Ind AS 109. Gain/loss arising on account of fair value changes are recognised in the Statement of Profit and Loss to the extent of ineffective portion of hedge instruments and hedged items. The gains/losses of effective portion of hedge instrument are offset against gain/losses of hedged items in Other Comprehensive Income.

### Movements in the Cash flow hedge reserves are as follows (As per Ind AS Financials)

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Opening Balance | (52.82) | - |
| Credit/(Debit) in cash flow hedge reserves | (217.53) | (52.82) |
| Closing Balance | (270.35) | (52.82) |

### Quantitative disclosure

| Category | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|
| | Currency Derivati | Interest Rate Derivatives | Currency Derivatives | Interest Rate Derivatives |
| Derivatives (Notional Principal Amount) [1] | | | | |
| For hedging | 4,752.48 | 2 57.12 | 4,752.48 | 4,752.48 |
| Marked to Market Positions | | | | |
| Asset (+) | 231.10 | - | - | 23.61 |
| Liability (-) | - | (0.76) | (94.19) | - |
| Credit Exposure [2] | - | - | - | - |
| Unhedged Exposures | - | - | - | - |

# Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

## V. Disclosures relating to securitisation

The Company has not entered into securitisation transactions during the current and previous year.

## 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 current and previous year.

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

The Company has not undertaken any assignment transaction during the current and previous year.

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

Disclosures pursuant to RBI Notification - RBI /DOR/2021-22/86 DOR.STR.REC.51 /21.04.048/2021-22 dated 24 September 2021
(a) The company has not transfer any standard loans through assignment during the financial year ended 31 March 2023 and 31 March 2022.
(b) The company has not acquired any loans through assignment during the financial year ended 31 March 2023 and 31 March 2022.
(c) Details of stressed loans transferred during the financial year ended 31 March 2022.

| Particulars | For the year ended 31 March 2023 | | For the year ended 31 March 2022 | |
|---|---|---|---|---|
| | To permitted transferees | | To permitted transferees | |
| | NPA | SMA | NPA | SMA |
| Number of accounts | - | - | 36 | - |
| Aggregate principal outstanding of loans transferred (Rs. In Lakhs) | - | - | 512.72 | - |
| Weighted average residual tenor of the loans transferred (in years) | - | - | 1.02 | - |
| Net book value of loans transferred (at the time of transfer) (Rs. In Lakhs) | - | - | 559.10 | - |
| Aggregate consideration (Rs. In Lakhs) | - | - | 250.00 | - |

The Company has transferred stressed loans having net book value of Nil (PY ₹ 559.10 lakhs). The Company has reversed provision for impairment loss of Nil (PY ₹ 390.04 lakhs) by netting off from provision for impairment loss created during the year and booked loss of Nil (PY ₹290.46 Lakhs) (Refer note 32) on derecognition of financials assets to the statement of profit and loss account.

## IX. Asset Liability Management Maturity pattern of certain items of assets and liabilities

### As at 31 March 2023

| Particulars | 1 day to 7 days | 8 days to 14 days | 15 days to 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 1year to 3 years | Over 3 years to 5 years | Over 5 years | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Liabilities | | | | | | | | | | | |
| Debt securities | - | - | 600.96 | - | 36.90 | 4,554.50 | 8,380.49 | 13,726.18 | - | - | 27,299.03 |
| Borrowings | 15,896.03 | 8,171.97 | 15,194.69 | 35,908.58 | 30,421.00 | 21,006.56 | 72,676.27 | 77,904.77 | 8,090.71 | - | 285,270.58 |
| (other than debt securities) | | | | | | | | | | | |
| **Total** | **15,896.03** | **8,171.97** | **15,795.65** | **35,908.58** | **30,457.90** | **25,561.06** | **81,056.76** | **91,630.95** | **8,090.71** | **-** | **312,569.61** |
| **Assets** | | | | | | | | | | | |
| Loans given | 7,438.19 | 12,238.21 | 21,722.05 | 71,502.17 | 91,679.43 | 127,846.24 | 49,581.96 | 75,235.20 | 7,883.94 | 2,032.09 | 467,159.48 |
| Investment (net)* | 9,847.98 | - | 142.63 | 3 46.06 | 229.20 | 8,420.28 | 19,143.17 | 6,066.07 | 26,866.48 | 14,148.70 | 85,210.57 |
| **Total** | **17,286.17** | **12,238.21** | **21,864.68** | **71,848.23** | **91,908.63** | **136,266.52** | **68,725.13** | **81,301.27** | **34,750.42** | **16,180.79** | **552,370.05** |

including cash & cash equivalents and Other bank balances

### As at 31 March 2023

| Particulars | 1 day to 7 days | 8 days to 14 days | 15 days to 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 1year to 3 years | Over 3 years to 5 years | Over 5 years | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Liabilities | | | | | | | | | | | |
| Debt securities | - | - | 945.97 | 143.28 | 8,163.73 | 3,660.36 | 5,648.74 | 18,721.66 | 1,847.80 | - | 39,131.54 |
| Borrowings | 5,511.16 | 10,872.04 | 27,036.67 | 9,312.19 | 8,728.17 | 16,715.49 | 28,178.46 | 49,190.29 | 6,802.72 | - | 162,347.19 |
| (other than debt securities) | | | - | - | - | - | - | - | - | - | - |
| **Total** | **5,511.16** | **10,872.04** | **27,982.64** | **9,455.47** | **16,891.90** | **20,375.85** | **33,827.20** | **67,911.95** | **8,650.52** | **-** | **201,478.73** |
| **Assets** | | | | | | | | | | | |
| Loans given | 6,848.68 | 5,099.36 | 16,268.72 | 43,495.92 | 57,489.15 | 86,195.28 | 13,402.69 | 22,228.04 | 2,580.80 | 403.25 | 254,011.89 |
| Investment (net)* | 83,822.28 | | 283.71 | 284.55 | 261.07 | 720.69 | 1,276.01 | 820.56 | - | - | 87,468.87 |
| **Total** | **90,670.96** | **5,099.36** | **16,552.43** | **43,780.47** | **57,750.22** | **86,915.97** | **14,678.70** | **23,048.60** | **2,580.80** | **403.25** | **341,480.76** |

including cash & cash equivalents and Other bank balances

Note: The above computation is based on management's estimates, assumptions and adjustments / Borrower's confirmation which have been relied upon by the auditors.

# Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

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

| | Category | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| | **Direct Exposure** | | |
| (a) | Residential Mortgages | | |
| | Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. | 10,743.62 | 4,691.75 |
| | | | |
| (b) | Commercial Real Estate | | |
| | Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-ple purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construc-tion, etc.). Exposure would not include non-fund based (NFB) limits. | 10,617.30 | 3 ,540.95 |
| | | | |
| (c) | Investments in Mortgage Backed Securities (MBS) and other securitised exposures: | | |
| | (i) Residential Mortgages | - | - |
| | (ii) Commercial Real Estate | - | - |
| | | | |
| | Indirect Exposure | | |
| | Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies | 2,445.35 | - |
| | **Total exposure to real estate sector** | **23,806.27** | **8,232.70** |

Note: The above computation is based on management's estimates, assumptions and adjustments / Borrower's confirmation which have been relied upon by the auditors.

### XI. Exposure to Capital Market

| | Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| (i) | Direct investment in equity shares, convertible bonds, convertible debentures and units of equi-ty oriented mutual funds the corpus of which is not exclusively invested in corporate debt; | 1,407.32 | - |
| (ii) | Advances against shares / bonds / debentures or other securities or on clean basis to individ-uals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible deben-tures, and units of equity oriented mutual funds; | - | - |
| (iii) | Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security; | - | - |
| (iv) | Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances; | - | - |
| (v) | Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stock-brokers and market makers; | - | - |

# Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

| | | | |
|---|---|---|---|
| (vi) | Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources; | - | - |
| (vii) | Bridge loans to companies against expected equity flows / issues; | - | - |
| (viii) | Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds; | - | - |
| (ix) | Financing to stockbrokers for margin trading; | - | - |
| (x) | All exposures to Alternative Investment Funds:<br>(i) Category I<br>(ii) Category II<br>(iii) Category III | - | - |
| | **Total Exposure to Capital Market** | **1,407.32** | **-** |

### XII. Disclosure for "Details of single borrower limit (SBL) / Group borrower limit (GBL) exceeded by the NBFC" need to be made

The Company does not exceeded any customer borrower limit as at 31 March 2023 as well as in the previous year ended 31 March 2022.

### XIII. Details of financing of parent company's products

Out of total financing activity undertaken by the Company during the financial year 2022-23, 12.80% (previous year 16.08%) of the financing goes towards parent Company products. Refer note 43

### XIV. Registration obtained from other financial regulators

The Company is not registered under any other regulator other than Reserve Bank of India (RBI).

### XV. Miscellaneous

(a) Reserve Bank of India - Registration Number :
(b) Credit Rating

| Instrument | Rating Agency | Rating As at 31 March 2023 | Rating As at 31 March 2022 |
|---|---|---|---|
| Non convertible debentures | ICRA Ltd | ICRA A+ (Stable) | ICRA A+ Stable |
| Commercial paper | ICRA Ltd | ICRA A1+ | ICRA A1+ |
| Bank Lines | ICRA Ltd | ICRA A+ (Stable) | ICRA A+ Stable |
| Principal Protected Market Linked Debenture | ICRA Ltd | PP-MLD ICRA A+ (Stable) | PP-MLD A+ Stable |
| Other Instruments | ICRA Ltd | - | - |
| Bank Lines | CARE | CARE A+ (Stable) | CARE A+ (Stable) |
| Non convertible debentures | CARE | CARE A+ (Stable) | CARE A+ (Stable) |
| Bank Lines | CRISIL | CRISIL A+/Stable | CRISIL A/Stable |
| Principal Protected Market Linked Debenture | CRISIL | CRISIL PP MLD A + /Stable | CRISIL PP MLD A r /Stable |
| Non convertible debentures | CRISIL | CRISIL A+/Stable | CRISIL A/Stable |

## Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

### XVI. Additional Disclosures

(a) Provisions and Contingencies

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

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Impairment allowance on loans | 1,911.87 | 690.33 |
| Impairment allowance on investment | 39.60 | 6.15 |
| Impairment on account of COVID-19 | - | - |
| Provision made towards Income tax | 6,940.73 | 2,709.78 |

### XVII. Concentration of Deposits, Advances, Exposures and NPAs

#### (a) Concentration of Advances

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Total Advances to twenty largest borrowers | 69,368.58 | 52,721.56 |
| Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC | 14.85% | 20.76% |

#### (b) Concentration of Exposures

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Total Advances to twenty largest borrowers/customers | 69,696.76 | 52,989.37 |
| Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers | 14.92% | 20.86% |

#### (c) Sectorial Exposures

| Particulars | As at | | | As at | | |
|---|---|---|---|---|---|---|
| | Total Exposure | Gross NPAs | % of Gross NPAs to total exposure in that sector | Total Exposure | Gross NPAs | % of Gross NPAs to total exposure in that sector |
| **1. Agriculture and Allied Activities** | - | - | - | - | - | - |
| **2. Industry (2.1 to 2.4)** | **327,376.57** | **2,931.25** | **0.90%** | **206,017.54** | **2,390.56** | **1.16%** |
| 2.1 Micro and Small | 61,759.63 | 1,802.19 | 2.92% | 43,547.79 | 2 ,057.58 | 4.72% |
| 2.2 Medium | 131,036.92 | 6 27.28 | 0.48% | 84,956.28 | 2 01.02 | 0.24% |
| 2.3 Large | 134,580.02 | 5 01.78 | 0.37% | 77,513.47 | 1 31.96 | 0.17% |
| 2.4 Others, if any, Please specify | - | - | - | - | - | - |
| **3. Services (3.1 to 3.10 equals 3.a to 3.d)** | **139,514.01** | **9 64.97** | **0.69%** | **51,349.37** | **219.28** | **0.43%** |
| 3.1 Transport Operators | 8,375.47 | 16.55 | 0.20% | 3,247.39 | 16.98 | 0.52% |
| 3.2 Computer Software | - | - | - | - | - | - |

# Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

| | | | | | | |
|---|---|---|---|---|---|---|
| 3.3 Tourism, Hotel and Restaurants | 1,387.16 | 33.51 | 2.42% | 4 2.26 | 32.53 | - |
| 3.4 Shipping | - | - | - | - | - | - |
| 3.5 Professional Services | - | - | - | - | - | - |
| 3.6 Trade | | | | | | |
| 3.6.1 Wholesale Trade (other than Food Procurement) | 15,906.64 | 5 42.05 | 3.41% | 5,246.63 | 1 45.34 | 2.77% |
| 3.6.2 Retail Trade | 794.49 | - | - | - | - | - |
| 3.7 Commercial Real Estate | - | - | - | - | - | - |
| 3.8 NBFCs | 54,204.12 | - | - | 12,842.69 | - | - |
| 3.9 Aviation | - | - | - | - | - | - |
| 3.10 Other Services | 58,846.13 | 3 72.86 | 0.63% | 29,970.40 | 24.43 | 0.08% |
| **Total 3.a to 3.d** | **139,514.01** | **9 64.97** | **0.69%** | **51,349.37** | **219.28** | **0.43%** |
| 3.a Micro and Small | 48,425.63 | 4 20.89 | 0.87% | 15,975.55 | 2 19.28 | 1.37% |
| 3.b Medium | 50,990.25 | 5 36.99 | 1.05% | 26,500.98 | - | - |
| 3.c Large | 40,098.13 | 7.09 | 0.02% | 8,872.84 | - | - |
| 3.d Others, if any, Please specify | - | - | | - | - | - |
| **4. Retail Loans (4.1 to 4.10)** | **7,026.83** | **2 98.54** | **4.25%** | **4 86.09** | **-** | |
| 4.1 Housing Loans (incl. priority sector Housing) | - | - | - | - | - | - |
| 4.2 Consumer Durables | - | - | - | - | - | - |
| 4.3 Credit Card Receivables | - | - | - | - | - | - |
| 4.4 Vehicle/Auto Loans | - | - | - | - | - | - |
| 4.5 Education Loans | - | - | - | - | - | - |
| 4.6 Advances against Fixed Deposits (incl. FCNR(B), etc.) | - | - | - | - | - | - |
| 4.7 Advances to Individuals against Shares, Bonds | - | - | - | - | - | - |
| 4.8 Advances to Individuals against Gold | - | - | - | - | - | - |
| 4.9 Micro finance loan/ SHG Loan | - | - | - | - | - | - |
| 4.10 Other Retail loans , if any, Please specify | 7,026.83 | 298.54 | 4.25% | 486.09 | - | - |
| **5. Other Non-food Credit, if any** | - | - | | - | - | |
| **Total** | **473,917.41** | **4,194.76** | **0.89%** | **257,853.00** | **2,609.84** | **1.01%** |

Note: The above computation is based on management's estimates, assumptions and adjustments / Borrower's confirmation which have been relied upon by the auditors.

# Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

### (d) Intra-group exposures

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Total amount of intra-group exposures | 48,521.20 | 19,512.82 |
| Total amount of top 20 intra-group exposures | 39,764.64 | 15,806.27 |
| Percentage of intra-group exposures to total exposure of the NBFC on borrowers/ customers | 8.51% | 6.22% |

### (e) Concentration of NPAs

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Total Exposure to top four NPA accounts | 1,461.21 | 984.51 |

### (f) Movement of NPAs

| | Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| (i) | Net NPAs to Net Advances (%) | 0.46% | 0.43% |
| (ii) | Movement of NPAs (Gross) | | |
| (a) | Opening balance | 2,609.84 | 1,672.30 |
| (b) | Additions during the year* | 3,271.28 | 2,134.39 |
| (c) | Reductions during the year | 1,686.37 | 1,196.85 |
| (d) | Closing balance | 4,194.75 | 2,609.84 |
| (iii) | Movement of Net NPAs | | |
| (a) | Opening balance | 1,100.96 | 684.27 |
| (b) | Additions during the year | 2,034.32 | 1,126.67 |
| (c) | Reductions during the year | 982.15 | 709.98 |
| (d) | Closing balance | 2,153.13 | 1,100.96 |
| (iv) | Movement of provisions for NPAs (excluding provisions on standard assets) | | |
| (a) | Opening balance | 1,508.88 | 988.03 |
| (b) | Provisions made during the year | 1,236.96 | 1,007.72 |
| (c) | Write-off / write-back of excess provisions | 704.22 | 486.87 |
| (d) | Closing balance | 2,041.62 | 1,508.88 |

*Include Rs. 259.70 Lakhs classified as NPA in terms of circular DOR.STR.REC.68/21.04.048/2021-22 dated 21 November 2021

### XVIII. Related Party Disclosure

Nature wise and party wise details of related party transactions has been disclosed under Note 43.

### XIX. The Company does not have any joint ventures and subsidiaries abroad as at 31 March 2023 as well as in the previous year ended 31 March 2022.

### XX. The Company does not have any SPVs sponsored as at 31 March 2023 as well as in the previous year ended 31 March 2022.

# Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

### XXI. Disclosure of Complaints

#### (a) Customer Complaints

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| No. of complaints pending at the beginning of the year | Nil | Nil |
| No. of complaints received during the year | 8 | 11 |
| No. of complaints redressed during the year | 8 | 11 |
| No. of complaints pending at the end of the year | Nil | Nil |

#### (b) The disclosures as required by the Master Direction -Monitoring of frauds in NBFCs issued by RBI dated September 29, 2016

There were 3 cases (Previous year 5) reported as fraud during the year.

### XXII. Disclosure of restructured accounts as required by the NBFC Master Directions issued by RBI

| Particulars | | Standard | Sub-Standard | Doubtful | Loss | Total |
|---|---|---|---|---|---|---|
| Restructured accounts as on 1 April of the FY (opening figures) | No. of borrowers | 21 | 3 | - | - | **24** |
| | Amount outstanding | 700.91 | 66.98 | - | - | **767.89** |
| Fresh restructuring during the year | No. of borrowers | - | - | - | - | - |
| | Amount outstanding | - | - | - | - | - |
| Upgradations to restructured standard category during the FY | No. of borrowers | - | - | - | - | - |
| | Amount outstanding | - | - | - | - | - |
| Write-offs/Settlements/Recoveries of restructured accounts during the FY | No. of borrowers | 7 | - | - | - | 7 |
| | Amount outstanding | 274.66 | 18.32 | - | - | 292.98 |
| Restructured accounts as on 31 March of the FY (closing figures) | No. of borrowers | 14 | 3 | - | - | **17** |
| | Amount outstanding | 426.25 | 48.66 | - | - | **474.91** |

# Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

## XXIII. Disclosures related to Corporate governance

### (a) Composition of the Board

| S. No. | Name of Director | DIN | Director since | Capacity | Number of Board Meetings | | No. of other Directorships | Remuneration | | | No. of shares held in and convertible instruments held in the NBFC |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Held | Attended | | Salary and other compensation | Sitting Fee | Commission | |
| 1 | Sathyan David | 08386521 | 11-04-19 | Independent Director | 11 | 11 | 3 | - | 9.00 | - | - |
| 2 | Praveen Kumar Bhambani | 09681934 | 06-08-22 | Independent Director | 11 | 06 | 1 | - | 3.00 | - | - |
| 3 | Rohit Kapoor | 06529360 | 05-02-19 | Independent Director | 11 | 11 | 2 | - | 2.75 | - | - |
| 4 | Asish Mohapatra | 06666246 | 05-02-19 | Non Executive Director | 11 | 10 | 9 | - | - | - | - |
| 5 | Vasant Sridhar | 07685035 | 26-12-16 | Executive Director | 11 | 10 | 6 | 44.32 | - | - | - |
| 6 | Ruchi Kalra | 03103474 | 21-09-16 | Whole time Director and CFO (KMP) | 11 | 11 | 7 | 30.29 | - | - | 2,935,263 |

Details of change in composition of the Board during the year ended

| S.No. | Name of Director | Capacity | Nature of change | Effective date |
|---|---|---|---|---|
| 1 | Mr. Akshat Vikram Pandey | Independent Director | Personal and Professional Circumstances | 13-05-22 |
| 2 | Praveen Kumar Bhambani | Independent Director | Appointment | 06-08-22 |

### (b) Committees of the Board and their composition

### (i) Summarized terms of reference for each committee

| S. No. | Name of Committee | Name of Director | DIN | Director since | Capacity | Number of Board Meetings | | Terms of Reference |
|---|---|---|---|---|---|---|---|---|
| | | | | | | Held | Attended | |
| 1 | Audit Committee | Praveen Kumar Bhambani | 09681934 | 06-08-22 | Chairman | 6 | 1 | Refer Corporate Governance Report dated 23 May 2023 for detail terms of reference |
| | | Rohit Kapoor | 06529360 | 05-02-19 | Chairperson till 10/11/2022 | 6 | 5 | |
| | | Sathyan David | 08386521 | 11-04-19 | Member | 6 | 6 | |
| | | Ruchi Kalra | 03103474 | 21-09-16 | Member | 6 | 6 | |

# Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 2 | Nomination and Remuneration Committee | Rohit Kapoor | 06529360 | 05-02-19 | Chairman | 3 | 3 | Refer Corporate Governance Report dated 23 May 2023 for detail terms of reference |
| | | Asish Mohapatra | 08386521 | 05-02-19 | Member | 3 | 3 | |
| | | Sathyan David | 08386521 | 11-04-19 | Member | 3 | 3 | |
| 3 | Risk Management Committee | Sathyan David | 08386521 | 11-04-19 | Chairman | 6 | 6 | Refer Corporate Governance Report dated 23 May 2023 for detail terms of reference |
| | | Ruchi Kalra | 03103474 | 21-09-16 | Member | 6 | 6 | |
| | | Asish Mohapatra | 08386521 | 05-02-19 | Member | 3 | 3 | |
| 4 | Corporate Social Responsibility Committee | Asish Mohapatra | 08386521 | 05-02-19 | Chairman | 1 | 1 | Refer Corporate Governance Report dated 23 May 2023 for detail terms of reference |
| | | Rohit Kapoor | 06529360 | 05-02-19 | Member | 1 | 1 | |
| | | Ruchi Kalra | 03103474 | 21-09-16 | Member | 1 | 1 | |

## (c) General Body Meetings

| Year | Date | Nature of change | Effective date |
|---|---|---|---|
| AGM | 26 September 2022 | Via Video Conferencing ("VC") Other Audio Visual Means ("OAVM") | 1. To adopt restated and amended Articles of Association of the Company<br>2. To adopt the entrenched provisions contained in the Amended Articles of Association |
| EGM | 08 April 2022 | 6Th Floor, Tower A, Global Business Park, M.G. Road, Gurugram-122001 | 1. Adoption of restated and amended Articles of Association of the Company<br>2.To adopt the entrenched provisions contained in the Amended Articles of Association |
| EGM | 07 July 2022 | 6Th Floor, Tower A, Global Business Park, M.G. Road, Gurugram-122001 | 1.Approval Of The Offer And Issuance Of Series A CCPS On A Preferential Basis (Private Placement) |
| EGM | 03 January 2023 | 6Th Floor, Tower A, Global Business Park, M.G. Road, Gurugram-122001 | 1. Approval to issue and offer of Rated, Senior, Secured, Transferable, Redeemable, Principal protected, Non-Convertible Market Linked Debentures ("NCDs" or "Debentures") |
| EGM | 10 March 2023 | 6Th Floor, Tower A, Global Business Park, M.G. Road, Gurugram-122001 | 1. Approval To Issue And Offer Of Rated, Listed, Senior, Secured, Redeemable, Taxable, Non-Convertible Debentures ("Ncds" Or "Debentures") |

# Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

### XXIV Details of non-compliance with requirements of Companies Act, 2013

There is no non-compliance of any provision of Companies Act, 2013 during the FY 2022-23 and FY 2021-22.

**Details of penalties and strictures**

| Regulation | Date of Receiving email from BSE | Penalty Amount | Date of filing Representation | Penalty payment date | Remarks |
|---|---|---|---|---|---|
| 60(2) | 28-Sep-22 | 188,800 | 12-Oct-22 | 22-Nov-22 | Penalty paid off |
| 50 | 28-Sep-22 | 1,180 | 12-Oct-22 | 22-Nov-22 | Penalty paid off |
| 60(2) | 31-Oct-22 | 11,800 | 12-Nov-22 | 22-Nov-22 | Penalty paid off |
| 60(2) | 30-Nov-22 | 23,600 | 01-Dec-22 | 04-Jan-23 | Penalty paid off |

### XXV. Breach of covenant

There is no breach of covenant with terms of any borrowing arrangements during the FY 2022-23 and FY 2021-22.

### XXVI Divergence in Asset Classification and Provisioning-

The RBI has neither assessed any additional provisioning requirements in excess of 5 percent of the reported profits before tax and impairment loss on financial instruments for the financial year ended 31 March 2022, nor identified any additional Gross NPAs in excess of 5% of the reported Gross NPAs for the said period.

### 52 Comparison between provisions required under IRACP and impairment allowances made under Ind AS 109 (as required in terms of Appendix to RBI Circular RBI/2019-20/170/DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 applicable on Systemically Important Non-Banking Financial (Non- Deposit Accepting or Holding) Companies:

As at 31 March 2023

| 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)** |
| **Performing Assets** | | | | | | |
| Standard | Stage 1 | 455,063.71 | 2,301.02 | 452,762.69 | 1,820.25 | 480.77 |
| | Stage 2 | 14,658.95 | 632.35 | 14,026.60 | 58.64 | 573.71 |
| **Subtotal** | | **469,722.66** | **2,933.37** | **466,789.29** | **1,878.89** | **1,054.48** |
| | | | | | | |
| **Non-Performing Assets (NPA)** | | | | | | |
| Substandard | Stage 2* | 259.70 | 45.47 | 214.23 | 25.97 | 19.50 |
| | Stage 3 | 2,421.35 | 1,033.00 | 1,388.35 | 242.13 | 790.87 |

(All amounts in Lakhs of ₹ unless otherwise stated)

| | | | | | | |
|---|---|---|---|---|---|---|
| Doubtful - up to 1 year | Stage 3 | 453.61 | 235.90 | 217.71 | 290.51 | (54.61) |
| 1 to 3 years | Stage 3 | 1,060.09 | 727.25 | 332.83 | 821.76 | -94.51 |
| More than 3 years | Stage 3 | - | - | - | - | - |
| **Subtotal for doubtful** | | **1,513.70** | **963.15** | **550.54** | **1,112.27** | **(149.12)** |
| | | | | - | - | - |
| Loss | Stage 3 | - | - | - | - | - |
| **Subtotal for NPA** | | **4,194.75** | **2,041.62** | **2,153.13** | **1,380.37** | **661.25** |
| | | | | | | |
| 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 | - | - | - | - | - |
| **Subtotal** | | **-** | **-** | **-** | **-** | **-** |
| | | | | | | |
| **Total** | Stage 1 | 455,063.71 | 2,301.02 | 452,762.69 | 1,820.25 | 480.77 |
| | Stage 2 | 14,918.65 | 677.82 | 14,240.83 | 84.61 | 593.21 |
| | Stage 3 | 3,935.05 | 1,996.15 | 1,938.90 | 1,354.40 | 641.75 |
| | **Total** | **473,917.41** | **4,974.99** | **468,942.42** | **3,259.26** | **1,715.73** |

* represents cases classified under substandard as per ICACP norms as pursuant to circular DOR.STR.REC.68/21.04.048/2021-22 dated 12 November 2021.

# Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

**As at 31 March 2022**

| 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) |
| **Performing Assets** | | | | | | |
| Standard | Stage 1 | 244,485.87 | 1,304.38 | 243,181.49 | 1,029.47 | 274.91 |
| | Stage 2 | 10,757.29 | 249.87 | 10,507.42 | 23.51 | 226.36 |
| **Subtotal** | | **255,243.16** | **1,554.25** | **253,688.91** | **1,052.98** | **501.27** |
| | | | | | | |
| **Non-Performing Assets (NPA)** | | | | | | |
| Substandard | Stage 3 | 2,040.67 | 1,026.90 | 1,013.77 | 204.07 | 822.83 |
| | | | | | | |
| Doubtful - up to 1 year | Stage 3 | 523.92 | 436.73 | 87.19 | 523.92 | (87.19) |
| 1 to 3 years | Stage 3 | 45.25 | 45.25 | - | 45.25 | - |
| More than 3 years | Stage 3 | | | - | - | - |
| **Subtotal for doubtful** | | **569.17** | **481.98** | **87.19** | **569.17** | **(87.19)** |
| | | | | - | - | - |
| Loss | Stage 3 | - | - | | | |
| **Subtotal for NPA** | | **2,609.84** | **1,508.88** | **1,100.96** | **773.24** | **735.64** |

# Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

| | | | | | | |
|---|---|---|---|---|---|---|
| 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 | - | - | - | - | - |
| **Subtotal** | | - | - | - | - | - |
| **Total** | Stage 1 | 244,485.87 | 1,304.38 | 243,181.49 | 1,029.47 | 274.91 |
| | Stage 2 | 10,757.29 | 249.87 | 10,507.42 | 23.51 | 226.36 |
| | Stage 3 | 2,609.84 | 1,508.88 | 1,100.96 | 773.24 | 735.64 |
| | **Total** | **257,853.00** | **3,063.13** | **254,789.87** | **1,826.22** | **1,236.91** |

Since the total impairment allowances under Ind AS 109 is higher than the total provisioning required under IRACP (including standard asset provisioning) as at 31 March 2023 and 31 March 2022, no amount is required to be transferred to 'Impairment Reserve' for both the financial years.

## 53 Expenditure on Corporate Social Responsibility

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---|---|
| (a) Gross amount required to be spent | 116.74 | 59.20 |
| (b) Amount spent: | - | - |
| (i) Construction/acquisition of any asset | - | - |
| (ii) On purpose other than (i) above | 120.00 | 60.00 |
| (c) Shortfall at the end of the year | - | - |
| (d) Total of previous years shortfall | - | - |
| (e) Administrative expenses | - | - |

### Nature of CSR activities:

Social welfare activities such as free education for unprivileged children; adult education, protection, promotion & advancement of women, children, old-aged, handicapped, orphans and widows.

# Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

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

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| (a) The principal amount remaining unpaid to any supplier as at the end of the year; | 3.17 | 3.17 |
| (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 year 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 | - | - |

The above information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

## 55 Disclosure in compliance with amendment in Schedule III (Division III) to the companies act, 2013 dated 24th March 2021

(i) The Company has not entered any transactions with companies that were struck off under section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

(ii) The Company is in compliance with number of layers of companies, as prescribed under clause (87) of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017

(iii) During the year, no scheme of arrangements in relation to the Company has been approved by the competent authority in terms of sections 230 to 237 of the Companies Act, 2013. Accordingly, aforesaid disclosure are not applicable, since there were no transaction.

(iv) The Company does not have any transactions which were not recorded in the books of accounts, but offered as income during the year in the income tax assessment.

(v) The Company has not traded or invested in crypto currency or Virtual Currency during the financial year.

(vi) The Company has not been declared a willful defaulter by any bank or financial institution or other lender during the year.

(vii) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding (whether recorded in writing or otherwise) that the Intermediary shall;

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate

Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(viii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall;

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ix) The Company does not have any charges which are yet to be registered with the Registrar of Companies beyond the statutory period. In some cases, the Company has fully redeemed certain secured debentures and borrowings aggregating to Rs. 72,200.67 lakhs in respect of which the Company is in the process of preparation and submission of necessary forms for satisfaction of such charges and expects to complete the process in due course.

(x) Ratios

# Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

| Particulars | | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| (a) Capital to risk-weighted assets ratio (CRAR) | Total Net owned funds / Adjusted value of funded risk assets on balance sheet items | 42.65% | 48.38% |
| (b) Tier I CRAR | Total Net owned funds/Adjusted value of funded risk assets on balance sheet items | 42.21% | 47.99% |
| (c) Tier II CRAR | ECL Stage-I provision/Adjusted value of funded risk assets on balance sheet items | 0.44% | 0.38% |
| (d) Liquidity Coverage Ratio | Current assets/Current liabilities | 1.88 | 2.48 |

## 56 Contingent liabilities, commitments and leasing arrangeme

### i. Contingent liability

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Disputed claims and proceedings against the Company, which arise in the ordinary course of business | 8.21 | - |
| Income tax matters | | |
| Appeals by the Company | 1 33.22 | - |

For FY 2019-2020 (AY 2020-2021) and for FY 2020-2021 (AY 2021-2022), Income tax department issued order u/s 143(3) dated 28 September 2022 and 26 December 2022 respectively had disallowed certain expenditures and thereby reducing the amount of refund with the same in relation to under reporting of income. The Company has filled the appeal for the same on 26 October 2022 and 24 January 2023 to commissioner of income-tax (Appeals).

### ii. Capital commitment

There is no contracts remaining to be executed on capital account for the current and previous year.

**57** The Company has entered into Master Framework Agreement (MFA) with erstwhile promoters of the subsidiary to pay in the form of shares of the Company upon completion of milestones as per the terms and conditions mentioned in the MFA.

**58** The Company has not granted any loans or advances in the nature of loans to promoters, Directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are:

(a) repayable on demand or
(b) without specifying any terms or period of repayment
Disclosure pertaining to stock statement filed with banks or financial institutions- The Company has availed of the facilities (secured borrowings) from the lenders inter alia on the condition that, the Company shall provide or create or arrange to provide or have created, security interest by way of a first pari passu charge of the loans. Security interest is created by charge creation towards security and debenture trustee on behalf of security holders and debenture holders.

**59** 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 except derivative contracts for which there were any material foreseeable losses need to be provided as required under any law / accounting standards. (Refer Note 16)

# Notes forming part of the standalone Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

**60** There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**61** The Code on Social Security 2020 has been notified in the Official Gazette on 29 September, 2020. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. Impact, if any, of the change will be assessed and accounted in the period in which said code becomes effective and the rules formed thereunder are published.

**62** There have been no events after the reporting date that require adjustment/disclosure in these financial statements.

**63** Figures for the previous year have been regrouped/re-classified to confirm to the figures of the current year.

**64** Amounts less than ₹ 500 have been shown at actuals against respective line items statutorily required to be disclosed.

**65** The above financial statements have been reviewed by the Audit Committee at its meeting held on 22 May 2023 and approved by the Board of Directors at its meeting held on 23 May 2023.

As per our report of even date attached
**For S.N. DHAWAN & CO LLP**

Chartered Accountants

Firm Registration No. 000050N/N500045

**Rahul Singhal**

**Partner**
Membership No: 096570

Place : Gurugram
Date : 23 May 2023

**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

**Pinki Jha**
Company Secretary
M.No.: F10683
Place: Gurugram
Date : 23 May 2023

# Independent Auditor's Report

## To the Members of Oxyzo Financial Services Private Limited

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of Oxyzo Financial Services Private Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together are referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and summary of significant accounting policies and other explanatory information (the "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries referred to in the Other Matters section below, the aforesaid Consolidated 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 Group as at March 31, 2023, and its consolidated profit, consolidated total comprehensive income, the consolidated changes in equity and its consolidated cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated 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 Consolidated Financial Statements section of our report. We are independent of the Group 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 consolidated 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-para (a) of the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Key Audit Matters

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

| Sr. No. | Key Audit Matter | Auditor's Response |
|---|---|---|
| 1 | **Allowances for Expected Credit Losses:**<br><br>(Refer Note 6 and 51 to the consolidated financial statements)<br><br>As at March 31, 2023, loan assets aggregated ₹ 4,67,159.48 lakhs, constituting 83.65% of the Group'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.<br><br>As part of our risk assessment, we determined that the allowance for ECL on loan assets (including undisbursed commitments) has a high degree of estimation uncertainty, with a potential range of reasonable outcomes for the consolidated financial statements.<br><br>The elements of estimating ECL which in- volved increased level of audit focus are the following:<br>• Qualitative and quantitative factors used in staging the loan assets measured at amortised cost.<br>• Basis used for estimating Probabilities of Default ("PD"),<br>• Basis used for estimating Loss Given Default ("LGD")<br>• Judgements used in projecting economic scenarios and probability weights applied to reflect future economic conditions.<br><br>Adjustments to model driven ECL results to address emerging trends. | **Principal audit procedures performed:**<br><br>Read the policies approved by the Board of Directors of the Holding Company that articulate the objectives of managing each portfolio and their business models.<br><br>Evaluated the management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction, validation and computation<br><br>Assessed 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.<br><br>Involved internal experts for testing of the ECL model and computation, including factors that affect the PD, LGD and EAD considering various forward looking, micro and macro-economic factors. Involved internal valuation experts for testing the valuation of the underlying security for the non-retail loan portfolio.<br><br>Tested 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.<br><br>Checked disclosures made in relation to the ECL allowance in consolidated financial statements. |

## Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding 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 consolidated financial statements and our auditor's report thereon. The Director's report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated 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 consolidated 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 consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the Director's Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

## Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Act, that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the Group's financial reporting process.

## Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 these consolidated 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 consolidated 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 Holding 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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the Holding Company of which we are the independent auditors 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 consolidated 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 dis-closure 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 Matter

We did not audit the fiancial statements in respect of 6 subsidiaries, whose financial statements reflects total assets of Rs 2,034.07 Lakhs as at 31 March 2023 and total revenues of Rs 893.44 Lakhs, total net profit after tax of Rs. 104.65 Lakhs and total comprehensive income of Rs. 132.09 Lakhs for the period ended on that date and net cash flows of Rs. 274.14 Lakhs for the period ended 31 March 2023, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion is not modified in respect of this matter.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' report of holding company and subsidiaries incorporated in india, we report the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable:

   (xxi) Qualifications or adverse remarks by the respective auditors of the holding and subsidiary companies incorporated in India and included in the Group, in the Companies (Auditor's Report) Order (CARO) reports of such holding and subsidiary companies included in the Consolidated Financial Statements, are given below:

| S. No. | Name | CIN | Holding company/ Subsidiary | Clause number of the CARO report which is qualified or adverse |
|---|---|---|---|---|
| 1 | Oxyzo Financial Services Private Limited | U65929DL2016PTC306174 | Holding Company | iii(c), iii(d), vii(a) |
| 2 | Oxyzo Investment Manager Private Limited | U67110DL2022PTC401660 | Subsidiary | xvii |
| 3 | Oxy B Securities Private Limited | U65929DL2022PTC400296 | Subsidiary | xvii |

2. 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 relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e. On the basis of the written representations received from the directors of Holding Company as on March 31, 2023 taken on record by the Board of Directors of Holding Company and the reports of the statutory auditors of its subsidiaries in India, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of internal financial controls with reference to financial statements of companies incorporated in India and included in the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.

   Reporting under this clause is not applicable on subsidiaries incorporated in India in view of exemption available in terms of the notification no. G.S.R. 583(E) dated 13 June 2017 issued by ministry of corporate affairs, Government of India, read with general circular no. 08/2017 dated 25 July 2017. Hence, we have reported in respect of the holding company.

g. In our opinion and to the best of our information and according to the explanations given to us, the Holding Company being a private company, section 197 of the Act related to the managerial remuneration is not applicable. Further section 197 is not applicable on components as per audit report of the auditor's of the respective component.

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 and based on the consideration of the report of the other auditors on separate financial statements of the subsidiaries incorporated in India and whose financial statements have been audited under the Act, as noted in the 'Other matters' paragraph:

i. The Group has disclosed the impact of pending litigations on its consolidated financial statements. (Refer Note 55 to the consolidated financial statements)

ii. The Group has made provision, as required under applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts. (Refer Note 18 to the consolidated financial statements)

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group. (Refer Note 60 to the consolidated financial statements))

iv. (a). On the basis of the representations received from the directors of the Holding Company as on March 31, 2023 and the reports of the statutory auditors of its subsidiaries in India, whose financial statements have been audited under the Act, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. (Refer note 54(vii) to the consolidated financial statements)

(b). On the basis of the representations received from the directors of the Holding Company as on 31 March 2023 and the reports of the statutory auditors of its subsidiaries in India, whose financial statements have been audited under the Act, to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. (Refer note 54(viii) to the consolidated financial statements)

(c). Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors' notice that has caused us or other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

v. The Holding Company has not declared or paid any dividend during the year.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, as amended is applicable for the Group only w.e.f. 1 April 2023, therefore, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended, is not applicable.

**For S.N. Dhawan & CO LLP**

Chartered Accountants

(Firm's Registration No. 000050N/N500045)

Rahul Singhal

Partner

Membership No. 096570

UDIN: 23096570BGZGPA9990

Place: Gurugram

Date: 23 May 2023

# 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 Holding Company") as of March 31, 2023 in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date.

## Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company are responsible for establishing and maintaining internal financial controls based on the internal financial control with reference to financial statements criteria established by the holding 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 the Holding Company's business, including adherence to the respective Holding Company's policies, the safeguarding of the Holding Company's 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 Act.

## Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting 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 consolidated 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 Holding Company's internal financial controls system over financial reporting.

## Meaning of Internal Financial Controls with reference to consolidated financial statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated 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 Holding Company;

2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated 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 Holding Company; and

3. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Holding Company's assets that could have a material effect on consolidated financial statements.

## Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 Holding 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 31 March 2023, based on the criteria for internal financial control over financial reporting established by the Holding 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 S.N. Dhawan & CO LLP**

Chartered Accountants

(Firm's Registration No. 000050N/N500045)

Rahul Singhal

Partner

Membership No. 096570

UDIN: 23096570BGZGPA9990

Place: Gurugram

Date: 23 May 2023

## Consolidated Balance Sheet as at 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

| Particulars | Notes | As at 31 March 2023 |
|---|---|---|
| **A. ASSETS** | | |
| **1. Financial assets** | | |
| (a) Cash and cash equivalents | 3 | 10,122.12 |
| (b) Bank Balance other than included in (a) above | 4 | 3,432.74 |
| (c) Derivative financial instruments | 18 | 231.10 |
| (d) Receivables | | |
| i. Trade Receivable | 5 | 171.11 |
| ii. Other Receivable | | - |
| (e) Loans | 6 | 467,159.48 |
| (f) Investments | 7 | 74,513.27 |
| (g) Other financial assets | 8 | 78.93 |
| | | **555,708.75** |
| **2. Non-financial assets** | | |
| (a) Current tax assets (Net) | 9 | 392.09 |
| (b) Deferred tax assets (Net) | 10 | 1,486.78 |
| (c) Investment Property | 11 | 13.32 |
| (d) Property, plant and equipment | 12 | 228.65 |
| (e) Other Intangible assets | 13 | 11.13 |
| (f) Right to Use Asset | 14 | 154.88 |
| (g) Goodwill on consolidation | 15 | 235.54 |
| (h) Other non-financial assets | 16 | 96.42 |
| (i) Assets held for sale | 17 | 118.00 |
| | | **2,736.81** |
| **TOTAL ASSETS** | | **558,445.56** |
| **B. LIABILITIES AND EQUITY** | | |
| **LIABILITIES** | | |
| **1. Financial liabilities** | | |
| (a) Derivative financial instruments | 18 | 0.76 |
| (b) Payables | | |
| (I) Trade payables | | |
| (i) Total outstanding dues to micro and small enterprises | 19 | 3.17 |
| (ii) Total outstanding dues of creditors other than micro and small enterprises | 19 | 429.12 |
| (II) Other payables | | |
| (i) Total outstanding dues to micro and small enterprises | 20 | - |

# Consolidated Balance Sheet as at 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

| | | |
|---|---|---|
| (ii) Total outstanding dues of creditors other than micro and small enterprises | 20 | 1,009.57 |
| (c) Debt securities | 21 | 2 7,303.03 |
| (d) Borrowings (Other than debt securities) | 22 | 2 85,441.80 |
| (e) Other financial liabilities | 23 | 1 2,623.64 |
| | | **326,811.09** |
| | | |
| **2. Non-financial liabilities** | | |
| (a) Current tax liabilities (Net) | 24 | 805.73 |
| (b) Deferred tax liabilities (Net) | 10 | 3.18 |
| (c) Provisions | 25 | 308.59 |
| (d) Other non-financial liabilities | 26 | 587.72 |
| | | **1,705.22** |
| | | |
| **EQUITY** | | |
| (a) Equity share capital | 27(a) | 5,367.86 |
| (b) Instruments entirely equity in nature | 27(b) | 1,438.29 |
| (c) Other equity | 28 | 223,123.10 |
| | | **229,929.25** |
| | | |
| **TOTAL LIABILITIES AND EQUITY** | | **558,445.56** |
| | | |
| See accompanying notes forming part of the Consolidated Ind AS financial statements | 1-64 | |

As per our report of even date attached
**For S.N. DHAWAN & CO LLP**

Chartered Accountants

Firm Registration No. 000050N/N500045

**Rahul Singhal**

**Partner**
Membership No: 096570

Place : Gurugram
Date : 23 May 2023

**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

**Pinki Jha**
Company Secretary
M.No.: F10683
Place: Gurugram
Date : 23 May 2023

# Consolidated Statement of Profit and Loss for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

| Particulars | Notes | For the year ended 31 March 2023 |
|---|---|---|
| (a) Revenue from operations | | |
| (i) Interest income | 29 | 53,668.79 |
| (ii) Fee and commission income | 30 | 2,417.47 |
| (iii) Net gain on fair value changes | 31 | 733.67 |
| (iv) Net gain on derecognition of financial instruments under amortised cost category | 32 | 170.98 |
| (b) Other income | 33 | 58.59 |
| **I Total Income (a+b)** | | **57,049.50** |
| | | |
| **Expenses** | | |
| (a) Finance costs | 34 | 18,333.15 |
| (b) Impairment on financial instruments | 35 | 2,774.62 |
| (c) Employees benefit expenses | 36 | 7,798.94 |
| (d) Depreciation, amortisation and impairment expense | 37 | 9 7.96 |
| (e) Other expenses | 38 | 1,937.92 |
| **II Total expenses** | | **30,942.59** |
| | | |
| **III Profit before tax (I-II)** | | **26,106.91** |
| | | |
| **IV Tax expense** | | |
| (a) Current tax | 39 | 7,077.48 |
| (b) Deferred tax (benefits) | 39 | (721.72) |
| **Total tax expense** | | **6,355.76** |
| | | |
| **V Profit for the year (III-IV)** | | **19,751.15** |
| Profit attributable to non-controlling interests | | (18.78) |
| | | |
| **VI Profit for the year attributable to the owners** | | **19,732.37** |
| | | |
| **VII Other comprehensive income, net of tax** | | |
| (a) Items that will not be reclassified to profit or loss | | |
| Remeasurement gain on defined benefit plans | | 55.81 |
| Gains from investments in equity instruments designated at fair value through other comprehensive income | | 30.62 |
| Income tax (charge) on above | | (17.23) |
| **Sub total (a)** | | **69.20** |

## Consolidated Statement of Profit and Loss for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

| | | |
|---|---|---|
| (b) Items that will be reclassified to profit or loss | | |
| Derivative instruments in Cash flow hedge relationship | | (290.69) |
| Income tax benefit on above | | 73.16 |
| **Sub total (b)** | | **(217.53)** |
| | | |
| **Other comprehensive (loss) for the year** | | **(148.33)** |
| | | |
| **VIII Total comprehensive income for the year (V+VII)** | | **19,602.82** |
| | | |
| **IX Profit attributable to:** | | |
| Owners of the holding company/ group | | 19,732.37 |
| Non-controlling interests | | 18.78 |
| | | |
| **X Total comprehensive income attributable to** | | |
| Owners of the holding company/ group | | 19,584.04 |
| Non-controlling interests | | 18.78 |
| | | |
| Earnings per equity share (nominal value of share Rs. 10 each): | | |
| Basic (in ₹) | 40 | 29.20 |
| Diluted (in ₹) | 40 | 27.91 |
| | | |
| **See accompanying notes forming part of the consolidated Ind AS financial statements** | 1-64 | |

As per our report of even date attached
**For S.N. DHAWAN & CO LLP**

Chartered Accountants

Firm Registration No. 000050N/N500045

**Rahul Singhal**

**Partner**
Membership No: 096570

Place : Gurugram
Date : 23 May 2023

**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

**Pinki Jha**
Company Secretary
M.No.: F10683
Place: Gurugram
Date : 23 May 2023

# Consolidated Statement of Cash Flows for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

| Particulars | Year ended 31 March 2023 |
|---|---|
| **A CASH FLOWS FROM OPERATING ACTIVITIES** | |
| **Profit before tax** | **26,106.91** |
| | |
| **Adjustments for:** | |
| Remeasurement gain on defined benefit plans | 55.81 |
| Gains from investments in equity instruments designated at fair value through other comprehensive income | 30.62 |
| Depreciation, amortisation and impairment expense | 97.96 |
| Unwinding of lease liability | 6.80 |
| Net gain on mutual funds at FVTPL | (733.67) |
| Interest income on investment | (5,110.41) |
| Net gain on derecognition of financial instruments | (170.98) |
| Interest income on fixed deposits with banks | (177.39) |
| Interest on income tax refund | (9.99) |
| Impairment allowance on loans | 1,911.87 |
| Impairment allowance on investment | 39.60 |
| Loss on loans & advances written off | 823.15 |
| Employee stock options expense | 528.18 |
| | |
| **Operating profit before working capital changes** | **23,398.46** |
| | |
| *Changes in working capital* | |
| Increase/(decrease) in Trade payables | 198.32 |
| Increase/(decrease) in Other payables | 746.13 |
| Increase/(decrease) in Other financial liabilities | 10,870.99 |
| Increase/(decrease) in Provisions | 6.28 |
| Increase/(decrease) in Other non-financial liabilities | 278.05 |
| (Increase)/decrease in Loans and advances | (215,875.09) |
| (Increase)/decrease in Other financial assets | (25.07) |
| (Increase)/decrease in Receivables | (67.23) |
| (Increase)/decrease in Other non-financial assets | (9.43) |
| | |
| **Cash flow from operating activities post working capital changes** | **(180,478.59)** |
| Income- tax paid | (6,515.21) |
| | |
| **Net cash flow from operating activities (A)** | **(186,993.80)** |

## Consolidated Statement of Cash Flows for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

| | |
|---|---|
| **B CASH FLOWS FROM INVESTING ACTIVITIES** | |
| Purchase of property, plant and equipment | (245.42) |
| Purchase of intangible assets | (11.74) |
| Proceeds from sale of property, plant and equipment | 40.92 |
| Investment in mutual fund | ( 190,250.00) |
| Proceeds from sale of mutual funds | 220,832.03 |
| Investment in equity instruments | (374.22) |
| Investment in debentures (net of sale proceeds) | (71,838.52) |
| Redemption from pass through certificates | 3,591.70 |
| Investment in fixed deposits (net of redemption) | (2,497.91) |
| Interest income from investments | 3,179.92 |
| Interest received on fixed deposit | 111.22 |
| **Net cash used in investing activities (B)** | **(37,462.02)** |
| | |
| **C CASH FLOWS FROM FINANCING ACTIVITIES** | |
| Proceeds from debt securities (including accrued interest) | 6,901.38 |
| Repayments of debt securities | (18,729.89) |
| Net proceeds from cash credit and bank overdraft | 11,574.62 |
| Proceeds from other borrowings (including accrued interest) | 456,676.11 |
| Repayments of other borrowings | ( 345,919.42) |
| Repayments of lease liability | (11.02) |
| Proceeds from issue of share capital including share premium | 71,046.29 |
| Repayment towards deemed equity | (780.91) |
| **Net cash flow from financing activities (C)** | **180,757.16** |
| | |
| Increase in cash and cash equivalents (A+B+C) | **(43,698.66)** |
| Cash and cash equivalents at the beginning of the year | 53,820.78 |
| **Cash and cash equivalents at the end of the year** | **10,122.12** |

## Consolidated Statement of Cash Flows for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

### Cash and cash equivalents consist of:

| Particulars | As At 31 March 2023 |
|---|---|
| Cash on hand | 10.28 |
| Balance with banks | |
| -In current accounts | 10,111.84 |
| | **10,122.12** |

The above consolidated statement of cash flows has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows'.

**See accompanying notes forming part of the consolidated Ind AS financial statements** 1-64

As per our report of even date attached
**For S.N. DHAWAN & CO LLP**
Chartered Accountants
Firm Registration No. 000050N/N500045

**Rahul Singhal**
**Partner**
Membership No: 096570

Place : Gurugram
Date : 23 May 2023

**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

**Pinki Jha**
Company Secretary
M.No.: F10683
Place: Gurugram
Date : 23 May 2023

# Consolidated statement of changes in equity for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

| | Particulars | Balance at the beginning of the current reporting year | Changes in equity share capital during the current year | Balance at the end of the current reporting year |
|---|---|---|---|---|
| A | **Equity share capital** | 5,147.72 | 220.14 | 5,367.86 |
| B | **Instruments entirely equity in nature** | 755.83 | 682.46 | 1,438.29 |

## C Other equity

| Particulars | Reserves and Surplus | | | | | | | Other Comprehensive Income (OCI) | | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| | Securities premium reserve | Reserve u/s 45- IC of Reserve Bank of India Act, 1934 | Deemed equity contribution | Employee Stock Options Outstanding Account | Optionally convertible redeemable preference shares | Non Controlling Interest | Retained Earnings | Equity instruments designated at fair value through other comprehensive income | Cash flow hedges reserves | |
| **Balance at 1 April 2022** | **119,110.04** | **2,686.66** | **780.91** | **112.98** | **-** | **-** | **10,687.42** | **-** | **(52.82)** | **133,325.19** |
| Adjustment due to acquisition of Zfirst Technologies Private Limited | - | - | - | - | - | 304.12 | - | - | - | 304.12 |
| Add: Profit for the year | - | - | - | - | - | 18.78 | 19,732.37 | - | - | 19,751.15 |
| Add: Other comprehensive income/ (Loss) (net of tax) | - | - | - | - | - | - | 4 1.76 | 27.44 | (217.53) | (148.33) |
| **Total comprehensive income for the year** | **-** | **-** | **-** | **-** | **-** | **18.78** | **19,774.13** | **2 7.44** | **(217.53)** | 19,602.82 |
| Transfer to statutory reserve | - | 3,930.10 | - | - | - | - | (3,930.10) | - | - | - |
| Employee stock options | - | - | - | 5 28.18 | - | - | - | - | - | 528.18 |
| Repayment towards deemed equity | - | - | (780.91) | - | - | - | - | - | - | (780.91) |
| Securities premium on issue of shares | 70,378.84 | - | - | - | - | - | - | - | - | 70,378.84 |
| Optionally Convertible Redeemable Preference Shares | (293.53) | - | - | - | 293.53 | - | - | - | - | - |
| Converted into equity shares during the year | - | - | - | - | (220.14) | - | - | - | - | (220.14) |
| Share issue expenses | (15.00) | - | - | - | - | - | - | - | - | (15.00) |
| **Balance at 31 March 2023** | **189,180.35** | **6,616.76** | **-** | **641.16** | **73.39** | **322.90** | **26,531.45** | **27.44** | **(270.35)** | **223,123.10** |

# Consolidated statement of changes in equity for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

**See accompanying notes forming part of the consolidated Ind AS financial statements**
1-64

As per our report of even date attached
**For S.N. DHAWAN & CO LLP**

Chartered Accountants

Firm Registration No. 000050N/N500045

**Rahul Singhal**

**Partner**
Membership No: 096570

Place : Gurugram
Date : 23 May 2023

**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

**Pinki Jha**
Company Secretary
M.No.: F10683
Place: Gurugram
Date : 23 May 2023

# Notes forming part of the Ind AS consolidated statements for the year ended 31 March 2023

## 1. Group Information

Oxyzo Financial Services Private Limited (the "Holding Company" or the "Company") is a debt listed Company domiciled in India and incorporated under the provisions of the Companies Act, 2013. The Holding Company is holding a Certificate of Registration ('CoR') and registered as a systematically important non-deposit taking Non-Banking Financial Company ('NBFC') as defined under Section 45-IA of the Reserve Bank of India (RBI) Act, 1934 (Registration No. N-14.03380) and is primarily engaged in the business of lending. The consolidated financial statements of the Holding Company for the year ended 31 March 2023 comprise the Holding Company and its subsidiaries (together referred to as "Group"). The Holding Company has its registered office at Shop No. G-22C (UGF) D-1 (K-84) Green Park Main, New Delhi-110016 (India).

The Group is primarily engaged in non-banking financing activities without deposits through the holding company. The holding company has obtained a Certificate of Registration vide Certificate No. N·14.03380 from the Reserve Bank of India ("RBI") on 18 October 2017 to commence/ carry on the business of Non-banking Finance Company ("NBFC") without accepting deposits. The Holding Company has listed its non-convertible debentures on the Bombay Stock Exchange ("BSE") with effect from 6 February 2019.

### Significant Accounting Policies:

#### 2.1 Basis of Preparation and presentation of Consolidated Financial Statements

**Statement of compliance:**

These Consolidated financial statements (herein after referred to as '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. Further, the Group has complied with all the directions related to Implementation of Indian Accounting Standards prescribed for Non-Banking Financial Companies (NBFCs) in accordance with the RBI notification no. RBI/2019-20/170 DOR NBFC).CC.PD. No.109/22.10.106/2019-20 dated 13 March, 2020 and other applicable RBI circulars/notifications.

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

The financial statements were reviewed by the audit committee and authorized for issue by the Holding Company's Board of Directors on 23 May 2023.

### Principal of Consolidation:

The consolidated financial statements relate to Oxyzo Financial Services Private Limited ('the Holding Company) and its subsidiary companies. The consolidated financial statement includes consolidated balance sheet, consolidated statement of profit & loss, consolidated cash flow statement, consolidated statement of changes in equity, and consolidated notes. The consolidated financial statements have been prepared on the following basis:

a. The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as that of the Holding Company i.e., 31 March, 2023.

b. The financial statement of the Holding Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, Income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profit or losses, unless cost cannot be recovered.

c. Goodwill arising on acquisition is recognised as an asset and measured at cost and is tested for impairment on annual basis, being the excess of the consideration transferred in the business combination over the Group's interest in the net fair value of the identifiable assets acquired, liabilities assumed. Where the fair value of the identifiable assets and liabilities exceed the cost of acquisition, the excess is recognised as capital reserve on consolidation end shown under the head 'Reserves & Surplus, in the consolidated financial statements.

d. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net asset. The choice of measurement basis is made on an acquisition by-acquisition basis. Subsequent to acquisition, the

# Notes forming part of the Ind AS consolidated statements for the year ended 31 March 2023

carrying value of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' shore of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interests having a deficit balance.

e. As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Holding Company's separate financial statements.

f. Following subsidiaries companies are considered for preparation of consolidated financial statements from the date of respective acquisitions/incorporation.

| Particulars | Country of Incorporation | Date of Acquisition/ incorporation | Proportion of Ownership |
|---|---|---|---|
| | | | **31 March 2023** |
| OXY Ventures Private Limited | India | 26 April 2022 | 100.00% |
| OXY B Securities Private Limited | India | 20 June 2022 | 100.00% |
| Oxyzo Investment Manager Private Limited | India | 13 July 2022 | 100.00% |
| OXY Finvest Private Limited | India | 18 July 2022 | 100.00% |
| Ziel Financial Technologies Private Limited | India | 24 November 2022 | 100.00% |
| ZFirst Technologies Private Limited* | India | 20 February 2023 | 34.43% |

*Holding Company hold 34.43% stake in ZFirst Technologies Private Limited on diluted basis.

As per Ind AS, by virtue of control, the Holding Company has classified ZFirst Technologies Private Limited as subsidiary company.

### Basis of preparation:

The consolidated 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 and derivative financial instruments. The Group 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 Group offsets incomes and expenses and reports the same on a net basis when permitted by Ind AS specifically unless they are material in nature.

### Functional and presentation currency:

These consolidated financial statements are prepared in Indian Rupees (INR), which is the holding Company's functional currency. All financial information presented in INR has been rounded to the nearest lakhs and two decimals thereof, except as stated otherwise.

### Presentation of financial statements:

The Balance Sheet, the Statement of Change in Equity and the Statement of Profit and Loss is presented in the format prescribed under Division III of Schedule III of the Act, as amended from time to time, for Non-Banking Financial Companies ('NBFCs"), that are required to comply with Ind AS. The Statement of Cash Flows has been presented as per the requirements of Ind AS 7, Statement of Cash Flows. 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 Balance Sheet, the Statement of Change in Equity and the Statement of Profit and Loss is presented in the format prescribed under Division III of Schedule III of 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.

# Notes forming part of the Ind AS consolidated statements for the year ended 31 March 2023

### 2.2 Revenue recognition:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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.

Incomes are recognised net of the goods and services tax, wherever applicable.

#### 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) and at fair value through other comprehensive income (OCI)) 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 financial assets at amortised cost, transaction costs, and all other premiums or discounts and it represents a rate that exactly discounts estimated future cash payments / receipts through the expected life of the financial asset/financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability. 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.

Delayed payment interest (penal interest and the like) levied on customers for delay in repayments/non payment of contractual cashflows is recognised on realization basis.

#### ii. Other revenue from operation

The Group recognizes revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial Instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers. The Group identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognizes revenue only on satisfactory completion of performance obligations. Revenue is measured at fair value of the consideration received or receivable.

#### a. Fee and commission income:

Revenue (other than for those items to which IND AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. IND AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

Fee and commission income includes fees other than those that are an integral part of EIR. The fees included in the Group's statement of profit and loss includes service and administration charges towards rendering of additional services to its loan customers and others fees charged for servicing of loans, fees charged on account of loan commitments and loan advisory fees.

Foreclosure charges are collected from loan customers for early payment / closure of loan and are recognised on realisation.

#### b. 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 Group 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 recognized 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.

# Notes forming part of the Ind AS consolidated statements for the year ended 31 March 2023

### c. 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.

### iii. Other income:

The Group recognizes revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial Instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers. The Group identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognizes revenue only on satisfactory completion of performance obligations. Revenue is measured at fair value of the consideration received or receivable.

## 2.3 Expenditures:

### i. Finance costs:

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

### b. Other expenses:

Other expenses are recognized on accrual basis and provisions are made for all known losses and liabilities. The Group has also entered into a shared services arrangement for sharing of common resources and facilities with group companies. The cost allocated to the Group 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.

## 2.4 Property, plant and equipment (PPE):

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Group 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 consistent with the criteria specified in Ind AS 16 'Property, plant and equipment'. Cost includes all direct cost related to the acquisition of PPE and, for qualifying assets, borrowing costs capitalised in accordance with the Group'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.

Useful life as used by the Group as indicated in Schedule II are listed below:

- Computers and Laptops- 3 Years

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.

## 2.5 Intangible assets:

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. The cost of such assets includes purchase price, licensee fee, import duties and other taxes and any directly attributable expenditure to bring the assets to their working condition for intended use. The Group's other intangible assets mainly include the value of computer software.

Intangible assets comprise computer software which is amortized on a straight-line basis over the estimated useful economic life. The useful life of the intangible assets are estimated at 3 to 5 years.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted in future periods in such a manner that the carrying amount of the asset is allocated over its remaining useful life..

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the assets are recognized in the Statement of Profit and Loss when the asset is derecognized.

### 2.6 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. Depreciation is recognised using straight line method in same line as mentioned in para 2.4 above.

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.

### 2.7 Assets held for sale:

Assets held for sale comprises of house & land properties, which were held as collaterals against the loans given to customer, whose physical and legal possessing has been taken over by the Group due to customers' default on repayment of the loan. Management intends to sell these properties for which regular auctions are conducted. Such assets are classified as held for sale when their carrying amount is intended to be recovered principally through sale rather than through continued use.

### 2.8 Impairment of non–financial assets:

The Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. 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 risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses are recognized in profit or loss.

### 2.9 Leases:

The Group, as a lessee, recognizes a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Group has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. For short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

# Notes forming part of the Ind AS consolidated statements for the year ended 31 March 2023

### 2.10 Employee benefits:

#### i. Short-term employee benefits:

Employee benefits expected to be settled 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:

The Group operates the following post-employment schemes:

*(a) Defined contribution plans:* The Group's employee provident fund scheme and employees' state insurance 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 Group provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each Balance Sheet date, using the Projected Unit Credit method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

Net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, attrition rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

The Holding Company contributes on a lumpsum basis towards the ascertained liabilities to the LIC's New Group Gratuity Cash Accumulation Plan managed by insurance company Life Insurance Corporation of India (LIC).

Re-measurement, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

#### iii. Long term employee benefits:

Benefits under compensated absences constitute other employee benefits. Employee entitlements to annual leave are recognized when they accrue to the eligible employees. An accrual is made for the estimated liability for annual leave as a result of services provided by the eligible employees up to the Balance Sheet date. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

Expenses are recognized immediately in the Statement of Profit and Loss.

### 2.11 Employees Stock Option Scheme:

Equity-settled shared based payments to employees are measured at fair value of the equity instruments at the grant date in accordance with Ind AS 102, "Share based payments". Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 48.1 & 48.2.

The fair value determined at the grant date of the equity-settled share based payments is expected over the vesting period using the graded vesting method, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group reviews its estimate of the number of equity instruments expected to vest. The impact of the original estimates, if any, is recognized in the profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the "Share Option Outstanding Account" in Other Equity.

The employees of the Group have also been granted stock options in respect of the shares of OFB Tech Private Limited, the ultimate holding company. The Group has entered into repayment arrangement for the provision of share based payments with the ultimate holding company for the ESOP granted and reimburse to the ultimate holding company as and when expenses recognised on the basis of grant date fair valuation.

### 2.12 Financial instruments:

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group 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.

Financial assets are measured at FVTOCI subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment losses or reversals, interest revenue and are recognised in profit and loss. Upon disposal, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the statement of profit and loss.

#### c. Debt instruments at amortised cost or at FVTOCI

The Group assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Group'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 Group has more than one business model for managing its financial instruments which reflect instruments which reflect how the Group manages its financial assets in order to generate cash flows. The Group's business models determine whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

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

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

### 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 Group 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 Group has transferred substantially all the risks and rewards of the asset, or (b) the Group 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 Group has retained.

### f. Servicing of Assets/Liabilities

- The Group transfers loans through securitisation and direct assignment transactions. The transferred loans are derecognised and gains/losses are accounted for, only if the Group transfers substantially all its risks and rewards specified in the underlying assigned loan contracts. In accordance with the Ind AS 109, on derecognition of a financial asset under assigned transactions for a fee, the Group recognises the fair value of future service fee income over service obligations cost on net basis as service fee income in the statement of profit and loss and, correspondingly creates a service asset in balance sheet.
- The Group recognises either a servicing asset or a servicing liability for servicing contract. If the fee to be received is not expected to compensate the Compensate the Group adequately for performing the servicing activities, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing activities, a servicing asset is recognised. Corresponding amount is recognised in statement of profit and loss.

### g. Transfer of Loan Exposure

Transfer of a loan exposure results in immediate separation from the risks and rewards associated with such loans to the extent that the economic interest has been transferred. The transferee gets an unfettered right to transfer or otherwise dispose of such loans free of any restraining condition to the extent of economic interest transferred to them. Profit or loss on such loans is recognised in the statement of profit and loss for the period in which such loans have been transferred.

### (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.

a. A financial liability is derecognised when the related obligation expires or is discharged or cancelled.

### (iii) Instruments Entirely Equity in nature

The classification of a financial instruments or its component parts, on initial recognition as a financial liability, a financial asset or an equity instrument, is done in accordance with the substance of the contractual arrangement and the definitions of a financial liability, a financial asset and an equity instrument. An instrument is classified as an equity instrument or an instrument entirely equity in nature when the said instrument has no other financial instrument or contract that has:

- total cash flows based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the entity (excluding any effects of such instrument or contract) and
- the effect of substantially restricting or fixing the residual return to the instrument holders.

Instruments entirely equity in nature, are presented as a separate line item on the face of the Balance Sheet under ‘Equity’ after ‘Equity Share Capital’ but before ‘Other Equity’.

### (iv) Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the face value and proceeds received in excess of the face value are recognised as securities premium.

### 2.13 Fair value measurement

The Group 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 consolidated 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

When measuring the fair value of an asset or a liability, the Group uses observable market data to the extent possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group measures financial instruments, such as, investments, at fair value on each reporting date. In addition, the fair value of financial instruments measured at amortized cost and FVTPL is disclosed in Note 47.

### 2.14 Impairment:

The Group 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 Group 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 Group 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 Group 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 Group 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 Group'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 Group 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 Group; or
- The borrower is unlikely to pay its credit obligations to the Group 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 Group 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 Group 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 Group 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 Group 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

*excluding grace period of seven days.

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 Group.

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 Group 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.

### 2.15 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 Group 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.

### 2.16 Foreign Currency Transactions

Transactions in foreign currencies are translated into the functional currency of the Group at the exchange rates prevailing on the date of the transaction. Exchange differences arising due to the differences in the exchange rate between the transaction date and the date of settlement of any monetary items are taken to the statement of profit and loss. Monetary assets and monetary liabilities denominated in foreign currency are translated at the exchange rate prevalent at the date of the Balance Sheet and resultant gain/ loss is taken to the Statement of Profit and Loss.

### 2.17 Derivative financial instruments

The Group enters into derivative financial instruments to manage its exposure to interest rate risk and foreign exchange rate risk. Derivatives held include foreign exchange forward contracts, interest rate swaps and cross currency interest rate swaps. Derivatives are initially recognised at fair value at the date of a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain/loss is recognised in the statement of profit and loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the statement of profit and loss depends on the nature of the hedge relationship. The Group designates certain derivatives as hedges of highly probable forecast transactions (cash flow hedges). A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

### Hedge accounting

The Group makes use of derivative instruments to manage exposures to interest rate and foreign currency. In order to manage particular risks, the Group applies hedge accounting for transactions that meet specific criteria. At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging / economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Group would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

### Cash Flow Hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect profit and loss. For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in Finance Cost in the statement of profit and loss. When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss. When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time remains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the statement of profit and loss.

### 2.18 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.

### 2.19 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.

### 2.20 Taxation:

### Current Tax:

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with Income tax Act, 1961, Income Computation and Disclosure Standards and other applicable tax laws. The tax rates and tax laws used to compute the amount are those that are enacted at the reporting date.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with Income tax Act, 1961, Income Computation and Disclosure Standards and other applicable tax laws. The tax rates and tax laws used to compute the amount are those that are enacted at the reporting date.

### Deferred Tax:

Deferred tax assets and liabilities are recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are only recognised for temporary differences, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities are realised simultaneously.

# Notes forming part of the Ind AS consolidated statements for the year ended 31 March 2023

### 2.21 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 Group 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.

### 2.22 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 Group are segregated based on the available information.

### 2.23 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.

### 2.24 Operating Cycle:

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

### 2.25 Significant accounting judgements, estimates and assumptions:

The preparation of consolidated 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 consolidated financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the consolidated 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 Group'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 Group 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 Group'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. (Refer note no.51).

*(b) Impairment of financial assets:* The Group 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 51.

*(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 Group'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 Group 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 Group is expected to generate adequate taxable income for liquidating these assets in due course of time.

*(f) Other estimates:* These include contingent liabilities, provisions and useful lives of tangible assets and intangible assets.

### 2.26 Recent Accounting Announcements:

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

#### Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose consolidated financial statements. The Group does not expect this amendment to have any significant impact in its consolidated financial statements.

#### Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group is evaluating the impact, if any, in its consolidated financial statements.

#### Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in consolidated financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in consolidated financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its consolidated financial statements.

# Notes forming part of the consolidated Ind AS financial statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

| 3 | Cash and cash equivalents | As at March 31, 2023 |
|---|---|---|
| | Cash on hand | 10.28 |
| | Balances with banks: | |
| | - in current accounts | 10,111.84 |
| | **Total** | **10,122.12** |

| 4 | Bank balance other than cash and cash equivalents | As at March 31, 2023 |
|---|---|---|
| | Deposits with bank held as margin money against borrowings* | 3,002.00 |
| | Other bank deposits | 321.28 |
| | Accrued interest on deposits with bank | 109.46 |
| | **Total** | **3,432.74** |
| | *Deposits marked as lien with banks against borrowings | |

| 5 | Trade Receivable | As at March 31, 2023 |
|---|---|---|
| | Considered Good – Secured | - |
| | Considered Good – Unsecured (Refer Note-5.1) | 171.11 |
| | Trade Receivables which have significant increase in credit risk | - |
| | Trade Receivables- credit impaired | - |
| | **Total** | **171.11** |
| | Impairment allowance on trade receivable is Nil. | |

### 5.1 Trade receivable aging schedule for the year ending 31 March 2023 summaried as below:

| Particulars | Outstanding for following periods from due date of payments | | | | | |
|---|---|---|---|---|---|---|
| | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Undisputed trade receivables – considered good | 144.11 | 27.00 | - | - | - | 171.11 |
| (ii) Undisputed Trade Receivables — which have significant increase in credit risk | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables — credit impaired | - | - | - | - | - | - |

# Notes forming part of the Ind AS consolidated statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

| | | | | | | |
|---|---|---|---|---|---|---|
| (iv) Disputed trade receivables – considered good | - | - | - | - | - | - |
| (v) Disputed Trade Receivables — which have significant increase in credit risk | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables — credit impaired | - | - | - | - | - | - |

| 6 | Loans | As at March 31, 2023 |
|---|---|---|
| | **At amortised cost** | |
| | **A. Loans** | |
| | (i) Purchase finance | 322,982.72 |
| | (ii) Term Loans | 149,091.13 |
| | (iii) Others (Staff Loans) | 6 88.04 |
| | (iv) Interest accrued on loans | 1,155.52 |
| | **Total (A) - Gross** | **473,917.41** |
| | | |
| | Less: Impairment loss allowance | 4,974.99 |
| | Less: Revenue received in advance | 1,782.94 |
| | **Total (A) - Net** | **467,159.48** |
| | | |
| | **B.** | |
| | (i) Secured by tangible assets* | 29,947.65 |
| | (ii) Secured by others | 138,221.12 |
| | (iii) Covered by bank guarantee | 176,061.49 |
| | (iv) Unsecured | 129,687.15 |
| | **Total (B) - Gross** | **473,917.41** |
| | | |
| | Less: Impairment loss allowance | 4,974.99 |
| | Less: Revenue received in advance | 1,782.94 |
| | **Total (B) - Net** | **467,159.48** |
| | | |
| | **C. Loans in India**** | |
| | (i) Public sector | - |
| | (ii) Others | 473,917.41 |
| | **Total (C) - Gross** | **473,917.41** |

# Notes forming part of the Ind AS consolidated statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

| | |
|---|---|
| Less: Impairment loss allowance | 4,974.99 |
| Less: Revenue received in advance | 1,782.94 |
| **Total (C) - Net** | **467,159.48** |

* Based on the net book value of the tangible assets provided as security.
**Group has not granted loans to any party outside India
The net carrying amount of loans is considered a reasonable approximation of their fair value.
Refer note 51 on credit risk

| Type of Borrower | As at 31 March 2023 | |
|---|---|---|
| | Amount | Percentage |
| Promoters | - | - |
| Directors | - | - |
| KMPs | - | - |
| Related Parties | 130.88 | 0.03% |

| 7 Investments | As at 31 March 2023 |
|---|---|
| **(A) Investments at amortised Cost:** | |
| Debt securities* | 72,009.49 |
| Interest accrued on debt securities* | 1,946.65 |
| Less: Impairment loss allowance | (54.18) |
| | |
| Investment in pass through certificates (PTC) | 53.02 |
| Accrued interest on PTC | 0.29 |
| Less: Impairment loss allowance on pass through certificates | - |
| | |
| **(B) Investments at fair value through other comprehensive income (OCI):** | |
| **Investments in compulsory convertible note**<br>**Unquoted Investments** | |
| | |
| **Diptab Ventures Private Limited (refer note i)** | |
| - Convertible note of 4 each, previous year Nil each (partly paid up) | - |
| | |
| **Investment in Equity Instruments**<br>**Unquoted Investments** | |
| | |
| **Euler Motors Private Limited (Refer Note ii)** | |
| Compulsorily convertible preference shares of ₹99 each fully paid up | |
| - Series B2 Compulsorily convertible preference shares | 179.26 |

# Notes forming part of the Ind AS consolidated statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

| | |
|---|---|
| - Series C Compulsorily convertible preference shares | 60.98 |
| | |
| **Log 9 Materials Scientific Private Limited (Refer Note iii)** | 164.60 |
| Equity shares of ₹1 each fully paid up | |
| | |
| **(C) Investments at fair value through other comprehensive income (OCI):** | |
| Investment in Mutual funds | 153.16 |
| | |
| **Total (A)** | **74,513.27** |
| | |
| (i) Investment outside India | - |
| (ii) Investment in India | 74,513.27 |
| | |
| **Total (B)** | **74,513.27** |

* Includes investment in unsecured perpetual debentures of Banks amounting to ₹26,257.58 lakhs

(i) During the year ended 31 March 2023, on 21 July 2022, the holding company has invested ₹130 in 130 convertible note paid up ₹1 per note of Diptab Ventures Private Limited having nominal value of ₹4 each at premium of ₹49,379 per convertible note. The holding company has entered into investment agreement with the issuer and accordingly the issuer will issue compulsory convertible preference share at the price of series B to the holding company.

(ii) The Oxy Ventures Private Limited has invested ₹234.30 lakhs in Euler Motors Private Limited by subscribing to 216 series B2 compulsory convertible preference shares and 635 series C compulsory convertible preference shares on September 20, 2022 and October 1, 2022 respectively.

(iii) As at March 31, 2023, the Oxy Ventures Private Limited has recognised fair value through other comprehensive income amounting to Rs. ₹24.69 lakhs based on the recent valuation of equity shares during the funding raised in the month December 2022

| 8 | Other financial assets | As at March 31, 2023 |
|---|---|---|
| | Security Deposits | 17.20 |
| | Other advances (Refer Note 45) | 61.73 |
| | **Total** | **78.93** |

| 9 | Current tax assets (Net) | As at March 31, 2023 |
|---|---|---|
| | Current tax assets | 392.09 |
| | **Total** | **392.09** |

# Notes forming part of the Ind AS consolidated statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

| 10 | Deferred tax assets | As at March 31, 2023 |
|---|---|---|
| | **Tax effect of items constituting deferred tax assets** | |
| | Provision for gratuity | 52.04 |
| | Provision for compensated absences | 25.14 |
| | Impairment on financial instruments | 898.54 |
| | Impairment on Asset Held for sale | 4.33 |
| | Deferred processing fee on loan assets | 448.73 |
| | Recognition of Lease Liability & Right to Use Asset | 4.36 |
| | Loss for the Year | 136.46 |
| | Cash Flow Hedge Reserve | 90.92 |
| | | **1,660.52** |
| | | |
| | **Tax effect of items constituting deferred tax liabilities** | |
| | Provision for gratuity | |
| | Difference between book balance and tax balance of property, plant and equipment | 4.70 |
| | Unamortised processing fees on borrowings | 169.04 |
| | Equity instruments designated at fair value through OCI | 3.18 |
| | | **176.92** |
| | | |
| | **Deferred tax assets /(liabilities) (net)** | **1,483.60** |

**Deferred taxes arising from temporary differences for the year ended 31 March 2023 are summarized as follows:**

| Deferred tax assets /(Liabilities) | As at 1 April 2022 | Recognized in profit or loss | Recognized in other comprehensive income | Consolidation Adjustment | As at 31 March 2023 |
|---|---|---|---|---|---|
| **Tax effect of items constituting deferred tax assets** | | | | | |
| Provision for gratuity | 52.92 | 13.17 | (14.05) | - | 52.04 |
| Provision for Variable pay | 5.31 | (5.31) | - | - | - |
| Provision for compensated absences | 22.39 | 2.75 | - | - | 25.14 |
| Impairment on financial instruments | 499.05 | 399.49 | - | - | 898.54 |
| Impairment on Asset Held for sale | - | 4.33 | - | - | 4.33 |
| Deferred processing fee on loan assets | 195.80 | 252.93 | - | - | 448.73 |
| Recognition of Lease Liability & Right to Use Asset | - | 4.36 | - | - | 4.36 |
| Loss for the Year | - | 94.11 | - | 42.35 | 136.46 |
| Cash Flow Hedge Reserve | 17.76 | - | 73.16 | - | 90.92 |
| | **793.23** | **765.83** | **59.11** | **42.35** | **1,660.52** |

## Notes forming part of the Ind AS consolidated statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

| | | | | | |
|---|---|---|---|---|---|
| **Tax effect of items constituting deferred tax liabilities** | | | | | |
| Difference between book balance and tax balance of property, plant and equipment | 1.50 | 3.20 | - | - | 4.70 |
| Fair value change in investment | 0.76 | (0.76) | - | - | - |
| Prepaid Expenses | 21.63 | ( 21.63) | - | - | - |
| Unamortised processing fees on borrowings | 105.74 | 63.30 | - | - | 169.04 |
| Equity instruments designated at fair value through OCI | - | - | 3.18 | - | 3.18 |
| | 129.63 | 44.11 | 3.18 | - | 176.92 |
| | | | | | |
| Deferred tax assets /(liabilities) (net) | 663.60 | 721.72 | 55.93 | 42.35 | 1,483.60 |

### 11 Investment Property

| Particulars | Land-freehold | Total |
|---|---|---|
| Gross carrying amount (at cost) | | |
| As at 01 April 2022 | 149.92 | 149.92 |
| Additions | - | - |
| Disposals | - | - |
| Transfer (Refer Note 17) | 136.60 | 136.60 |
| As at 31 March 2023 | 13.32 | 13.32 |
| | | |
| Accumulated depreciation | | |
| As at 01 April 2022 | - | - |
| Charge for the year | - | - |
| Adjustments | - | - |
| As at 31 March 2023 | - | - |
| | | |
| Carrying amount | | |
| As at 31 March 2023 | 13.32 | 13.32 |

(i) As at 31 March 2023 the fair value (Level 3) of property is ₹13.32 Lakh. The property is carried at cost on basis of management's best assumption that fair value of property is higher than the carrying value.

# Notes forming part of the Ind AS consolidated statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

## 12. Property, plant and equipment

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

| Particulars | Office Equipment | Furniture and Fixtures | Computers | Total |
|---|---|---|---|---|
| Gross carrying amount (at cost) | | | | |
| As at 01 April 2022 | - | - | 144.66 | 144.66 |
| Additions | 2.50 | 42.64 | 2 00.28 | 245.42 |
| Disposals | - | - | (70.93) | (70.93) |
| As at 31 March 2023 | 2.50 | 42.64 | 274.01 | 319.15 |
| | | | | |
| Accumulated depreciation | | | | |
| As at 01 April 2022 | - | - | 60.48 | 60.48 |
| Additions | 0.23 | 0.43 | 57.12 | 57.78 |
| Disposals | - | - | (27.76) | (27.76) |
| As at 31 March 2023 | 0.23 | 0.43 | 89.84 | 90.50 |
| | | | | |
| Carrying amount | | | | |
| As at 31 March 2023 | 2.27 | 42.21 | 184.17 | 228.65 |

## 13 Other Intangible assets

Details of the Group's intangible assets and their carrying amounts are as follows:

| Particulars | Computer software | Total |
|---|---|---|
| Gross carrying amount (at cost) | | |
| As at 01 April 2022 | - | - |
| Additions | 11.74 | 11.74 |
| Disposals | - | - |
| As at 31 March 2023 | 11.74 | 11.74 |
| | | |
| Accumulated depreciation | | |
| As at 01 April 2022 | - | - |
| Additions | 0.61 | 0.61 |
| Disposals | - | - |
| As at 31 March 2023 | 0.61 | 0.61 |
| | | |
| Carrying amount | | |
| As at 31 March 2023 | 11.13 | 11.13 |

## Notes forming part of the Ind AS consolidated statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

| 14 | Right to Use Asset | As at 31 March 2023 |
|---|---|---|
| | **Gross carrying amount (at cost)** | |
| | **As at 01 April 2022** | **-** |
| | Additions | 175.85 |
| | Disposals | - |
| | **As at 31 March 2023** | **175.85** |
| | | |
| | **Accumulated depreciation** | |
| | **As at 01 April 2022** | **-** |
| | Additions | 20.97 |
| | Disposals | - |
| | **As at 31 March 2023** | **20.97** |
| | | |
| | **Carrying amount** | |
| | As at 31 March 2023 | **154.88** |

| 15 | Goodwill on consolidation | As at 31 March 2023 |
|---|---|---|
| | Goodwill on consolidation | 235.54 |
| | **Total** | **235.54** |

| 16 | Other non-financial assets | As at 31 March 2023 |
|---|---|---|
| | Prepaid expenses | 83.04 |
| | Advance to employees | 0.21 |
| | Other non financial assets | 13.17 |
| | **Total** | **96.42** |

| 17 | Assets held for sale | As at 31 March 2023 |
|---|---|---|
| | Assets held for sale | 136.60 |
| | Less: Impairment loss allowance | (18.60) |
| | **Total** | **118.00** |

# Notes forming part of the Ind AS consolidated statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

During the year ended 31 March 2023, the Holding Company initiated identification and evaluation of potential buyers for its land situated at Madanpur Dabas, New Delhi. The Group anticipates completion of the sale in foreseeable future and accordingly, investments property amounting to ₹ 118.00 lakhs in respect of land have been reclassified under 'assets held for sale' at lower of cost or fair market value. The cost of land was ₹136.60 which has been impaired during the year on the basis of valuation report issued by registered valuer.

| | | As at 3 1 March 2023 | | |
|---|---|---|---|---|
| 18 | Derivative financial Instruments | Notional Amounts | Fair Value - Assets | Fair Value - Liabilities |
| | **Part I** | | | |
| | (i) Currency derivatives: | | | |
| | -Currency swaps | 4,752.48 | 231.10 | - |
| | **Subtotal (i)** | **4,752.48** | **231.10** | **-** |
| | (ii) Interest rate derivatives | | | |
| | Forward Rate Agreements and interest rate swaps | 257.12 | - | 0.76 |
| | **Subtotal (ii)** | **257.12** | **231.10** | **0.76** |
| | **Total Derivative Financial Instruments (i)+(ii)** | **5,009.60** | **231.10** | **0.76** |
| | | | | |
| | **Part II** | | | |
| | Included in above (Part I) are derivatives held for hedging and risk management purposes as follows: | | | |
| | (i) Fair value hedging: | | | |
| | -Currency derivatives | - | - | - |
| | -Interest Rate derivatives | - | - | - |
| | **Subtotal (i)** | **-** | **-** | **-** |
| | (i) Cash flow hedging: | | | |
| | -Currency derivatives | 4,752.48 | 231.10 | - |
| | -Interest rate derivatives | 257.12 | - | 0.76 |
| | **Subtotal (ii)** | **5,009.60** | **231.10** | **0.76** |
| | **Total Derivative Financial Instruments (i+ii)** | **5,009.60** | **231.10** | **0.76** |

| 19 | Trade payables | As at 31 March 2023 |
|---|---|---|
| | Total outstanding dues of creditors micro enterprises and small enterprises | 3.17 |
| | Total outstanding dues of creditors other than micro enterprises and small enterprises | 429.12 |
| | **Total** | **432.29** |

# Notes forming part of the Ind AS consolidated statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

### 19.1 Trade Payable aging schedule for the year ending March 31, 2023 summaried as below:

| Particulars | Outstanding for following periods from due date of payments | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) MSME | - | - | - | - | - |
| (ii) Others | 418.36 | 2.75 | 3.22 | 0.17 | 424.50 |
| (iii) Disputed dues - MSME | - | - | | 3.17 | 3.17 |
| (iv) Disputed dues - Others | - | - | 4.62 | - | 4.62 |
| **Total** | **418.36** | **2.75** | **7.84** | **3.34** | **432.29** |

| 20 | Other payables | As at 31 March 2023 |
|---|---|---|
| | Total outstanding dues to micro and small enterprises | - |
| | Total outstanding dues of creditors other than micro and small enterprises | |
| | - Employee related payable | 92.14 |
| | - Payable to OFB Tech Private Limited (Ultimate Holding Company) (Refer Note 45) | 917.43 |
| | **Total** | **1,009.57** |

| 21 | Debt securities | As at 31 March 2023 |
|---|---|---|
| | **At amortised cost** | |
| | | |
| | **Secured** | |
| | Debentures (Refer Note 21.1) | 26,471.67 |
| | Accrued interest on debentures | 919.51 |
| | | **27,391.18** |
| | | |
| | Less: Unamortised processing fees on borrowings | 88.15 |
| | **Total** | **27,299.03** |
| | | |
| | Debt securities in India | 27,303.03 |
| | Debt securities outside India | - |
| | **Total** | **27,303.03** |

# Notes forming part of the Ind AS consolidated statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

## 21.1 Security and terms of repayment for redeemable non-convertible debenture (NCD)*

| Repayment Terms | Tenure | Interest Range (At 31 March 2023) | As at 31 March 2023 |
|---|---|---|---|
| **Listed NCD:** | | | |
| | | | |
| **Fixed Interest rate** | | | |
| 3,500 NCD's of ₹1,00,000/- each | Upto 3 years | 9.75% to 12.75% | 3,500.00 |
| 250 NCD's of ₹1,000,000/- each | Upto 3 years | 9.00% | 2,500.00 |
| | | | |
| **Floating Interest rate** | | | |
| **Linked with 5.77% GSec 2030** | | | |
| 614 NCD's of ₹10,00,000/- each | Upto 2 years | 8.65% to 8.75% | 6,140.00 |
| | | | |
| **Linked with BSE Sensex** | | | |
| 4,000 NCD's of ₹1,00,000/- each | Upto 3 years | 9.00% | 4,000.00 |
| | | | |
| **Linked with Repo Rate** | | | |
| 480 NCD's of ₹250,000/- each# | Upto 2 years | 9.30% | 1,200.00 |
| | | | |
| | | | **17,340.00** |
| | | | |
| **Unlisted NCD:** | | | |
| **Fixed Interest rate** | | | |
| 519 NCD's of ₹1,000,000/- each | Upto 4 years | 11.24% | 5,190.00 |
| 30,000 NCD's of ₹10,000/- each | Upto 2 years | 9.50% | 3 ,000.00 |
| 2,825 NCD's of ₹33,333.33/- each# | Upto 3 years | 12.60% | 941.67 |
| | | | |
| | | | **9,131.67** |
| **Total** | | | **26,471.67** |

Interest and unamortised processing fees is not included.

(a) Non-convertible redeemable debentures are secured by first and exclusive charge over the specific identified book debts/ loan receivables of the holding company.

(b) Non-convertible redeemable debentures of ₹ 7,631.67 lakhs are secured by corporate guarantee also from the Ultimate Holding Company, OFB Tech Private Limited.

#Non-convertible redeemable debentures ("NCD") are redeemed during the year by reducing the face value of the NCD

# Notes forming part of the Ind AS consolidated statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

| 22 | Borrowings (other than debt securities) | As at 31 March 2023 |
|---|---|---|
| | **At amortised cost** | |
| | | |
| | **Secured** | |
| | External commercial borrowings (Refer Note 22.1) | 5,343.96 |
| | Term loans from banks (Refer Note 22.2) | 208,566.25 |
| | Term loans from financial institutions (Refer Note 22.3) | 58,654.09 |
| | Accrued interest on term loans | 776.95 |
| | | **273,341.25** |
| | **Secured** | |
| | Cash credit and bank overdraft (Refer Note 22.4) | 12,508.82 |
| | | **12,508.82** |
| | **Unsecured** | |
| | Lease Liability (Refer Note 53) | 171.67 |
| | | **171.67** |
| | **Total (A) - Gross** | **286,021.74** |
| | | |
| | Less: Unamortised processing fees on borrowings | 579.94 |
| | | |
| | **Total (A) - Net** | **285,441.80** |
| | | |
| | | |
| | Borrowings (other than debt securities) in India | 280,081.69 |
| | Borrowings (other than debt securities) outside India | 5,360.11 |
| | | |
| | **Total (B) - Net** | **285,441.80** |

## 22.1 Security and terms of repayment of External commercial borrowings in foreign currency ^

| Repayment Terms | Tenure | Interest Range (At 31 March 2023) | As at 31 March 2023 |
|---|---|---|---|
| **Floating Interest rate** | | | |
| **Linked with USD 6M LIBOR** | | | |
| Bullet | Upto 5 Years | 9.81% | 5,343.96 |
| | | | |
| **Total** | | | **5,343.96** |

# Notes forming part of the Ind AS consolidated statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

Note: During the previous year, the holding company has availed total External Commercial Borrowing (ECBs) of USD 6.5 million for financing prospective borrowers as per the ECB guidelines issued by Reserve Bank of India ("RBI") from time to time. The borrowing had a maturity of five years. In terms of RBI guidelines, borrowings have been swapped into rupees and fully hedged for the entire maturity by way of cross currency swaps.

^ External Commercial Borrowing (ECB) is secured by first and exclusive charge on specific identified receivables of the holding company.

## 22.2 Security and terms of repayment for secured term loans from banks^

| Repayment Terms | Tenure | Interest Range (At 31 March 2023) | As at 31 March 2023 |
|---|---|---|---|
| **Fixed Interest rate** | | | |
| Monthly | Upto 4 years | 9.50% to 12.00% | 11,340.55 |
| | | | |
| **Floating Interest rate** | | | |
| Bullet | Upto 1 Years | 7.90% to 9.50% | 98,990.40 |
| Quarterly | Upto 4 Years | 8.55% to 9.90% | 53,768.07 |
| Monthly | Upto 4 Years | 8.75% to 11.90% | 44,467.23 |
| | | | |
| **Total** | | | **208,566.25** |

^ Term loans from bank are secured by first and exclusive charge on specific identified receivables of the holding company. Term loans from banks of ₹2,257.90 lakhs are secured by corporate guarantee also by ultimate holding Company.

## 22.3 Security and terms of repayment for secured term loans from financial institutions^

| Repayment Terms | Tenure | Interest Range (At 31 March 2023) | As at 31 March 2023 |
|---|---|---|---|
| **Fixed Interest rate** | | | |
| Quarterly | Upto 3 years | 9.10% to 10.25% | 6,250.00 |
| Monthly | Upto 4 years | 9.00% to 11.75% | 4,640.68 |
| | | | |
| **Floating Interest rate** | | | |
| Bullet | Upto 2 Years | 9.50% | 4,300.00 |
| Quarterly | Upto 3 Years | 8.90% | 10,000.00 |
| Monthly | Upto 3 Years | 9.00% to 11.50% | 33,463.41 |
| | | | |
| **Total** | | | **58,654.09** |

^ Term loans from financial institutions are secured by first and exclusive charge on specific identified receivables of the holding company. Term loans from financial institutions of ₹ 1,715.09 lakhs are secured by corporate guarantee by ultimate holding Company. Term loan from financial institution of ₹ 474.65 lakhs secured by guarantee of third party.

# Notes forming part of the Ind AS consolidated statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

### 22.4 Security and terms of repayment for secured Loans repayable on demand (Cash credit and bank overdraft)^

| Repayment Terms | Tenure | Interest Range (At 31 March 2023) | As at 31 March 2023 |
|---|---|---|---|
| **Floating Interest rate** | | | |
| Bullet | Upto 1 year | 8.15% to 9.65% | 12,508.82 |
| Total | | | 12,508.82 |

^ Cash credit and bank overdraft are secured by first and exclusive charge on specific identified receivables of the holding company. Further cash credit and bank overdraft limit of certain banks are secured by fixed deposits.

| 23 | Other financial liabilities | As at 31 March 2023 |
|---|---|---|
| | Margin money from borrowers | 6,536.24 |
| | Interest accrued but not due on margin money | 118.22 |
| | Loans pending disbursement (Refer Note 45) | 5,952.44 |
| | Others | 16.74 |
| | Total | 12,623.64 |

| 24 | Current tax liabilities | As at 31 March 2023 |
|---|---|---|
| | Provision for Tax [net of taxes paid ₹ 6,135.36 Lakhs) | 805.73 |
| | Total | 805.73 |

| 25 | Provisions | As at 31 March 2023 |
|---|---|---|
| | **Provision for employee benefits:** | |
| | Provision for gratuity (Refer Note 42(b), 42(d)) | 208.72 |
| | Provision for compensated absences (Refer Note 42(c)) | 99.87 |
| | Total | 308.59 |

| 26 | Other non-financial liabilities | As at 31 March 2023 |
|---|---|---|
| | Statutory remittances | 587.72 |
| | Total | 587.72 |

In relation to holding company, undisputed statutory related to provident fund amounting to Rs. 3.19 lakhs has not been deposited for the FY 2022-23 which included 1.76 lakhs outstanding for more than 6 months due to Adhaar verification issue. The holding Company is in the process to get the verification completed and deposit of amount with the statutory authority.

# Notes forming part of the Ind AS consolidated statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

## 25 Equity

### (a) Equity Share Capital

### i. Share capital authorised, issued, subscribed and paid-up

| Particulars | As at 31 March 2023 | |
|---|---|---|
| | No. of shares | (₹ in lakhs) |
| **Authorised Equity share capital** | | |
| Equity shares of Rs.10 each | 73,381,715 | 7,338.17 |
| **Total** | **73,381,715** | **7,338.17** |
| | | |
| **Issued, subscribed and paid up Equity share capital** | | |
| Equity shares of Rs.10 each | 53,678,676 | 5,367.86 |
| | **53,678,676** | **5,367.86** |

### 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 Group, the holders of equity shares will be entitled to receive any of the remaining assets of the Group 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

| At the beginning of the year | As at 31 March 2023 | |
|---|---|---|
| | No. of shares | (₹ in lakhs) |
| **At the beginning of the year** | **51,477,209** | **5,147.72** |
| Add: | | |
| - Issued during the year (refer note vi) | 20 | - |
| - Converted during the year (refer note vii) | 2,201,447 | 220.14 |
| **Outstanding at the end of the year^** | **53,678,676** | **5,367.86** |

### iv. Equity shares in the Company held by the promoter of the Company

| At the beginning of the year | As at 31 March 2023 | |
|---|---|---|
| | No. of shares | % of holding |
| OFB Tech Private Limited (ultimate holding company) | 51,477,159 | 95.90 |
| Ruchi Kalra (including nominee shares)^ | 2,201,467 | 4.10 |

^Till February 2022, Ms. Ruchi Kalra was holding 10 shares as nominee shareholder of OFB Tech Private Limited and on 25 February 2022 10 shares were transferred from OFB Tech Private Limited in her name as beneficiary shareholder; Cumulative holding as on 31 March 2022 was 20 Equity Shares.

# Notes forming part of the Ind AS consolidated statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

v. Details of shareholders holding more than 5% shares in the company

| At the beginning of the year | As at 31 March 2023 | |
|---|---|---|
| | No. of shares | % of holding |
| OFB Tech Private Limited (ultimate holding company) | 51,477,159 | 95.90 |

(vi) The holding Company under the provisions of Sections 42 and 62(1)(c) of the Companies Act, 2013, as amended, including the rules made thereunder, has concluded Private Placement, by allotting 10 equity shares at a price of ₹ 1,041.26 per equity share with a face value of ₹ 10 per share including a premium of ₹ 1,031.26 per share aggregating ₹ 0.10 lakhs, on 05 April 2022 and further another allotment of 10 equity shares at a price of ₹ 1,041.26 per equity share with a face value of ₹ 10 per share including a premium of ₹ 1,031.26 per share aggregating ₹ 0.10 lakhs, on 06 April 2022.

(vii) Pursuant to the applicable provisions of Section 55 of the Companies Act, 2013 and applicable rules made thereunder and pursuant to the request received from the Promoter, the holding Company has converted 22,01,447 Series A OCRPS held by the Promoter into Equity Shares having face value ₹ 10 each in the ratio of 1:1, on 11 April 2022.

## (b) Instruments entirely equity in nature

### i. Cumulative, mandatorily and compulsorily convertible preference shares ("CCPS")

| Particulars | As at 31 March 2023 | |
|---|---|---|
| | No. of shares | (₹ in lakhs) |
| **Authorised** | | |
| -Series A cumulative, mandatory and fully convertible preference shares of Rs. 10 each | 14,382,874 | 1,438.29 |
| **Total** | **14,382,874** | **1,438.29** |
| | | |
| **Issued, subscribed and paid up** | | |
| -Series A cumulative, mandatory and fully convertible preference shares of Rs. 10 each | 14,382,868 | 1,438.29 |
| **Total** | **14,382,868** | **1,438.29** |

### ii. Terms/rights attached to cumulative, mandatorily and compulsorily convertible preference shares ("CCPS")

Series A CCPS are initially convertible into equity shares of Rs. 10 each at such conversion price that one Series A CCPS shall convert into one equity share upon earlier of the following:

(a) in connection with an IPO, prior to the filing of a prospectus (or equivalent document, by whatever name called) by the holding Company with the competent authority or such later date as may be permitted under Applicable Laws, or

(b) at any time at the option of preference share holders, or

(c) one day prior to the expiry of 20 years from the date of issuance of preference shared and the Series A conversion price shall be subject to adjustment from time to time.

## Notes forming part of the Ind AS consolidated statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

### iii. Reconciliation of cumulative, mandatorily and compulsorily convertible preference shares ("CCPS")

| Particulars | As at 31 March 2023 | |
|---|---|---|
| | No. of shares | (₹ in lakhs) |
| At the beginning of the year | 7,558,340 | 755.83 |
| Add: | | |
| -Issued during the year (refer note v) | 6,824,528 | 682.46 |
| **Outstanding at the end of the year** | **14,382,868** | **1,438.29** |

### iv. Details of shareholders holding of cumulative, mandatorily and compulsorily convertible preference shares ("CCPS")

| Particulars | As at 31 March 2023 | |
|---|---|---|
| | No. of shares | % of holding |
| Alpha Wave Ventures II LP | 5,430,276 | 37.76 |
| Internet Fund VII Pte. Ltd. | 3,302,191 | 22.96 |
| Norwest Capital, LLC | 2,788,515 | 19.39 |
| Creation Investments Social Ventures Fund V, LP | 1,467,634 | 10.20 |
| Matrix Partners India Investments IV, LLC | 1,382,145 | 9.61 |

(v) During the year ended 31 March 2023, pursuant to the provisions of Sections 42, 62(1)(c) and 55 of the Companies Act, 2013, as amended, including the rules made thereunder the holding Company has issued 68,24,528 Series A CCPS at a price of ₹ 1,041.26 per CCPS with a face value of ₹ 10 per share including a premium of ₹ 1,031.26 per share aggregating ₹ 71,061.08 lakhs on private placement basis on 05 April 2022, 06 April 2022 and 06 August 2022 with voting rights pari passu with the equity shares of the holding Company carrying preferential dividend @ 0.0001% per annum in such time preference shares are outstanding.

### 28 Other equity

| Particulars | As at 31 March 2023 |
|---|---|
| Securities premium reserve | 189,180.35 |
| Statutory reserve (in terms of Section 45-IC of the Reserve Bank of India Act, 1961) | 6,616.76 |
| Retained earnings | 26,531.45 |
| Employee stock Options Outstanding Account | 641.16 |
| Non Controlling Interest | 322.90 |
| Optionally convertible redeemable preference shares | 73.39 |
| Equity instruments designated at fair value through other comprehensive income | 27.44 |
| Cash flow hedges reserve | (270.35) |
| **Total** | **223,123.10** |

# Notes forming part of the Ind AS consolidated statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

i. Securities premium reserve[(1)]

| Particulars | As at 31 March 2023 |
|---|---|
| **Opening balance** | 119,110.04 |
| Add: Securities premium on issue of shares (Refer note 27a(vi) & 27b(v)) | 70,378.84 |
| Less: Optionally Convertible Redeemable Preference Shares (Refer note (vii)) | 293.53 |
| Less: Share issue expenses | 15.00 |
| **Closing balance** | **189,180.35** |

ii. Statutory reserve (in terms of Section 45-IC of the Reserve Bank of India Act, 1934)[(2)]

| Particulars | As at 31 March 2023 |
|---|---|
| **Opening balance** | 2,686.66 |
| Add: Transferred from retained earnings | 3,930.10 |
| **Closing balance** | **6,616.76** |

iii. Cash flow hedges reserves)[(3)]

| Particulars | As at 31 March 2023 |
|---|---|
| **Opening balance** | (52.82) |
| Add: Transferred from other comprehensive income | (217.53) |
| **Closing balance** | **(270.35)** |

iv. Deemed equity contribution[(4)]

| Particulars | As at 31 March 2023 |
|---|---|
| **Opening balance** | 780.91 |
| Less: Transferred to payable (Refer Note 28(7)) | (780.91) |
| **Closing balance** | **-** |

v. Employee stock Options Outstanding Account[(5)]

| Particulars | As at 31 March 2023 |
|---|---|
| **Opening balance** | 112.98 |
| Add: Share based payment expense as per Statement of profit and loss (refer note 48.2) | 528.18 |
| **Closing balance** | **641.16** |

# Notes forming part of the Ind AS consolidated statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

vi. Non controlling Interest

| Particulars | As at 31 March 2023 |
|---|---|
| **Opening balance** | - |
| Adjustment due to acquisition of Zfirst Technologies Private Limited | 304.12 |
| Add: Profit for the year | 18.78 |
| **Closing balance** | **322.90** |

vii. Equity Component of Optionally convertible redeemable preference shares [8]

## a. Optionally convertible redeemable preference shares

| Particulars | As at 31 March 2023 | |
|---|---|---|
| | No. of shares | (₹ in lakhs) |
| **Authorised** | | |
| -Series A optionally convertible and redeemable preference shares of Rs. 10 each | 2,935,263 | 293.53 |
| **Total** | **2,935,263** | **293.53** |
| | | |
| **Issued, subscribed and paid up** | | |
| -Series A optionally convertible and redeemable preference shares of Rs. 10 each | 733,816 | 73.39 |
| **Total** | **733,816** | **73.39** |

## b. Reconciliation of Optionally convertible redeemable preference shares

| Particulars | As at 31 March 2023 |
|---|---|
| **Opening balance** | - |
| Add: Transferred from Securities premium reserve (Refer Note 28(8)) | 293.53 |
| Less: Converted into equity shares during the year (Refer Note 27a(vii)) | 220.14 |
| **Closing balance** | **73.39** |

### Terms/rights attached to optionally convertible redeemable preference shares ("OCRPS")

Holding Company has issued Series A OCRPS, without any dividend right, will rank pari passu among themselves, convertible into one equity shares each as per conditions mentioned below. Upon conversion of Series A OCRPS into Equity Shares, the holder of the Equity Shares shall be entitled to participate in the dividend of equity shares on pari passu basis with the holder of all other Equity Shares.

Out of these 22,01,447 Series A OCRPS convertible into equity upon closing of issue, 3,66,908 Series A OCRPS convertible into equity shares upon the Holding Company achieving a pre-tax return on asset of 6% per quarter and remaining 3,66,908 Series A OCRPS convertible into equity shares upon the earlier of (a) completion of an equity capital raise by the Company of not less than USD 100,000,000 (United States Dollars One Hundred Million) (including through a (i) primary investment or a (ii) simultaneous primary investment and secondary sale of Equity Securities) at a pre-money valuation of not less than USD 2500,000,000 (United States Dollars Two Billion Five Hundred Million Thousand and Five Hundred Million) or (b) a Qualified IPO at a pre-money valuation of not less than USD 2500,000,000 (United States Dollars Two Billion Five Hundred Million).

# Notes forming part of the Ind AS consolidated statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

### viii. Equity instruments designated at fair value through other comprehensive income[9]

| Particulars | As at 31 March 2023 |
|---|---|
| **Opening balance** | - |
| Add: Transferred from other comprehensive income | 27.44 |
| **Closing balance** | **27.44** |

### (ix) Retained earnings[6]

| Particulars | As at 31 March 2023 |
|---|---|
| **Opening balance** | 10,687.42 |
| Add: Profit for the year | 19,732.37 |
| Add: Remeasurement gain on defined benefit plans | 41.76 |
| Less: Transferred to statutory reserve u/s 45-IC of the Reserve Bank of India Act, 1934 | 3,930.10 |
| **Closing balance** | **26,531.45** |

## Nature and purpose of other equity

### (1) Securities premium

Securities premium is used to record the premium on issue of shares. It can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.

### (2) Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934

This reserve is maintained in accordance with the provisions of Section 45-IC of the Reserve Bank of India Act, 1934 wherein every nonbanking financial company shall create a reserve fund the transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the Statement of profit and loss and before any dividend is declared.

### (3) Cash flow hedge reserve

It represents the cumulative gains/(losses) arising on revaluation of the derivative instruments designated as cash flow hedges through OCI.

### (4) Deemed equity contribution

This related to the stock options granted by the Ultimate Holding Company to group's employees under an employee stock options plan. For further information about the share based payments to employees is set out in note 49.1.

### (5) Employee stock Options Outstanding Account

Share options outstanding account is created as required by Ind AS 102 'Share Based Payments' on the Employee Stock Option Scheme operated by the holding Company.

### (6) Retained earnings

Retained earnings represents the surplus in Profit and Loss Account and appropriations.

The Group recognises change on account of remeasurement of the net defined benefit liability (asset) as part of retained earnings with separate disclosure, which comprises of:

(a) actuarial gains and losses;

(b) return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset) ; and

(c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).

# Notes forming part of the Ind AS consolidated statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

**(7)** During the year, the holding Company has reimbursed the Stock Option costs classified under deemed equity to the Ultimate Holding Company pursuant to agreement executed between the holding Company and Ultimate Holding Company.

**(8)** During the year ended 31 March 2023, on 06 April 2022 the Holding Company has allotted 29,35,263 Series A OCRPS of ₹ 10 each as bonus shares on selective basis of an aggregate nominal value of ₹ 293.53 lakhs credited as fully paid up bonus shares to the one of the Promoter out of the Securities Premium Account.

**(9)** Equity instruments designated at fair value through other comprehensive income

It represents the gains/(losses) arising on revaluation of the equity instruments designated at fair value through OCI.

| 29 | Interest income (on financial assets measured at amortised cost) | Year ended 31 March 2023 |
|---|---|---|
| | Interest on loans (Refer Note 45) | 48,380.99 |
| | Interest income from investments | 5,110.41 |
| | Interest on deposits with banks | 177.39 |
| | **Total** | **53,668.79** |

| 30 | Fee and commission income | Year ended 31 March 2023 |
|---|---|---|
| | Service and other fees (Refer Note 45) | 1,670.34 |
| | Subvention charges (Refer Note 45) | 7 47.13 |
| | **Total** | **2,417.47** |

| 31 | Net gain on fair value changes (on financial assets measured at FVTPL) | Year ended 31 March 2023 |
|---|---|---|
| | -On Mutual fund investments | 733.67 |
| | **Total** | **733.67** |
| | **Fair value changes:** | |
| | -Realised (Including reinvested) | 730.51 |
| | -Unrealised | 3.16 |
| | **Total** | **733.67** |

| 32 | Net gain on derecognition of financial instruments under amortised cost category | Year ended 31 March 2023 |
|---|---|---|
| | -On Debt Securities | 1 70.98 |
| | **Total** | **170.98** |

| 33 | Other income | Year ended 31 March 2023 |
|---|---|---|
| | Interest on income tax refund | 9.99 |
| | Excess liabilities written back | 48.60 |
| | **Total** | **58.59** |

# Notes forming part of the Ind AS consolidated statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

| 34 | Finance costs (on financial liabilities measured at amortised cost) | Year ended 31 March 2023 |
|---|---|---|
| | **Interest expenses on:** | |
| | | |
| | **Borrowings:** | |
| | -On Loans from banks | 10,120.38 |
| | -On Loans from financial institutions* | 4,901.95 |
| | | |
| | **Debt securities** | |
| | -On Debentures | 3,058.57 |
| | -On Commercial paper | 114.22 |
| | | |
| | **Others:** | |
| | -On margin money | 1 31.23 |
| | -On lease liability | 6.80 |
| | **Total** | **18,333.15** |

*includes premium on principal only swaps on foreign currency loans to ₹ 241.26 lakhs

| 35 | Impairment on financial instruments | Year ended 31 March 2023 |
|---|---|---|
| | **Impairment on financial instruments measured at amortised cost** | |
| | Impairment allowance on loans (Refer Note 51) | 1,911.87 |
| | Impairment allowance on investment | 39.60 |
| | Loss on financial assets written off | 823.15 |
| | [Net off recovery ₹ 76.91 lakhs] | |
| | **Total** | **2,774.62** |

| 36 | Employees benefit expense | Year ended 31 March 2023 |
|---|---|---|
| | Salaries and wages (Refer Note 45) | 5,764.15 |
| | Contribution to provident and other fund (Refer note 42(a)) | 137.79 |
| | Share based payment to employees (Refer note 45, 48.1 & 48.2) | 1,719.50 |
| | Gratuity (refer note 42(b), 42(d)) | 134.70 |
| | Staff welfare expense | 42.80 |
| | **Total** | **7,798.94** |

# Notes forming part of the Ind AS consolidated statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

| 37 | Depreciation, amortisation and impairment expense | Year ended 31 March 2023 |
|---|---|---|
| | Depreciation on property, plant and equipment | 57.78 |
| | Amortisation of intangible assets | 0.61 |
| | Depreciation on Right to use asset | 20.97 |
| | Impairment of non-financial assets | 18.60 |
| | **Total** | **97.96** |

| 38 | Other expenses | Year ended 31 March 2023 |
|---|---|---|
| | Rates and taxes | 240.32 |
| | Rent and energy costs | 9.36 |
| | Communication costs | 20.75 |
| | Printing and stationery | 8.13 |
| | Auditor remuneration: (Net of GST) | |
| | - For statutory audit | 24.10 |
| | - For limited review | 9.00 |
| | - For tax audit | 3.00 |
| | - For other certification and reporting | 4.50 |
| | Legal and professional (Refer Note 45) | 306.33 |
| | Insurance | 53.54 |
| | Travelling and conveyance (Refer Note 45) | 431.03 |
| | Information technology expenses (Refer Note 45) | 279.32 |
| | Corporate Social Responsibility | 120.00 |
| | Business auxiliary services (Refer Note 45) | 379.15 |
| | Bank charges | 3.09 |
| | Directors' sitting fees | 14.75 |
| | Miscellaneous | 31.55 |
| | **Total** | **1,937.92** |

## 39 Income tax expense

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

| Particulars | Year ended 31 March 2023 |
|---|---|
| **Current tax** | |
| In respect of the current year | 7,077.48 |
| | **7,077.48** |

## Notes forming part of the Ind AS consolidated statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

| | |
|---|---|
| **Deferred tax charge/ (benefits)** | **(721.72)** |
| In respect of the current year | (721.72) |

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

| Particulars | Year ended 31 March 2023 |
|---|---|
| Profit before tax | 26,106.91 |
| Domestic tax rate | 25.168% |
| **Expected tax expense [A]** | **6,570.59** |
| Tax effect of adjustments to reconcile expected income tax expense | |
| Corporate Social responsibility expenses not allowable for tax purpose | 30.20 |
| Relating to origination and reversal of temporary differences | (196.54) |
| Net Addition/deduction u/s 36(i)(viia) | 146.83 |
| Non deductible expenses | (195.32) |
| Others | - |
| **Total adjustments [B]** | **(214.83)** |
| | |
| **Actual tax expense [C=A+B]** | **6,355.76** |
| Tax expense comprises: | |
| Current tax expense | 7,077.48 |
| Deferred tax credit | (721.72) |
| **Tax expense recognized in profit or loss [D]** | **6,355.76** |

### Income tax expense recognized in other comprehensive income

| Particulars | Year ended 31 March 2023 |
|---|---|
| Income tax relating to remeasurement gains/(losses) on defined benefit plans | (14.05) |
| Income tax relating to Gains from investments in equity instruments designated at fair value | (3.18) |
| Income Tax relating to derivative instruments in Cash flow hedge relationship | 73.16 |
| | **55.93** |
| **Bifurcation of the income tax recognised in other comprehensive income into:-** | |
| Items that will not be reclassified to profit or loss | (17.23) |
| Items that will be reclassified to profit or loss | 73.16 |
| | **55.93** |

# Notes forming part of the Ind AS consolidated statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

## 40 Earnings per share

| Particulars | Year ended 31 March 2023 |
|---|---|
| a) Basic earnings ₹ per share | 29.20 |
| b) Diluted earnings ₹ per share | 27.91 |

During the year, on 06 April 2022 the Holding Company has issued 29,35,263 Series A OCRPS of ₹ 10 each as bonus shares on selective basis of an aggregate nominal value of ₹ 293.53 lakhs credited as fully paid up bonus shares to the one of the Promoter of the Holding Company out of the Securities Premium Account. Accordingly, basic and diluted earnings per share has been calculated based on the weighted average number of shares outstanding in the current and previous year, as adjusted by issuance of OCRPS.

### c. Reconciliations of earnings used in calculating earnings per share

| Particulars | Year ended 31 March 2023 |
|---|---|
| **Basic earnings per share** | |
| Profits attributable to the equity holders of the holding company used in calculating basic earnings per share | 19,732.37 |
| **Diluted earnings per share** | |
| Profit attributable to the equity holders of the holding company used in calculating diluted earnings per share | 19,732.37 |

### d. Weighted average number of shares used as the denominator

| Particulars | Year ended 31 March 2023 |
|---|---|
| Weighted average number of equity shares used as the denominator in calculating basic earnings per share | 67,565,360 |
| Adjustments for calculation of diluted earnings per share | 3,143,331 |
| Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share | 70,708,691 |

## 41 Change in liabilities arising from financing activities

| Particulars | Debt securities | Borrowings (Other than debt securities) | Total |
|---|---|---|---|
| **As at 01 April 2022** | **39,131.54** | **162,347.19** | **201,478.73** |
| | | | |
| **Cash flows:** | | | |
| Proceeds from debt securities/borrowings | 6,901.38 | 468,250.73 | 475,152.11 |
| Repayment of debt securities/borrowings | (18,729.89) | (345,919.42) | (364,649.31) |
| **As at 31 March 2023** | **27,303.03** | **284,678.50** | **311,981.53** |

# Notes forming part of the Ind AS consolidated statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

## 42 Disclosures under Ind AS 19 (Employee benefits)

### a. Defined contribution plans:

The Group 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 Group 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 31 March 2023 |
|---|---|
| Contribution to employees provident fund | 134.28 |
| Contribution to employee state insurance schemes | 3.51 |
| **Total** | **137.79** |

### b. Defined benefit plans

The Holding Company operates a funded gratuity benefit plan wherein every employee is entitled to a benefit equivalent to 15/26 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 trust named "Oxyzo Financial Services Private Limited Employee Group Gratuity Trust" was formed on 25 March 2022, approval of which from Income Tax department is receive don 24 March 2023 w.e.f 25 March 2022. Currently, Holding Company manages employee gratuity fund and have fund policy with LIC.
The gratuity plan of the Holding Company is funded gratuity plan. These plans typically expose the Holding 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 ₹ 20,00,000). |

# Notes forming part of the Ind AS consolidated statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

| | |
|---|---|
| Asset Liability Mismatching or Market Risk | The duration of the liability is longer compared to duration of assets,exposing the Company to market risk for volatilities/fall in interest rate. |
| Investment Risk | The probability or likelihood of occurrence of losses relative to the expected return on any particular |

The most recent actuarial valuation of the present value of the defined benefit obligation were carried out as at 31 March 2023 by Ms. Vichitra Malhotra (FIAI M.No. 10336), 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<br>As at 31 March 2023 |
|---|---|
| Discount rate (per annum) | 7.45% |
| Salary growth rate (per annum) | 9.00% |
| Retirement age | 60 Years |
| Withdrawal rate based on age: (per annum) | |
| Upto 30 years | 9.44% |
| 31-44 years | 5.71% |
| Above 44 years | 0.00% |
| In service mortality | IALM 2012-14 |

## Assets and Liability (Balance Sheet Position)

| Particulars | Gratuity<br>As at 31 March 2023 |
|---|---|
| Present Value of Obligation | 374.09 |
| Less: Fair Value of Plan Assets | 167.30 |
| **Net Asset / (Liability)** | **206.79** |

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

| Particulars | Gratuity<br>Year ended 31 March 2023 |
|---|---|
| Current service cost | 116.41 |
| Net interest cost/ (Income) on the Net Defined Benefit/(Liability)/Asset | 16.36 |
| Component of defined benefit cost recognised in Other comprehensive Income | 132.77 |

# Notes forming part of the Ind AS consolidated statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

| | |
|---|---|
| **Remeasurement on the net defined benefit liability:** | |
| Actuarial (gains)/ losses arising from changes in demographic assumptions | (16.70) |
| Actuarial (gains)/ losses arising from changes in financial assumptions | (12.66) |
| Actuarial (gains)/ losses arising from experience adjustment | (25.24) |
| Return on plan assets , excluding amount recognised in net interest expense | (1.21) |
| **Component of defined benefit cost recognised in Other comprehensive Income** | **(55.81)** |

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.

## Changes in the Fair Value of Plan Assets

| Particulars | Gratuity |
|---|---|
| | As at 31 March 2023 |
| **Fair Value of Plan Assets as at the beginning** | **67.47** |
| Investment Income | 4.92 |
| Employer's Contribution | 93.70 |
| Return on plan assets , excluding amount recognised in net interest expense | 1.21 |
| Transfer In / (Out) | - |
| **Fair Value of Plan Assets as at the end** | **167.30** |

## Movements in the present value of the defined benefit obligation are as follows :-

| Particulars | Gratuity |
|---|---|
| | Year ended 31 March 2023 |
| Present value of obligation as at the beginning | **280.82** |
| Current service cost | 116.41 |
| Interest cost | 21.28 |
| Re-measurement (or Actuarial) (gain) / loss arising from: | |
| - changes in demographic assumptions | (16.70) |
| - changes in financial assumptions | (12.66) |
| - experience adjustment | (25.24) |
| Benefits paid | (0.75) |
| Transfer in/(out) | 10.93 |
| **Present value of obligation as at the end** | **374.09** |

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 year, while holding all other assumptions constant.

# Notes forming part of the Ind AS consolidated statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

| Particulars | 31 March 2023 | |
|---|---|---|
| | Decrease | Increase |
| Discount Rate (-/+ 1%) | 440.56 | 321.38 |
| (% change compared to base due to sensitivity) | 17.80% | -14.10% |
| | | |
| Salary Growth Rate (-/+ 1%) | 335.58 | 414.42 |
| (% change compared to base due to sensitivity) | -10.30% | 10.80% |
| | | |
| Attrition Rate (-/+ 50% of attrition rates) | 389.22 | 360.93 |
| (% change compared to base due to sensitivity) | 4.00% | -3.50% |
| | | |
| Mortality Rate (-/+ 10% of mortality rates) | 374.00 | 374.20 |
| (% change compared to base due to sensitivity) | 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 | Gratuity |
|---|---|
| | As at 31 March 2023 |
| **Weighted average duration (based on discounted cashflows)** | 17 Years |
| **Expected cash flows over the next (valued on undiscounted basis):** | |
| 1 year | 15.61 |
| 2-5 years | 88.80 |
| 6-10 years | 109.72 |
| More than 10 years | 1,464.54 |

### c. Other long-term benefits:

Provision for unfunded Compensated Absences for all employees is based upon actuarial valuations carried out at the end of every financial year. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. Pursuant to the issuance of the Indian Accounting Standard (IndAS) 19 on ‘Employee Benefits’, commitments are actuarially determined using the ‘Projected Unit Credit’ Method. Gains and losses on changes in actuarial assumptions

## Notes forming part of the Ind AS consolidated statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

| | |
|---|---|
| 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 benefit 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 above 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. |

### Assets and Liability (Balance Sheet Position)

| Particulars | Leave |
|---|---|
| | As at 31 March 2023 |
| Present Value of Obligation | 99.87 |

Bifurcation of Present Value of Obligation at the end of the year as per revised ScheduleIII of the Companies Act, 2013

| Particulars | As at 31 March 2023 |
|---|---|
| Current Liability (Short term) | 6.17 |
| Non-Current Liability (Long term) | 93.70 |
| **Present Value of Obligation as at the end** | **99.87** |

### Expense Recognised in Income Statement

| Particulars | As at 31 March 2023 |
|---|---|
| Expense Recognised in Income Statement | 19.65 |
| **Expense Recognised in Income Statement** | **19.65** |

# Notes forming part of the Ind AS consolidated statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

## Demographic Assumptions

The principal demographic assumptions used in the valuation are shown in the table below

| Principal assumptions: | Leave |
|---|---|
| | As at 31 March 2023 |
| Mortality Rate | 100% of IALM 2012-14 |
| Normal retirement age | 60 Years |
| Attrition / Withdrawal rates, based on age: (per annum) | |
| Upto 30 years | 9.44% |
| 31-44 years | 5.71% |
| Above 44 years | 0.00% |
| Rate of Leave Availment (per annum) | 0.00% |
| Rate of Leave Encashment during employment (per | 0.00% |

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 period, while holding all other assumptions constant.

| Particulars | 31 March 2023 | |
|---|---|---|
| | Decrease | Increase |
| Discount Rate (-/+ 1%) | 118.32 | 85.38 |
| (% change compared to base due to sensitivity) | 18.50% | -14.50% |
| | | |
| Salary Growth Rate (-/+ 1%) | 85.44 | 117.84 |
| (% change compared to base due to sensitivity) | -14.40% | 18.00% |
| | | |
| Attrition Rate (-/+ 50% of attrition rates) | 107.02 | 94.89 |
| (% change compared to base due to sensitivity) | 7.20% | -5.00% |
| | | |
| Mortality Rate (-/+ 10% of mortality rates) | 99.93 | 99.80 |
| (% change compared to base due to sensitivity) | 0.10% | -0.10% |

## 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.

(All amounts in Lakhs of ₹ unless otherwise stated)

### Other disclosures

### Maturity profile of defined benefit obligation

| Particulars | As at 31 March 2023 |
|---|---|
| **Weighted average duration (based on discounted cashflows)** | **17 Years** |
| **Expected cash flows over the next (valued on undiscounted basis):** | |
| 1 year | 6.17 |
| 2-5 years | 22.61 |
| 6-10 years | 24.73 |
| More than 10 years | 424.13 |

### (d) Amounts recognised in statement of profit and loss in respect of unfunded plans in subsidiary are as follows :-

| Particulars | As at 31 March 2023 |
|---|---|
| Ziel Financial Technologies Private Limited | 1.63 |
| Zfirst Technologies Private Limited | 0.30 |
| **Component of defined benefit cost recognised in profit or loss** | **1.93** |

In respect of subsidiary companies, the management of the respective subsidiary companies have determined the estimate towards gratuity obligation based on the actual liability basis determined in line with the requirement of Payment of Gratuity Act. The management of the holding company has relied upon the above estimation and no adjustment has been made in the Consolidated Financial Statements in accordance with the group policy as the above amount is immaterial to the group in the opinion of management of the holding company.

## 43 Segment reporting

The Group'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 Group does not have any geographic segments. The Group does not derives revenues, from any single customer, amounting to 10 percent or more of Group's revenues. As such, there are no separate reportable segments as per IND AS 108 “Segment Reporting”.

## 44 Cost allocation

The Holding Company has received allocation of common costs viz. rent, cost of utilities, payroll, technical support etc. on an appropriate basis, from its ultimate holding company, OFB Tech Private Limited and other group companies, pursuant to cost sharing arrangement between the group companies. (Refer Note 45)

Further, the Holding Company has also allocated common costs related to Payroll and other expenses to ultimate holding company, OFB Tech Private Limited, and Other group companies. (Refer Note 45)

## Notes forming part of the Ind AS consolidated statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

### 45 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 | Ultimate Holding company |
| OFG Manufacturing Businesses Private Limited (Formerly known as Ofcons Projects And Services Private Limited) | Fellow subsidiary company |
| Oagri Farm Private Limited | Fellow subsidiary company |
| Samruddhi Organic Farm (India) Private Limited | Fellow subsidiary company |
| E-Mox Manufacturing 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 (till 13 May 2022) |
| Praveen Kumar Bhambani | Independent director (w.e.f 06 August 2022) |
| Rohit Kapoor | Independent director |
| Brij Kishore Kiradoo | Company Secretary (till 17 May 2022) |
| Pinki Jha | Company Secretary (w.e.f 26 May 2022) |

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

| Particulars | Nature of transaction | Year ended 31 March 2023 |
|---|---|---|
| OFB Tech Private Limited | Purchase of property, plant and equipment | 33.76 |
| | Sale of property, plant and equipment | 37.21 |
| | Business auxiliary services (cost allocation received) | 380.31 |
| | Business auxiliary services (cost allocation made) | 0.26 |
| | Employee costs and reimbursements (cost allocation received)* | 33.40 |
| | Employee costs and reimbursements (cost allocation made)# | 561.30 |
| | Tech Support Services (cost allocation received) | 157.47 |
| | Interest and subvention Income (Net of expenses) | 1,670.97 |
| | Travelling and other expeses (cost allocation received) | 30.79 |
| | Travelling and other expeses (cost allocation made) | 5.93 |
| | Gratuity and leave encashment recoverable | 29.40 |
| | Gratuity and leave encashment payable | 18.10 |

## Notes forming part of the Ind AS consolidated statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

| | | |
|---|---|---|
| | Payment on behalf of borrowers | 159,464.50 |
| | Employee stock options (cost allocation received) | 1 ,191.32 |
| | Prepaid Insurance (on allocation basis) | 31.21 |
| | Debt arrangement and facilitation fee | 12.00 |
| OFG Manufacturing Businesses Private Limited (Formerly known as Ofcons Projects And Services Private Limited) | Business auxiliary services (cost allocation made) | 1.84 |
| | Loan Repaid | 99.96 |
| | Purchase of property, plant and equipment | 0.39 |
| | Sale of property, plant and equipment | 3.47 |
| | Interest and other income | 10.88 |
| | Gratuity and leave encashment recoverable | 4.93 |
| | Gratuity and leave encashment payable | 1.18 |
| E-Mox Manufacturing Private Limited | Interest and other income | 11.62 |
| | Loan Given | 134.11 |
| | Loan Repaid | 359.84 |
| Oagri Farm Private Limited | Business auxiliary services (cost allocation made) | 0.58 |

| | | |
|---|---|---|
| Ruchi Kalra | Managerial remuneration | 21.41 |
| | Reimbursement | 4.24 |
| | Post employment benefits | 4.64 |
| | Optionally convertible redeemable preference shares | 293.53 |
| | | **323.82** |
| Vasant Sridhar | Managerial remuneration | 34.94 |
| | Reimbursement | 4.74 |
| | Fair Value of Employee Stock Option | 267.67 |
| | Post employment benefits | 4.64 |
| | Keyman Insurance Policy | 0.50 |
| | | **312.49** |
| Brij Kishore Kiradoo | Remuneration | 6.96 |
| | | 6.96 |
| Pinki Jha | Remuneration | 29.45 |
| | Reimbursement | 4.27 |
| | Fair Value of Employee Stock Option | 13.72 |
| | Post employment benefits | 1.67 |

# Notes forming part of the Ind AS consolidated statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

| | | |
|---|---|---|
| | | 49.11 |
| Sathyan David | Directors sitting fees | 9.00 |
| Praveen Kumar Bhambani | Directors sitting fees | 3.00 |
| Rohit Kapoor | Directors sitting fees | 2.75 |

* Includes KMP salary cross charged amounting ₹ 33.26 Lakhs
# Includes KMP salary cross charged amounting ₹ 10.37 Lakhs

### Balance outstanding at year end

| Name of related party | Nature | Year ended 31 March 2023 |
|---|---|---|
| OFB Tech Private Limited | Payables | 917.43 |
| | Payable- loan pending disbursement | 5,952.44 |
| | | |
| OFG Manufacturing Businesses Private Limited (Formerly known as Ofcons Projects And Services Private Limited) | Receivable | 9.10 |
| | Receivable against loan given | 130.88 |
| | | |
| Oagri Farm Private Limited | Payable | 0.69 |

Guarantee given to lenders by ultimate holding Company for Loan outstanding as at 31 March 2023 ₹ 11,604.38 lakhs

### 46. Capital

The Holding 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 Holding Company's capital is monitored using, among other measures, the regulations issued by RBI.

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

### 46.1 Capital management

The capital management objectives of the Holding Company are:
- to ensure that the Holding 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 Holding 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 Holding Company in order to maintain an efficient overall financing structure. This takes into account the subordination levels of the Holding Company's various classes of debt. The Holding 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 Holding 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 Holding Company has a target gearing ratio of 3.00 to 3.50 determined as a proportion of net debt to total equity.

# Notes forming part of the Ind AS consolidated statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

### 47. Financial instruments

### 47.1 Financial instruments by category and fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:
(a) recognised and measured at fair value and
(b) measured at amortised cost and for which fair values are disclosed in the financial statements.
To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

| As at 31 March 2023 | Carrying amount | | | | Fair Value | | |
|---|---|---|---|---|---|---|---|
| **Particulars** | **FVTPL** | **FVTOCI** | **Amortised Cost** | **Total** | **Level 1** | **Level 2** | **Level 3** |
| **Financial Assets** | | | | | | | |
| Cash and cash equivalents* | - | - | 10,122.12 | 10,122.12 | - | - | - |
| Bank balances other than above* | - | - | 3,432.74 | 3,432.74 | - | - | - |
| Derivative financial instruments | - | 231.10 | - | 231.10 | - | 231.10 | - |
| Trade Receivables* | - | - | 171.11 | 171.11 | - | - | - |
| Loans | - | - | 467,159.48 | 4 67,159.48 | - | - | 467,159.48 |
| Investments | - | - | 74,513.27 | 74,513.27 | 1 53.16 | - | 74,360.11 |
| Other financial assets* | - | - | 78.93 | 78.93 | - | - | - |
| **Total financial assets** | **-** | **231.10** | **555,477.65** | **555,708.75** | **153.16** | **231.10** | **541,519.59** |
| | | | | | | | |
| **Financial liabilities** | | | | | | | |
| Derivative financial instruments | - | 0.76 | - | 0.76 | - | 0.76 | - |
| Trade payables* | - | - | 432.29 | 432.29 | - | - | - |
| Other payables* | - | - | 1,009.57 | 1,009.57 | - | - | - |
| Debt Securities | - | - | 27,303.03 | 27,303.03 | - | 27,303.03 | - |
| Borrowings (Other than debt securities) | - | - | 285,441.80 | 285,441.80 | - | - | 285,441.80 |
| Other financial liabilities* | - | - | 12,623.64 | 12,623.64 | - | - | - |
| **Total financial liabilities** | **-** | **0.76** | **326,810.33** | **326,811.09** | **-** | **27,303.79** | **285,441.80** |

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

(All amounts in Lakhs of ₹ unless otherwise stated)

### 47.2 Valuation framework

The group 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. The group measures fair values using fair value hierarchy, which reflects the significance of the inputs used in making the measurements. Refer note 2.13 for details on fair value measurement and hierarchy.

The group uses suitable valuation models to determine the fair value of common and simple financial instruments, that use only observable market data and require little management judgement and estimation.

**Loans:** The fair value of loan and advances are estimated by discounted cash flow models and using Effective Interest Rate (EIR) method. Fair value is then reduced by the impairment loss allowance on loans which is already calculated incorporating probability of default and loss given defaults..

**Debt securities, borrowings (other than debt securities):** The fair values of the group's borrowings and other debt securities are calculated based on a discounted cash flow model and for the purpose of disclosures debt securities are classified under Level 2 and borrowings (other than debt securities) are classified under Level 3 and are measured at amortised cost using Effective Interest Rate (EIR) method. The discount rates were based on the available interest rates in the market.

**Investments:** Investment in debt securities is recorded at discounted cash flow models and using Effective Interest Rate (EIR) method. Fair value in other Investment is based on the information available from external sources such as market-observable including secondary market prices or NAV and where no data is available, it is estimated using prevailing rate on balance sheet date. Management believes that the carrying value of the investments approximates the fair value.

There were no transfers between levels during the year.

### 48.1 Share based payments

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

OFB Tech Private Limited ('OFB'), the ultimate 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. From 08 April 2016 to 31 March 2018, the options expire within 7 years from the date of last vesting and from 01 April 2018 onwards, the options expire within 3 years from the date of last vesting.

Pursuant to incorporation of the Holding Company, certain employees of OFB were transferred to the Holding Company. To align the interest of employees, it was determined that transferred employees of the Holding Company may continue to participate in the ESOP 2016 Plan of OFB and accordingly they are entitled to shares of OFB.Further the plan has been extended to the employees of the Holding Company by the ultimate holding company.

| Particulars | Grant Date | Number of options |
|---|---|---|
| Grant-I (FY 16-17) | 08-Apr-16 | 721,140 |
| Grant-II to Grant-IV (FY 17-18) | 08-Apr-17 to 28-Feb-18 | 1,972,530 |
| Grant-V to Grant-VI (FY 18-19) | 02-Jul-18 to 05-Jul-18 | 2,417,940 |
| Grant-VII to Grant-X (FY 19-20) | 01-Apr-19 to 05-Jul-19 | 3,287,550 |
| Grant-XII to Grant-XIII (FY 20-21) | 01-Oct-20 to 01-Mar-21 | 3,287,550 |
| Grant-XIV to Grant XXV (FY 21-22) | 01-Apr-21 to 01-Jan-22 | 6,327,367 |
| Grant-XXVIII to Grant XXXX (FY 22-23) | 01-Apr-22 to 01-Mar-2023 | 2,831,457 |

# Notes forming part of the Ind AS consolidated statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

Vesting Period - As determined by Compensation Committee subject to minimum of 1 year and maximum of 4 years from the grant date.
Exercise Period - The options vest at various dates over the period of one to four year from the date of grant. From 08 April 2016 to 31 March 2018, the options expire within 7 years from the date of last vesting and from 01 April 2018 onwards, the options expire within 3 years from the date of last vesting.
Exercise Price - Exercise price shall be determined by Compensation Committee and specified in Grant letter's but it shall not be less than the face value of shares of the Company.
Vesting Conditions - Vesting of option is a function of achievement of performance criteria or any other criteria as specified by Compensation committee and communicated in the grant letter. Further, the vesting takes place on staggered basis over the respective vesting period.

| Particulars | For the year ended 31 March 2023 |
|---|---|
| Expense arising from share-based payment transactions (Refer note 36) | 1,191.32 |
| **Total expense arising from share-based payment transactions recognised in Statement of Profit and Loss** | **1,191.32** |

**The details of activity under the ESOP Plans have been summarised below:**

| Particulars | 31 March 2023 | |
|---|---|---|
| | Shares arising out of Options | Weighted average exercise price (in Rs.) |
| Outstanding at the beginning of the year | 12,589,408 | 45.64 |
| Granted during the year | 2,831,457 | 302.59 |
| Exercised during the year | (65,753) | (26.28) |
| Forfeited during the year ^ | (116,188) | (70.96) |
| Outstanding at the end of the year | 15,238,923 | 93.27 |
| Exercisable at the end of the year | 4,692,464 | 77.98 |
| Weighted average remaining contractual life of the options outstanding at the end of the year** | 6.05 Years | |

^ Unvested options forfeited in accordance with terms prescribed under the respective ESOP Schemes.
**Includes 318,150 numbers of ESOP expired but has not been forfeited by the ultimate holding company.

## Fair value of options granted

The weighted average fair value of stock options granted during the year pertaining to ESOP 2016 plan is ₹ 60.19 (previous year ₹ 15.22). The fair value at grant date is determined using the Black-Scholes model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. The following tables list the inputs used for fair valuation of options for the ESOP plans.

# Notes forming part of the Ind AS consolidated statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

| Particulars | For options granted during the year 31 March 2023 |
|---|---|
| Dividend yield (%) | 0.0% |
| Expected volatility (%) | 44.3%-44.5% |
| Risk free interest rate (%) | 7.4% -7.5% |
| Expected life of share options (in years) | 4.85 |
| Fair value of options at grant date (in Rupees) | 58.88-132.20 |
| Fair value of share at grant date (in Rupees) | 18.12-20.24 |
| Exercise price (in Rupees) | 76.74-347.21 |

## 48.2 Share based payments

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

Oxyzo Financial Services Private Limited ('Oxyzo'), the Holding Company, had framed an Oxyzo Stock Options Plan, 2021 ('ESOP 2021 Plan'), which was duly approved by the Shareholder of the Oxyzo in the Extraordinary General Meeting held on 22 November 2021, created an ESOP pool and further expanded the same in the Extraordinary General Meeting held on 10 March 2022. ESOP 2021 Plan will be administered by Compensation committee and in the absence of such committee Board of Directors of the Oxyzo shall ensure the administration of the ESOP 2021 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. All vested options not exercised as per exercise period shall lapse.

| Particulars | Grant Date | Number of options |
|---|---|---|
| Grant-I | 03 January 2022 | 2,132,651 |
| Grant-II | 06 April 2022 | 280,709 |

Vesting Period - As determined by Compensation Committee subject to minimum of 1 year and maximum of 4 years from the grant date.
Exercise Period - The options vest at various dates over the period of one to four year from the date of grant. All vested options not exercised as per exercise period shall lapse.
Exercise Price - Exercise price shall be determined by Compensation Committee and specified in Grant letter's but it shall not be less than the face value of shares of the Company.
Vesting Conditions - Vesting of option is a function of achievement of performance criteria or any other criteria as specified by Compensation committee and communicated in the grant letter. Further, the vesting takes place on staggered basis over the respective vesting period

| Particulars | For the year ended 31 March 2023 |
|---|---|
| Expense arising from share-based payment transactions (Refer note 36) | 528.18 |
| **Total expense arising from share-based payment transactions recognised in Statement of Profit and Loss** | **528.18** |

### The details of activity under the ESOP Plans have been summarised below:

# Notes forming part of the Ind AS consolidated statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

| Particulars | 31 March 2023 | |
|---|---|---|
| | Shares arising out of Options | Weighted average exercise price (in Rs.) |
| Outstanding at the beginning of the year | 2,132,651 | 650 |
| Granted during the year | 280,709 | 1,042 |
| Outstanding at the end of the year | 2,413,360 | 696 |
| Weighted average remaining contractual life of the options outstanding at the end of the year | 3.4 years | |

## Fair value of options granted

The weighted average fair value of stock options granted during the year pertaining to ESOP 2022 plan is ₹ 86.10 (previous year ₹ 50.80). The fair value at grant date is determined using the Black-Scholes model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. The following tables list the inputs used for fair valuation of options for the ESOP plans.

| Particulars | For options granted during the year |
|---|---|
| | 31 March 2023 |
| Dividend yield (%) | 0.0% |
| Expected volatility (%) | 39.00% |
| Risk free interest rate (%) | 5.90% |
| Expected life of share options (in years) | 3.4 |
| Fair value of options at grant date (in Rupees) | 86.10 |
| Exercise price (in Rupees) | 1,042.00 |

## 49 The consolidated financial statements include the financial statements of the Holding Company and its subsidiaries. OFB Tech Private Limited is the ultimate Holding Company of the Group.

### Significant subsidiaries of the Company are:

| Name of Subsidiary* | Country of incorporation | % equity interest |
|---|---|---|
| | | 31 March 2023 |
| OXY Ventures Private Limited | India | 100% |
| OXY B Securities Private Limited | India | 100% |
| Oxyzo Investment Manager Private Limited | India | 100% |
| OXY Finvest Private Limited | India | 100% |
| Ziel Financial Technologies Private Limited | India | 100% |
| Zfirst Technologies Private Limited* | India | 34.43% |

*Holding Company hold 34.43% stake in ZFirst Technologies Private Limited on diluted basis. As per Ind AS, by virtue of control, the Holding Company has classified ZFirst Technologies Private Limited as subsidiary company.

# Notes forming part of the Ind AS consolidated statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

### 50 Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements

| Name of the entity in the Group | Net assets .i.e. total assets minus total liabilities | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | 31 March 2023 | | 31 March 2023 | | 31 March 2023 | | 31 March 2023 | |
| | As % of consolidated net assets | Amount (Rs. in lakhs) | As % of consolidated net assets | Amount (Rs. in lakhs) | As % of consolidated other comprehensive income | Amount (Rs. in lakhs) | As % of total comprehensive income | Amount (Rs. in lakhs) |
| **Holding Company** | | | | | | | | |
| Oxyzo Financial Services Private Limited | 99.91% | 229,732.59 | 99.49% | 19,650.51 | 118.50% | (175.77) | 99.35% | 19,474.74 |
| **Subsidiaries** | | | | | | | | |
| **Indian** | | | | | | | | |
| OXY Ventures Private Limited | 0.28% | 632.95 | 2.05% | 405.51 | -18.50% | 27.44 | 2.21% | 432.95 |
| OXY B Securities Private Limited | 0.00% | 4.44 | 0.00% | (0.66) | 0.00% | - | 0.00% | (0.66) |
| Oxyzo Investment Manager Private Limited | 0.00% | 3.29 | -0.03% | (6.81) | 0.00% | - | -0.03% | (6.81) |
| OXY Finvest Private Limited | 0.00% | (0.30) | 0.00% | (0.40) | 0.00% | - | 0.00% | (0.40) |
| Ziel Financial Technologies Private Limited | 0.21% | 475.10 | -1.63% | (321.64) | 0.00% | - | -1.64% | (321.64) |
| Zfirst Technologies Private Limited | 0.07% | 169.60 | 0.05% | 9.86 | 0.00% | - | 0.05% | 9.86 |
| | | | | | | | | |
| Non controlling interest | 0.14% | 322.90 | 0.10% | 18.78 | 0.00% | - | 0.10% | 18.78 |
| | | | | | | | | |
| Inter company Elimination | -0.61% | (1,411.32) | -0.02% | (4.00) | 0.00% | - | -0.02% | (4.00) |
| | | | | | | | | |
| **Total** | **100.00%** | **229,929.25** | **100.00%** | **19,751.15** | **100.00%** | **(148.33)** | **100.00%** | **19,602.82** |

# Notes forming part of the Ind AS consolidated statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

## 51 Financial risk management

### i) Risk Management

Risk is an integral part of the Holding Company's business and sound risk management is critical to the success. As a financial company, the Holding 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 Holding 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 Holding 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 Holding 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.

| Risk | Exposure arising from | Measurement | Management |
|---|---|---|---|
| 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 group. The Group 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 Holding 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:

| Particulars | Balance as at March 31,2023 |
|---|---|
| Loans | 467,159.48 |
| Investments | 74,513.27 |
| Trade Receivables | 171.11 |
| Cash and cash equivalents | 10,122.12 |
| Other bank balances | 3,432.74 |
| Other financials asset | 78.93 |

The Holding 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 Holding 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

# Notes forming part of the Ind AS consolidated statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

### Expected credit loss for loans

In order to mitigate the impact of credit risk in the future profitability, the Holding 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 Group'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 Holding 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 Holding 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-montd PD in the given case) while Stage 3 assets are considered to have a 100% PD. (Refer Note 2.14)

### Loss Given Default ('LGD')

Loss given default (LGD) represents estimated financial loss the Group 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 Holding 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 Holding 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.
The ECL is computed as a product of PD, LGD and EAD.

### Collateral and other credit enhancements

Financial instruments are not considered to have low credit risk when they are regarded as having a low risk of loss simply because of the value of collateral and the financial instrument without that collateral would not be considered low credit risk. Financial instruments are also not considered to have low credit risk simply because they have a lower risk of default than the entity’s other financial instruments or relative to the credit risk of the jurisdiction within which an entity operates.
The loan portfolio of the Holding 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.

# Notes forming part of the Ind AS consolidated statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

### Credit risk exposure and impairment loss allowance

| | As at March 31, 2023 | |
|---|---|---|
| | Exposure | Impairment allowance |
| Credit impaired loan assets (Default event triggered) (Stage 3) | 3 ,935.05 | 1 ,996.15 |
| Loan assets having significant increase in credit risk (Stage 2) | 14,918.65 | 677.82 |
| Other loan assets (Stage 1) | 455,063.71 | 2 ,301.02 |
| Impairment on account of COVID-19 | | - |
| **Total** | **473,917.41** | **4,974.99** |

An analysis of Expected credit loss rate* :

| | As at March 31, 2023 |
|---|---|
| Stage-1 | 0.51% |
| Stage-2 | 4.54% |
| Stage-3 | 50.73% |
| **Total** | **1.05%** |

* Expected credit loss rate is computed ECL divided by EAD

### Specific Provision

Holding 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.

### Reconciliation of gross carrying amount is given below:

### Security and terms of repayment for secured term loans from financial institutions^

| Particulars | 31 March 2023 | | | |
|---|---|---|---|---|
| | Stage-1 | Stage-2 | Stage-3 | Stage-4 |
| **Gross carrying amount opening balance** | **244,485.87** | **10,757.29** | **2,609.84** | **257,853.00** |
| New assets originated | 383,880.73 | 6,858.20 | 279.22 | 391,018.15 |
| Assets repaid (excluding write offs) | (165,678.83) | (7,696.67) | (685.69) | (174,061.19) |
| Transfers from Stage 1 | (9,755.27) | 7,964.85 | 1,790.42 | - |
| Transfers from Stage 2 | 2,204.34 | (3,146.29) | 941.95 | - |
| Transfers from Stage 3 | 0.00 | 259.70 | (259.70) | - |
| Settlement loss and bad debts written off | (73.13) | (78.43) | (740.99) | (892.55) |
| **Gross carrying amount closing balance** | **455,063.71** | **14,918.65** | **3,935.05** | **473,917.41** |

# Notes forming part of the Ind AS consolidated statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

### Reconciliation of ECL balance is given below:

### Security and terms of repayment for secured term loans from financial institutions^

| Particulars | 31 March 2023 | | | |
|---|---|---|---|---|
| | Stage-1 | Stage-2 | Stage-3 | Stage-4 |
| **ECL allowance opening balance** | **1,304.38** | **249.87** | **1,508.88** | **3,063.13** |
| New assets originated/change in ECL estimate | 2,325.15 | 551.59 | 1,489.52 | 4,366.26 |
| Assets repaid (excluding write offs) | (278.92) | (22.84) | 1,260.09) | (1,561.85) |
| Transfers from Stage 1 | (980.86) | 303.58 | 677.28 | - |
| Transfers from Stage 2 | 4.40 | (371.42) | 367.02 | - |
| Transfers from Stage 3 | 0.00 | 45.47 | (45.47) | - |
| Settlement loss and bad debts written off | (73.13) | (78.43) | (740.99) | (892.55) |
| **ECL allowance closing balance** | **2,301.02** | **677.82** | **1,996.15** | **4,974.99** |

* Excluded Rs. 7.51 lakhs related to sundry debtors written off by Zfirst Technologies Private Limited.

### Write off policy

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 Group 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.

### B) Liquidity risk

Liquidity risk arises as Holding Company has contractual financial liabilities that is required to be serviced and redeemed as per committed time-lines and in the business of lending where money is required for the disbursement and creation of financial assets to address the going concern of Holding Company. Liquidity risk management is imperative to Holding 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 Holding 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 Holding Company 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 31 March 2023, the net of expected cash inflows and outflows within 12 months are Rs. 198,892.15. Refer note 52 for Maturity analysis of assets and liabilities.

### 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.

# Notes forming part of the Ind AS consolidated statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

### Interest rate risk

The Holding 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 Holding Company to interest rate risk:

| Particulars | As at March 31, 2023 |
|---|---|
| Variable rate borrowing | 274,788.26 |
| Fixed rate borrowing | 3 7,781.35 |
| **Total borrowings** | **312,569.61** |

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

| Particulars | As at March 31, 2023 |
|---|---|
| **Interest sensitivity** | |
| Interest rates – increase by 100 basis points (31 March 2021: 100 bps) | 1,467.56 |
| Interest rates – decrease by 100 basis points (31 March 2021: 100 bps) | (1,467.56) |

### D) Foreign currency risk

There are no un-hedged liability or assets denominated in foreign currency with the Holding Company as at March 31, 2023.

### Security and terms of repayment for secured term loans from financial institutions^

| Particulars | Foreign Currency | Year Ended 31 March 2023 | | |
|---|---|---|---|---|
| | | Exchange Rate* | Amount in Foreign Currency in Lakhs | Amount |
| **I. Asset** | | | | |
| Receivables (trade & other) | N.A. | - | - | - |
| Other Monetary assets | N.A. | - | - | - |
| **Total Receivables (A)** | N.A. | - | - | - |
| Hedges by derivative contracts (B) | N.A. | - | - | - |
| **Unhedged receivables (C=A-B)** | N.A. | - | - | - |

(All amounts in Lakhs of ₹ unless otherwise stated)

| | | | | |
|---|---|---|---|---|
| **II. Liabilities** | | | | |
| Payables (trade & other) | USD | - | - | - |
| Borrowings (ECB and Others) | USD | 82.2148 | 65.00 | 5,343.96 |
| **Total Payables (D)** | USD | 82.2148 | 65.00 | 5,343.96 |
| Hedges by derivative contracts (E) | USD | 82.2148 | 65.00 | 5,343.96 |
| **Unhedged Payables F=D-E)** | USD | - | - | - |
| | | | | |
| **III. Contingent Liabilities and Commitments** | | | | |
| Contingent Liabilities | N.A. | - | - | - |
| Commitments | N.A. | - | - | - |
| **Total (G)** | N.A. | - | - | - |
| Hedges by derivative contracts(H) | N.A. | - | - | - |
| **Unhedged Payables (I=G-H)** | N.A. | - | - | - |
| | | | | |
| **Total unhedged FC Exposures (J=C+F+I)** | **N.A.** | **-** | **-** | **-** |

Note: For the above disclosure, Interest accrued on borrowings at respective year end has not been considered

## 52 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.

### Security and terms of repayment for secured term loans from financial institutions^

| Particulars | 31 March 2023 | | |
|---|---|---|---|
| | Within 12 months | After 12 months | Total |
| **ASSETS** | | | |
| **Financial assets** | | | |
| Cash and cash equivalents | 10,122.12 | - | 10,122.12 |
| Bank balances other than (a) above | 3,432.74 | - | 3,432.74 |
| Derivative financial instruments | | 231.10 | 231.10 |
| Trade Receivable | 171.11 | - | 171.11 |
| Loans* | 382,008.25 | 85,151.23 | 467,159.48 |
| Investments | 28,434.50 | 46,078.77 | 74,513.27 |
| Other financial assets | 61.73 | 17.20 | 78.93 |
| | | | |
| **Non-financial assets** | | | |
| Current tax assets (Net) | - | 392.09 | 392.09 |
| Deferred tax assets (Net) | - | 1,486.78 | 1,486.78 |
| Investment Property | - | 1 3.32 | 13.32 |
| Property, Plant and Equipment | - | 228.65 | 228.65 |

## Notes forming part of the Ind AS consolidated statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

| Particulars | 31 March 2023 | | |
|---|---|---|---|
| | Within 12 months | After 12 months | Total |
| Other intangible assets | - | 11.13 | 11.13 |
| Right to Use Asset | - | 154.88 | 154.88 |
| Goodwill on consolidation | - | 235.54 | 235.54 |
| Other non-financial assets | 96.42 | - | 96.42 |
| Non-current Assets held for sale | 118.00 | - | 118.00 |
| **Total Assets** | **424,444.87** | **134,000.69** | **558,445.56** |
| | | | |
| **LIABILITIES** | | | |
| **Financial liabilities** | | | |
| Derivative financial instruments | 0.76 | - | 0.76 |
| Trade Payables | | | |
| (i) Total outstanding dues to micro and small enterprises | 3.17 | - | 3.17 |
| (ii) Total outstanding dues of creditors other than micro and small enterprises | 429.12 | - | 429.12 |
| Other payables | | | |
| (i) Total outstanding dues to micro and small enterprises | - | - | - |
| (ii) Total outstanding dues of creditors other than micro and small enterprises | 1,009.57 | - | 1,009.57 |
| | | | |
| Debt securities | 13,576.85 | 13,726.18 | 27,303.03 |
| Borrowings (Other than debt securities) | 199,326.81 | 86,114.99 | 285,441.80 |
| Other financial liabilities | 9,788.57 | 2,835.07 | 12,623.64 |
| | | | |
| **Non-Financial Liabilities** | | | |
| Provisions | 21.24 | 287.35 | 308.59 |
| Current tax liabilities | 805.73 | - | 805.73 |
| Deferred tax liabilities (Net) | 3.18 | - | 3.18 |
| Other non-financial liabilities | 587.72 | - | 587.72 |
| **Total Liabilities** | **225,552.72** | **102,963.59** | **328,516.31** |
| **Net equity** | **-** | **-** | **229,929.25** |

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

### 53 Leases

**Group is a Lessee**

(a) The Group has lease contracts for various office premises used in its operations. Leases of office premises generally have lease terms between 1 to 3 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets The Group also has certain leases of office premises with lease terms of 12 months or less. The Group applies the short-term lease' recognition exemptions for these leases

(b ) Leases are shown as follows in the Consolidated balance sheet and profit & loss account

# Notes forming part of the Ind AS consolidated statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

**Carrying amounts of right-of-use assets recognised and the movements during the year.**

| Particulars | Building- Office premises | Total |
|---|---|---|
| Opening balance as at 1st April 2022 | - | - |
| Additions | 175.85 | 175.85 |
| Depreciation Expense | 20.97 | 20.97 |
| **Closing net carrying balance 31 March 2023** | **154.88** | **154.88** |

### Carrying amount of lease liabilities and movement during the year

| Particulars | As at 31 March 2023 |
|---|---|
| Opening balance as at 1st April 2022 | - |
| Additions | 175.85 |
| Accretion of Interest | 6.80 |
| Payments | 10.98 |
| Amount recognised in P/L for changes in lease payment on account of rent concession | - |
| **Closing net carrying balance 31 March 2023** | **171.67** |
| Current Liability (Short term) | 52.16 |
| Non-Current Liability (Long term) | 119.51 |
| **Closing net carrying balance 31 March 2023** | **171.67** |

### Amounts recognised in the Statement of Profit and Loss

| Particulars | As at 31 March 2023 |
|---|---|
| Depreciation expense of right of use assets | 20.97 |
| Interest expense on lease liabilities | 6.80 |
| Expense related to Short term lease | 8.83 |
| **Closing net carrying balance 31 March 2023** | **36.60** |

### 54 Disclosure in compliance with amendment in Schedule III (Division III) to the companies act, 2013 dated 24th March 2021

(i) The Group has not entered any transactions with companies that were struck off under section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

(ii) The Group is in compliance with number of layers of companies, as prescribed under clause (87) of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017

(iii) During the year, no scheme of arrangements in relation to the Group has been approved by the competent authority in terms of sections 230 to 237 of the Companies Act, 2013. Accordingly, aforesaid disclosure are not applicable, since there were no transaction.

(iv) The Group does not have any transactions which were not recorded in the books of accounts, but offered as income during the year in the income tax assessment.

(v) The Group has not traded or invested in crypto currency or Virtual Currency during the financial year.

(vi) The Group has not been declared a wilful defaulter by any bank or financial institution or other lender during the year.

(vii) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities ("Intermediaries")

# Notes forming part of the Ind AS consolidated statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

with the understanding (whether recorded in writing or otherwise) that the Intermediary shall;

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(viii) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall;

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

## 55 Contingent liabilities, commitments and leasing arrangements

### (i) Contingent liability

| Particulars | As at 31 March 2023 |
|---|---|
| Disputed claims and proceedings against the Group, which arise in the ordinary course of business | 8.21 |
| Income tax matters | |
| Appeals by the Group | 133.22 |

For FY 2019-2020 (AY 2020-2021) and for FY 2020-2021 (AY 2021-2022), Income tax department issued order u/s 143(3) dated 28 September 2022 and 26 December 2022 respectively had disallowed certain expenditures and thereby reducing the amount of refund with the same in relation to under reporting of income. The Holding Company has filled the appeal for the same on 26 October 2022 and 24 January 2023 to commissioner of income-tax (Appeals).

### (ii) Capital commitment

There is no contracts remaining to be executed on capital account for the current year.

**56** The Holding Company has entered into Master Framework Agreement (MFA) with erstwhile promoters of the subsidiary to pay in the form of shares of the Company upon completion of milestones as per the terms and conditions mentioned in the MFA.

**57** The Group has not granted any loans or advances in the nature of loans to promoters, Directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are:
(a) repayable on demand or
(b) without specifying any terms or period of repayment

**58** The Holding Company has incorporated/acquired subsidiaries in the FY 2022-23. Hence, as per rule 6 of Companies (Accounts) Rules, 2014 and Indian Accounting Standard 110 'Consolidated Financial Statements', the Company is presenting Consolidated financial statements for the first time. Therefore, comparative figures for the previous year is not applicable. Hence, figures wherever disclosed as on 01 April 2022 reflects opening balance of holding company on standalone basis.

**59** The Group has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Group did not have any long-term contracts except derivative contracts for which there were any material foreseeable losses need to be provided as required under any law / accounting standards. (Refer Note 18)

**60** There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

# Notes forming part of the Ind AS consolidated statements for the year ended 31 March 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

**61** The Code on Social Security 2020 has been notified in the Official Gazette on 29 September, 2020. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. Impact, if any, of the change will be assessed and accounted in the period in which said code becomes effective and the rules formed thereunder are published.

**62** There have been no events after the reporting date that require adjustment/disclosure in these consolidated financial statements.=

**63** Amounts less than ₹ 500 have been shown at actuals against respective line items statutorily required to be disclosed.

**64** The above consolidated financial statements have been reviewed by the Audit Committee at its meeting held on 22 May 2023 and approved by the Board of Directors at its meeting held on 23 May 2023.

As per our report of even date attached
**For S.N. DHAWAN & CO LLP**

Chartered Accountants

Firm Registration No. 000050N/N500045

**Rahul Singhal**

**Partner**
Membership No: 096570

Place : Gurugram
Date : 23 May 2023

**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

**Pinki Jha**

Company Secretary
M.No.: F10683
Place: Gurugram
Date : 23 May 2023

# Board's Report

**Dear Members,**

Your Directors have pleasure in presenting the Seventh Annual Report on the performance of your Company along with Audited Financial Statements of the Company for the period ended on 31st March 2023.

**Standalone financial results** — Amount in Lakhs

| Particulars | As on 31st March, 2023 | As on 31st March, 2022 |
|---|---|---|
| Revenue from Operations | 56,119.63 | 31,297.21 |
| Other Income | 58.59 | 26.55 |
| Total Income | 56,178.22 | 31,323.76 |
| Expenses | 30,212.35 | 21,812.77 |
| Profit/(Loss) before tax and prior period Adjustments | 25,965.87 | 9,510.99 |
| Profit/(Loss) before tax | 25,965.87 | 9,510.99 |
| Tax Expenses | 6315.36 | 2,577.29 |
| **Profit/(Loss) for the year** | **19,650.51** | **6,933.70** |

**Consolidated financial results** — Amount in Lakhs

| Particulars | As on 31st March, 2023 |
|---|---|
| Revenue from Operations | 56,990.91 |
| Other Income | 58.59 |
| Total Income | 57,049.50 |
| Expenses | 30942.59 |
| Profit/(Loss) before tax and prior period Adjustments | 26,106.91 |
| Profit/(Loss) before tax | 26,106.91 |
| ax Expenses | 6,355.76 |
| **Profit/(Loss) for the year** | **19,751.15** |

## State of company's affairs, operating results and profits

During the period under review, the company has earned revenue from operation of Rs. 56,119.63lakhs however, the company has incurred expenses of Rs. 30,212.35Lakhs. 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. 19,650.51 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 2022-23.

## Reserve and Surplus

During the period under review, the company has transferred 19,474.74 lakhs to Reserve and Surplus.

## Change in nature of business

Your Company, NBFC sector (NBFC-NDSI) has grown in size and complexity over the years and our industry is maturing and achieving high scale, though nature of business is certain and unmodified. The Company has been registered with the Reserve Bank of India ('RBI') as a Non-Banking Financial Institution (Non-Deposit taking). As per the RBI circular dated 22 February 2019 namely 'harmonisation of different categorisation of NBFC's', the Company being a Systemically Important Non-Deposit taking Company has been categorised as an NBFC- Investment and Credit Company. Further, pursuant to Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs issued by RBI vide notification dated October 22, 2021, your Company is placed in Middle Layer. Further during the year under review there has been no change in the nature of Business carried on by the Company.

## Transfer of unclaimed dividend to investors 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, the Annual Return for the Financial Year ended March 31, 2023 made under the provisions of Section 92 of the Act is to be placed at web address of the Company i.e. www.oxyzo.in at https://www.oxyzo.in/investor-relation/annual-return

## CAPITAL STRUCTURE

### Authorized Share Capital:

As on the date of this report, the Authorised Share Capital of the Company is Rs. 90,69,98,520/- (Rupees Ninety Crore Sixty-Nine Lakh Ninety-Eight Thousand Five Hundred and Twenty Only) divided into 7,33,81,715 (Seven Crores Thirty-Three Lakh Eighty One Thousands Seven Hundred and Fifteen) Equity Shares of Rs. 10/- each and 1,73,18,137 (One Crore Seventy-Three Lakhs Eighteen Thousand One Hundred and Thirty-Seven) Preference 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. 68,79,53,600/- (Rupees Sixty-Eight Crore Seventy-Nine Lakh Fifty-Three Thousand and Six Hundred only) divided into 5,36,78,676 (Five Crore Thirty-Six Lakh Seventy-Eight Thousand Six Hundred and Seventy-Six only) Equity shares Rs. 10/- each and 1,51,16,684 (One Crore Fifty-One Lakh Sixteen Thousand Six Hundred and Eighty-Four Only) Preference Shares of 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 there is no change in the Authorized share capital

*Change during the period under review and till the date of report.*

## Paid-Up share capital

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:

### 1) Private Placement of Equity shares:

| S.No | Date of Allotment (DD-MM-YY) | No. of Equity shares issued | Face Value (INR) | Issue Price (INR) | Name of the Allottee | Consideration | Nature of Allotment | Form of Consideration |
|---|---|---|---|---|---|---|---|---|
| 1 | 05-Apr-22 | 09 | 10 | 1,041.26 | Matrix Partners India Investments III, LLC | 9,371.34 | Private Placement | Cash |
| 2 | 05-Apr-22 | 01 | 10 | 1,041.26 | Matrix Partners India III AIF Trust | 1,041.26 | Private Placement | Cash |
| 3 | 06-Apr-22 | 10 | 10 | 1,041.26 | Alpha Wave Ventures II LP | 10,412.6 | Private Placement | Cash |

### 2) Private Placement of Cumulative Mandatorily and Fully Convertible Preference Shares Security:

| S.No | Date of Allotment (DD-MM-YY) | No. of Preference shares issued | Face Value (INR) | Issue Price (INR) | Name of the Allottee | Consideration | Nature of Allotment | Form of Consideration |
|---|---|---|---|---|---|---|---|---|
| 1 | 05-Apr-22 | 3,54,794 | 10 | 1,041.26 | Matrix Partners India Investments III, LLC | 36,94,32,800.44 | Private Placement | Cash |
| 2 | 05-Apr-22 | 1,2107 | 10 | 1,041.26 | Matrix Partners India III AIF Trust | 1,26,06,534.82 | Private Placement | Cash |
| 3 | 06-Apr-22 | 54,30,276 | 10 | 1,041.26 | Alpha Wave Ventures II LP | 5,65,43,29,187.76 | Private Placement | Cash |
| 4 | 06-Aug-22 | 10,27,351 | 10 | 1,041.26 | Matrix Partners India Investments IV, LLC | 1,06,97,39,502.26 | Private Placement | Cash |

### 3) Detail of OCRPS:

| S.No | Date of Allotment (DD-MM-YY) | No. of Preference shares issued | Face Value (INR) | Issue Price (INR) | Name of the Allottee | Consideration | Nature of Allotment |
|---|---|---|---|---|---|---|---|
| 1 | 06-April-22 | 29,35,263 | 10 | NIL | Ruchi Kalra | 2,93,52,630 | Bonus Issue |

### 3) Conversion of OCRPS:

| S.No | Date of Conversion (DD-MM-YY) | No. of Preference shares issued | Face Value (INR) | Issue Price (INR) | Name of the Allottee | Consideration | Nature |
|---|---|---|---|---|---|---|---|
| 1 | 11-April-22 | 22,01,447 | 10 | NIL | Ruchi Kalra | 2,20,14,470 | 75 % of OCRPS has been converted into equity shares |

## Debt Structure and Other securities

### CHANGE DURING THE PERIOD UNDER REVIEW AND TILL THE DATE OF REPORT.

### Non- Convertible Debentures: (for the financial year 2022-23 and as on date)

(i) Listed Market Linked Non- Convertible Debentures of Rs. 40.0 Crores to companies as listed below on January 06, 2023, which are secured by first ranking exclusive and continuing charge on specific identified loan receivables. (The amount of Rs. 40.0 Crores is outstanding during the period under review.)

| Name of Investor | No. of unit allotted | Total consideration |
|---|---|---|
| CREDAVENUE SECURITIES | 500 | 5,00,00,000 |
| SK FINANCE LTD | 3500 | 35,00,00,000 |

(ii) Listed Market Linked Non- Convertible Debentures of Rs. 20.0 Crores to companies as listed below on March 21, 2023, which are secured by first ranking exclusive and continuing charge on specific identified loan receivables. (The amount of Rs. 20.0 Crores is outstanding during the period under review.)

| Name of Investor | No. of unit allotted | Total consideration |
|---|---|---|
| Aditya Birla Sunlife Mutual Fund | 2000 | 20,00,00,000 |

(iii) Unlisted Non-Convertible Redeemable Debentures of Rs. 30 Crores to UNIFI AIF on March 16, 2022, which are secured by first and exclusive charge on specific identified receivables and by corporate guarantee from the Holding Company, OFB Tech Private Limited. (The amount of Rs. 30 Crores is outstanding during the period under review)

(iv) Listed Non-Convertible Redeemable Debentures of Rs. 25 Crores to Bank of India on November 26, 2021, which are secured by first ranking, exclusive & continuing charge on identified receivables of standard nature and by corporate guarantee from the Holding Company, OFB Tech Private Limited (The amount of Rs. 25 Crores is outstanding during the period under review)

(v) Listed Non-Convertible Redeemable Market Linked Debentures of Rs.35 Crores to Northern Arc Capital limited on September 24, 2021, which are secured by first and exclusive charge on specific identified loan receivables. (The amount of Rs. 35 Crores is outstanding during the period under review)

(vi) Listed Non-Convertible Redeemable Debentures of Rs.48 Crores to AU Small Finance Bank on July 22, 2021, which are secured by first and exclusive charge on specific identified receivables, redeemed fully on 21st July 2023 (Current outstanding is **Nil**)

(vii) Listed Non-Convertible Redeemable Debentures of Rs. 26 Crores to UNIFI AIF (Series 1, Series 2 and Series 3) on March 13, 2020, which are secured by first and exclusive charge on specific identified Loan receivables and by corporate guarantee from the Holding Company, OFB Tech Private Limited. (Series-1, Series-2 and Series-3 redeemed on May 13, 2021, March 11, 2022, and 13 March 2023 respectively, (Current outstanding is Nil)

(viii) Listed Non-Convertible Redeemable Debentures of Rs. 22 Crores to UNIFI AIF (Series 1 and Series 2, of 11 Cr. each) on June 16, 2021, which are secured by first and exclusive charge on specific identified Loan receivables. (Series-1 and Series-2 redeemed on October 17, 2022, and February 16, 2023, respectively, (Current outstanding is Nil)

(ix) Listed Non-Convertible Redeemable Debentures of Rs. 22 Crores to UNIFI AIF (Series 1 and Series 2, of 11 Cr. each) on June 16, 2021, which are secured by first and exclusive charge on specific identified Loan receivables. (Series-1 and Series-2 redeemed on October 17, 2022, and February 16, 2023, respectively, (Current outstanding is Nil)

(x) Unlisted Non-Convertible Redeemable Debentures of Rs. 25 Crores AK Capital on March 30, 2021, which are secured by first and exclusive charge on specific identified receivables Redeemed on September 30, 2022.

(xi) Unlisted Non-Convertible Redeemable Debentures of Rs. 28.25 Crores Vivriti India Impact Bond on March 30, 2020, which are secured by first and exclusive charge on specific identified receivables and by corporate guarantee from the Holding Company, OFB Tech Private Limited (The amount of 9.41 Crores outstanding during the period under review.)

(xii) Listed Non-Convertible Redeemable Debentures of Rs. 10 Crores to Scient Capital Private Limited on January 24, 2020, which are secured by first and exclusive charge on specific identified receivables and by corporate guarantee from the Holding Company, OFB Tech Private Limited were redeemed on July 28, 2022.

(xiII) Listed Non-Convertible Redeemable Debentures of Rs. 10 Crores to Punjab National bank on December 10, 2020, which are secured by first and exclusive charge on specific identified receivables were redeemed on June 30, 2022.

(xiv) Listed Non-Convertible Redeemable Debentures of Rs. 60 Crores to Bank of Baroda and Punjab National bank on December 10, 2020, which are secured by first and exclusive charge on specific identified receivables and by corporate guarantee from the Holding Company, OFB Tech Private Limited were redeemed on June 10, 2022.

(xv) Listed Non-Convertible Market Linked Redeemable Debentures of Rs. 17 Crores to IFMR on September 24, 2020 which were secured by first and exclusive charge on specific identified receivables and by corporate guarantee from the Holding Company, OFB Tech Private Limited were redeemed on June 28, 2022.

(xvi) Listed Non-Convertible Market Linked Redeemable Debentures of Rs. 26.40 Crores to Individuals on March 21, 2022 which were secured by first and exclusive charge on specific identified receivables and by corporate guarantee from the Holding Company, (Current outstanding is 26.40 Crore)

## 2. Commercial Paper

As on the date of the report no Commercial Paper is outstanding. Further no commercial papers have been issued during the period under review.

### Contact Details of Debenture Trustee are as under:

| Particulars | Name of Debenture Trustee | | |
|---|---|---|---|
| | Catalyst Trusteeship Limited | Axis Trustee Services Limited | IDBI Trusteeship Services Limited |
| Name of the Contact Person | Mr. Umesh Salvi | Mr. Ganesh | Mr. Munjal.K.G.Dhanani / Ms. Sheetal Mehta |
| Address | Windsor, 6th floor, OfficeNo.604, C.S.T Road, Kalina, Santacruz (East) Mumbai-400098 | The Ruby, 2nd Floor, SW, 29 Senapati Bapat Marg, Dadar West, Mumbai-400 028 | Asian Building, Ground Floor, 17. R.Kamani Marg, Ballard Estate, Mumbai – 400001 |
| Email | ComplianceCTL@ctltrustee.com | debenturetrustee@axistrustee.in | itsl@idbitrustee.com |
| Contact No. | 022-49220555 | 022-62300451 | 022 40807000 |

### 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 auth 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-I 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.

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, 2023, in the Ordinary Course of Business and at Arm's Length were reviewed and approved by the Audit Committee. And Board respectively. All Related Party Transactions are placed before the Audit Committee for its review on a quarterly basis.

## Subsidiary companies/joint venture/associate companies

Your Company is undergoing the growth phase and has undertaken the structuring activities. During the period under review and as on the date of the report the following wholly owned Subsidiary Companies have been formed/acquired:

| Name of Debenture Trustee | Date of Incorporation |
|---|---|
| OXYZO Finvest Private Limited | 18th July 2022 |
| OXY B Securities Private Limited | 20th June 2022 |
| OXYZO Investment Manager Private Limited | 13th July 2022 |
| OXY Ventures Private Limited | 26th April 2022 |
| Ziel Financial Technologies Private Limited | 24th November 2022 |
| Zfirst Technologies Private Limited | 20th February 2023 |

The Company does not have any joint venture companies during the period under review.

## Number of meetings of the board

The Board has met Eleven (11) times during the period ended on 31st March 2023 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:

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| 17 May 2022 | 23 May 2022 | 26 May 2022 | 05 july 2022 | 06 Aug 2022 | 19 Sep 2022 | 10 Nov 2022 | 03 Jan 2023 | 13 Feb 2023 | 10 Mar 2023 | 24 Mar 2023 |

## The attendance of the Directors is as follows:

| S.No. | Date of the Meeting | Ruchi kalra | Asish Moha-patra | Vasant Sridhar | Praveen Kumar Bhambani* | Sathyan David | Rohit Kapoor |
|---|---|---|---|---|---|---|---|
| 1 | 17-05-2022 | Y | Y | Y | NA | Y | Y |
| 2 | 23-05-2022 | Y | Y | Y | NA | Y | Y |
| 3 | 26-05-2022 | Y | Y | Y | NA | Y | Y |
| 4 | 05-07-2022 | Y | N | Y | NA | Y | Y |
| 5 | 06-08-2022 | Y | Y | Y | NA | Y | Y |
| 6 | 19-09-2022 | Y | Y | Y | NA | Y | Y |
| 7 | 10-11-2022 | Y | Y | Y | Y | Y | Y |
| 8 | 03-01-2023 | Y | Y | Y | Y | Y | Y |
| 9 | 13-02-2023 | Y | Y | Y | Y | Y | Y |
| 10 | 03-01-2023 | Y | Y | Y | Y | Y | Y |
| 11 | 10-03-2023 | Y | Y | Y | Y | Y | Y |
| 12 | 24-03-2023 | Y | Y | Y | Y | Y | Y |

*Mr. Praveen Bhambani joined the Board on August 6, 2022.

## GENERAL BODY MEETING

### Annual General Meeting

| Year | Date | Location | Time | Special resolution Matter |
|---|---|---|---|---|
| 2021-22 | 26th Sep 2022 | Via Video Conferencing ("VC") Other Audio-Visual Means ("OAVM") | 12:05 Noon | 1. To adopt restated and amended Articles of Association of the Company<br>2. To adopt the entrenched provisions contained in the Amended Articles of Association |
| 2020-2021 (5th) | 28th Sep 2022 | Registered office - Shop No. G-22C (UGF) D-1 (K-84) Green Park Main, New Delhi-110016 | 10:00 A.M. | No such Business |
| 2019-2020 (4th) | 07th Dec 2022 | Registered office - Shop No. G-22C (UGF) D-1 (K-84) Green Park Main, New Delhi-110016 | 10:00 A.M. | No such Business |

* No meeting is conducted through Postal Ballot.

### Details of Extra Ordinary General Meeting held in FY 22-23:

| S.No | Date | Location | Time |
|---|---|---|---|
| 1 | 08th April 2022 | 6th Floor, Tower A, Global Business Park, M.G. Road, Gurugram-122001 | 1. Adoption of restated and amended Articles of Association of the Company<br>2. To adopt the entrenched provisions contained in the Amended Articles of Association |
| 2 | July 07, 2022 | 6th Floor, Tower A, Global Business Park, M.G. Road, Gurugram-122001 | Approval of the offer and issuance of Series A CCPS on a Preferential Basis (Private Placement) |
| 3 | 03 January 2023 | 6th Floor, Tower A, Global Business Park, M.G. Road, Gurugram-122001 | Approval to issue and offer of Rated, Senior, Secured, Transferable, Redeemable, Principal protected, Non-Convertible Market Linked Debentures ("NCDs" or "Debentures") |
| 4 | March 10, 2023 | 6th Floor, Tower A, Global Business Park, M.G. Road, Gurugram-122001 | Approval To Issue And Offer Of Rated, Listed, Senior, Secured, Redeemable, Taxable, Non-Convertible Debentures ("NCDS" OR "Debentures") |

### Particulars of conservation of energy, technology absorbtion 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 31st March 2023

(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:

(1) Company is investing in analytics and artificial intelligence capabilities to

(i) Automating tasks requiring manual interference (eg invoices OCR)

(ii) Find patterns as a first warning towards potential defaults

(2) The company is investing in building algorithms to:
(i) Identify credit risk more effectively.
(ii) Enriching potential leads with data from across public sources for better decision-making
(iii) Finding potential leads for the salesperson by Data Mining
(iv) Ease integration with potential partners for 0 OpEx workflows

(b) Technology Absorption, Adaptation & Innovation:

(1)Efforts made towards technology Absorption, Adaptation & Innovation at Oxyzo:
(i) Use of Lead management system to maintain and manage all the client leads
(ii) 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.
(iii) Customer website and app where customers can request disbursements, manage ledgers, pay their dues, and manage their profile.
(iv) Risk Management System to monitor the entire portfolio automatically
(v) Integration with OCEN to be part of the new lending landscape in India
(vi) Integration with multiple 3rd parties to enrich data for better credit decision-making
(vii) VKYC /EKYC/CKYC Integrations and automation for 100% compliance coverage
(viii) API Suite for complete workflow integration with lending partners.

(2) Benefits derived as a result of the above efforts:
(i) Year on Year reduction in OpEx even with more scale
(ii) 100% compliance coverage and monitoring
(iii) Better portfolio risk monitoring leading to industry-best NPA as a portion of the portfolio.
(iv) Exponential increase in Organic traffic and organic applications
(v) There is no Imported Technology during the period under review.
(vi) There is no expenditure incurred on Research & Development during the period under review.

(b) Foreign Exchange Earnings and Outgo
Outgo -The company had availed total External Commercial Borrowing (ECBs) of USD 6.5 million in May 2021, for financing prospective borrowers as per the ECB guidelines issued by Reserve Bank of India ("RBI") from time to time. In terms of RBI guidelines, borrowings have been swapped into rupees and fully hedged for the entire maturity by way of cross currency swaps.

## 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 | Director |
| 3 | Asish Mohapatra | Director |
| 4 | Rohit Kapoor | Independent Director |
| 5 | Sathyan David | Independent Director |
| 6 | Praveen Bhambani | Independent Director |
| 7 | Pinki Jha | 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.

The changes in the Directors and KMP during the period under review and till the date of the report is as follows:

| S.No. | Name | Designation | Change | Date of Change |
|---|---|---|---|---|
| 1 | Praveen Kumar Bhambani | Additional Director-Independent | Appointment | 06.08.2022 |
| 2 | Pinki Jha | Company Secretary (KMP) | Appointment | 26.05.2022 |
| 3 | Akshat Vikram Pande | Independent Director | Resignation | 13.05.2022 |
| 4 | Brij Kishore Kiradoo | Company Secretary (KMP) | Resignation | 17.05.2022 |

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

### Integrity, Expertise and Experience:

**Mr. Rohit Kapoor:** Rohit is currently the Chief Executive Officer - Food Market Place at Swiggy. Rohit was previously CEO - India & South East Asia at OYO and Executive Director at MAX Healthcare. Rohit was also a consultant with McKinsey & Company and holds an PGP from Indian School of Business, Hyderabad.

**Mr. Sathyan David:** Sathyan David was previously the Chief General Manager, Department of Non-Banking Supervision, Reserve Bank of India and has been involved in regulation of the NBFC and banking sectors during his 35 years with RBI. He has served as a member/chair of various committees and was RBI's Nominee Director at Indian Bank and Karur Vysya Bank.

**Mr. Praveen Kumar Bhambani:** Praveen is a Senior Advisor of Ymira Consulting, a boutique advisory firm which focusses on finding innovative solution to complex transactions, restructurings, and structuring for family business. He is also part of statutory and advisory board of companies as an Independent Director/ Non- Executive Director/ Facilitate and provide insights and oversight to companies of all sized and navigate the challenges of corporate governance and compliance. Previously, he was partner in the Deals Platform of PwC and also led the Private & Entrepreneurial business in his stint of over 2 decades in PwC.

### 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. Mr. Rohit Kapoor, Mr. Praveen Bhambani and Mr. Sathyan David are covered under exemption to take the Proficiency test, and your Company have received the exemption declaration from both the Directors regarding the same.

### 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
- CSR Committee
- Borrowing and resource
- Management committee
- Operational Committee
- Internal complaint committee (POSH)

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

## AUDIT COMMITTEE

| S.No. | Name of the Director | Designation at Company | Designation at Committee Meeting |
|---|---|---|---|
| 1 | Mr. Praveen Kumar Bhambani* | Independent Director | Chairman (w.e.f. 10th November 2022) |
| 2 | Mr. Sathyan David | Independent Director | Member |
| 3 | Ms. Ruchi Kalra | CFO and WTD | Member |

*Mr. Rohit Kapoor was the Chairman of the Audit Committee till 10th November 2022. Further Mr. Akshat Vikram Pande is no longer a member since he resigned w.e.f. 13th May 2022 and the committee was reconstituted w.e.f. 26th May 2022. Later Mr. Praveen Bhambani was incorporated as the Chairman of the Audit Committee and the Committee was again reconstituted w.e.f. 10th November 2022.

## NOMINATION AND REMUNERATION COMMITTEE*

| S.No. | Name of the Director | Designation at Company | Designation at Committee Meeting |
|---|---|---|---|
| 1 | Mr. Rohit Kapoor | Independent Director | Member |
| 2 | Mr. Sathyan David | Independent Director | Member |
| 3 | Mr. Asish Mohapatra | Director | Member |

* Mr. Akshat Vikram Pande is no longer a member since he resigned w.e.f. 13th May 2022 and the committee was reconstituted w.e.f. 26th May 2022.

## RISK MANAGEMENT COMMITTEE*

| S.No. | Name of the Director | Designation at Company | Designation at Committee Meeting |
|---|---|---|---|
| 1 | Mr. Sathyan David | Independent Director | Chairman |
| 2 | Ms. Ruchi Kalra | CFO & WTD | Member |
| 3 | Mr. Asish Mohapatra | Director | Member |

* Mr. Akshat Vikram Pande is no longer a member since he resigned w.e.f. 13th May 2022 and the committee was reconstituted w.e.f. 26th May 2022.

## ASSETS LIABILITY COMMITTEE*

| S. No. | Name of the Director | Designation at Company | Designation at Committee Meeting |
|---|---|---|---|
| 1 | Ms. Ruchi Kalra | CFO & WTD | Chairperson |
| 2 | Mr. Prashant Roy Sharma | General Manager-Corporate Finance | Member |
| 3 | Mr. Vasant Sridhar | Director | Member |

* Mr. Akshat Vikram Pande is no longer a member since he resigned w.e.f. 13th May 2022 and the committee was reconstituted w.e.f. 26th May 2022.

## IT STEERING COMMITTEE

| S. No. | Name of the Director | Designation at Company | Designation at Committee Meeting |
|---|---|---|---|
| 1 | Ms. Ruchi Kalra | WTD & CFO (Business Owner) | Member |
| 2 | Mr. Dhruva Shree Agrawal | IT development- CIO and CTO | Member |
| 3 | Mr. Asish Mohapatra | Director | Member |

## IT STRATEGY COMMITTEE

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

## INVESTMENT COMMITTEE

| S. No. | Name of the Director | Designation at Company | Designation at Committee Meeting |
|---|---|---|---|
| 1 | Ms. Ruchi Kalra | WTD & CFO | Member |
| 2 | Mr. Asish Mohapatra | Director | Member |
| 3 | Mr. Prashant Roy Sharma | General Manager-Corporate Finance | Member |

## CSR COMMITTEE*

| S. No. | Name of the Director | Designation at Company | Designation at Committee Meeting |
|---|---|---|---|
| 1 | Mr. Rohit Kapoor | Independent Director | Member |
| 2 | Mr. Asish Mohapatra | Director | Member |
| 3 | Ms. Ruchi Kalra | WTD & CFO | Member |

* Mr. Akshat Vikram Pande is no longer a member since he resigned w.e.f. 13th May 2022 and the committee was reconstituted w.e.f. 26th May 2022.

## POSH COMMITTEE

| S. No. | Name of the Director | Designation at Company | Designation at Committee Meeting |
|---|---|---|---|
| 1 | Ms. Hitakshi Mehta | Head-Campus Relations (HR) | Presiding Officer |
| 2 | Ms. Teena Chawla | Head- Key Accounts Management | Internal Member |
| 3 | Mr. Gurtej Singh | Head- Credit Processing | Internal Member |
| 4 | Mr. Saurabh Bhardwaj | Internal Auditor | Internal Member |
| 5 | Ms. Nivedita Puggal | NGO Member | External Member |

## BORROWING AND RESOURCE COMMITTEE

| S. No. | Name of the Director | Designation at Company | Designation at Committee Meeting |
|---|---|---|---|
| 1 | Ms. Ruchi Kalra | WTD & CFO | Member |
| 2 | Mr. Asish Mohapatra | Director | Member |
| 3 | Mr. Prashant Roy Sharma | General Manager-Corporate Finance | Member |

## MANAGEMENT COMMITTEE*

| S. No. | Name of the Director | Designation at Company | Designation at Committee Meeting |
|---|---|---|---|
| 1 | Ms. Ruch Kalra | WTD & CFO | Member |
| 2 | Mr. Asish Mohapatra | Director | Member |
| 3 | Mr. Vasant Sridhar | Director | Member |
| 4 | Mr. Bhubneshwar Jha | AGM-Finance and Accounts | Member |

*The management Committee of the Company have been dissolved w.e.f. 13th February 2023.

### Operational committee

| S. No. | Name of the Director | Designation at Company | Designation at Committee Meeting |
|---|---|---|---|
| 1 | Ms. Ruch Kalra | WTD & CFO | Member |
| 2 | Mr. Dhruva Shree Agrawal | CTO & CIO - IT development | Member |
| 3 | Mr. Vasant Sridhar | Director | Member |

* Mr. Brij Kishore Kiradoo is no longer a member since he resigned w.e.f. 17th May 2022 and the committee was reconstituted w.e.f. 26th May 2022.

### 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, CSR Committee etc. are provided in the Corporate Governance Guidelines. The Guidelines are available at the Website of the Company www.oxyzo.in.

### Key Managerial Personnel ("KMP"):

During the period under review there were following changes in the KMP of the Company.

The Company Secretary and Compliance Officer, Mr. Brij Kishore Kiradoo resigned w.e.f. 17.05.2022and Ms. Pinki Jha was appointed as the Company secretary and Compliance Officer w.e.f. 26.05.2022.
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. Ms. Pinki Jha - 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 and FEMA regulation w.r.t Securities issued to foreign Investors

The Company continues to fulfill all the norms and standards laid down by RBI pertaining to non–performing assets, capital adequacy, statutory liquidity assets, etc. In line with the RBI guidelines for Asset Liability Management (ALM) system for NBFCs, the Company has an Asset Liability Management Committee, which meets yearly once to review its ALM risks and opportunities.
The Company is in compliance with the NBFC – Corporate Governance (Reserve Bank) Directions, 2015.

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 and FEMA regulation w.r.t Securities issued to foreign Investors

The Company continues to fulfill all the norms and standards laid down by RBI pertaining to non–performing assets, capital adequacy, statutory liquidity assets, etc. In line with the RBI guidelines for Asset Liability Management (ALM) system for NBFCs, the Company has an Asset Liability Management Committee, which meets yearly once to review its ALM risks and opportunities.
The Company is in compliance with the NBFC – Corporate Governance (Reserve Bank) Directions, 2015.

### 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) and CARE Rating have assigned following ratings to your company during the period under review:

| S.No. | Instrument | Rating Agency | Rating As at March 31, 2023 | Rating As at March 31, 2022 |
|---|---|---|---|---|
| 1 | Non-convertible debentures | ICRA Ltd | ICRA A+ (Stable) | BBB+ Stable |
| 2 | Commercial paper | ICRA Ltd | ICRA A1+ | A2+ |
| 3 | Bank Lines | ICRA Ltd | ICRA A+ (Stable) | BBB+ Stable |
| 4 | Principal Protected Market Linked Debenture | ICRA Ltd | PP-MLD ICRA A+ (Stable) | PP-MLD BBB+ Stable |
| 5 | Other Instruments | ICRA Ltd | – | A-(CE) Stable |
| 6 | Non-convertible debentures | ICRA Ltd | – | A-(CE) Stable |
| 7 | Bank Lines | CARE | CARE A+ (Stable) | BBB+ |
| 8 | Non-convertible debentures | CARE | CARE A+ (Stable) | BBB+ |
| 9 | Bank Lines | CRISIL | CRISIL A+/Stable | – |
| 10 | Principal Protected Market Linked Debenture | CRISIL | CRISIL PP MLD A + /Stable | – |
| 11 | Non-convertible debentures | CRISIL | CRISIL A+/Stable | BBB+ |

## Revision in Credit rating from CRISIL:

CRISIL Ratings has upgraded its rating on the long term bank facilities and debt instruments of Oxyzo Financial ServicesPrivate Limited (Oxyzo) to 'CRISIL A+/CRISIL PPMD A+' from 'CRISIL A/CRISIL PPMLD A' and removed the ratings from'Rating Watch with Developing implications' while assigned a 'Stable' outlook to the rating.

## 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.

## Renumeration policy, disclosure of renumerations & particulars of employee

The Provision of Section 197 of Companies Act, 2013 and rules thereunder, are not applicable on our Company, being private and unlisted company per se MCA. Also, there is no material pecuniary relationship or transactions of the non-executive directors vis-à-vis the company except sitting fees to Independent Director as disclosed note no. 36 of notes to account.

## 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 and reviewed time to time by the Board/ committee. The update policy is placed at Company's website "www.oxyzo.in"

## Statuary Auditor

**S.N. Dhawan & Co LLP (Firm Reg. 000050N/N500045)** -Deloitte Haskins and Sells, Chartered Accountant (Firm Reg. No.015125N) was appointed as Statutory Auditors of the company by the Members 's consent from the conclusion of Fourth Annual General Meeting held on December

07, 2020 till the conclusion of the 8th Annual General Meeting with respect to the financial years beginning from April 1, 2020 and ending on March 31, 2024. Post their resignation letter dated 02 September 2021, S.N. Dhawan & Co LLP (Firm Reg. 000050N/N500045) was appointed as Statutory Auditors of the company by the Members 's consent in the AGM dated September 28, 2021 to continue till the conclusion of the AGM to be held for the Financial Year 2022-23. During the Financial Year 2022-23 , S.N. Dhawan & Co LLP was reappointed by the members of the Company for 2 further years i.e. 2022-23 and 2023-24. The appointment of the Statutory Auditor is ratified every year by the Members in the AGM as per the RBI guideline.

## AUDITORS REPORT

### Statutory Auditor Report:

The Statutory Auditor's in their report dated May 23, 2023, on the financial statements of your Company both Standalone Financials and the Consolidated Financial Statements for Financial Year ended 31st March 2023, 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 Abhinav Agarwal & Associates, Company Secretaries (FCS 10972, CP 15639) Company Secretaries has been appointed as Secretarial Auditor of the company for F.Y. 2022-23.

M/s Abhinav Agarwal & Associates, Company Secretaries, Practicing Company Secretary in their report on Secretarial audit of your company for the Financial Year ended March 31, 2023, has submitted that SEBI has imposed penalty on the Company for few late filings which is disclosed in Auditor's report.

Your Directors want to take this opportunity and confirm that the penalty was related to a few late filings done by the Company and pursuant to communication received from BSE through email dated September 28, 2022 & October 31, 2022, wherein the Company was informed that with reference to SEBI circular no. SEBI/HO/DDHS/DDHS/CIR/P/2020/231 dated November 13, 2020, and SEBI/HO/DDHS_Div2/P/CIR/2021/699 dated December 29, 2021, gross penalty of Rs. 11,83,540/- (including 18% GST) has been levied on the Company.

Company duly filed the representation letter to BSE for withdrawal/waive off the fine imposed against the Company, the BSE has withdrawn the gross penalty of Rs. 9,81,760/- on November 02, 2022. For remaining Penalties, a representation is made to BSE although the same has been paid by the Company.

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

**M/s Aumyaa Consulting Services LLP**, an external agency has been appointed as the IT/IS audit of your company for F.Y. 2022-23. 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, 2023, 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 and Audit Committee for their discussion and actions and the same can be referred as below:

1. Information security awareness training for staff & contractors should be periodically conducted.
   - Severity - Low
2. Password policy should be implemented for SQL server.
   - Severity - Low
3. Daily backup success/failure logs should be retained.
   - Severity - Low
4. Outsourced vendor risk assessment should be conducted as per policy and completed as per timeline.
   - Severity - Low
5. The BCP Testing should be comprehensive, mentioning all the details pertaining to the risk scenario. The gap analysis should be conducted and the results of the same should be presented to the CIO & Board.
   - Severity - Low

The Board give suggestions / recommendations and control directives to mitigate the shortcomings and make the process, procedure, systems and functions more robust, accountable, reliable and compliant.The observations are majorly closed and the timeline for closure of the open observations is latest by end of Calendar Year 2023.

## Internal financial controls:

The Board of Directors confirms that the Company has laid down a set of standards, processes and structure which enables it to implement Internal Financial Controls across the organisation with reference to financial statements and that such controls are adequate and are operating effectively throughout the year. During the financial year under review, no material or serious observations have been received from the Auditors of the Company, citing inefficacy or inadequacy of such controls.

## Internal Control Systems:

The Company has a comprehensive Internal Control System for all major processes to ensure accuracy & reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedures, laws and regulations, safeguarding of assets and economical and efficient use of resources. The Internal Control system basically covers the area of Accounting Control, Internal Audit, Compliance Audit at regular intervals by the Internal auditor and systems audit by Information System (IS) Auditor.

The Internal Auditors also assesses opportunities for improvement in business processes, systems and controls, provides recommendations, designed to add value to the organisation and follow up the implementation of corrective actions and improvements in business processes after review by the Audit Committee.

## Internal Audit:

The Company has established adequate internal control systems in line with the nature of its business and the size of its operations. At the beginning of each financial year, an audit plan is rolled out after the same has been approved by the Audit Committee. The audit plan is aimed at evaluation of the efficiency and adequacy of internal control systems and compliance thereof, robustness of internal processes, policies and accounting procedures, compliance with laws and regulations. Based on the reports of internal audit function process owners undertake corrective action in their respective areas. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

**Mr. Saurabh Bhardwaj** has been appointed as Internal Auditor of your company on May 23, 2023, for F.Y.2022-23.

The Internal Audit approach relies extensively on internal control, processes & policies laid down by management and the regulations. The Auditor in their report identified internal audit scope and assesses the inherent risk in the processes and activities of all departments to ensure that appropriate control mechanisms and mitigation strategies are in place. The suggestions made by the Auditor and the compliances thereof are placed before the Audit Committee for their discussion and actions.

The Board 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 finacial 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 B of Independent Auditor's Report

## Corporate social responsibilities

The Company has constituted a CSR Committee in accordance with Section 135 of the Act.

The details of the CSR Policy of the Company, its development and initiatives taken by the Company on CSR during the year as per annexure attached to the Companies (Corporate Social Responsibility Policy) Rules, 2014 have been appended as **Annexure III** to this Report.

The Company primarily worked through the "**Karmputra Charitable Trust**" a Not-for-Profit Organisation towards supporting the projects aimed at educating the Children and the activities so undertaken are covered under clause (ii) of Schedule VII of the Act. A detailed report on the CSR activities and expenditure is appended as **Annexure III**

## 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 except as disclosed as note no 47 of notes to account.

## 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 were required to 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

| Awards. | Month | Year | Reference Link |
|---|---|---|---|
| FE India's Best Banks Awards 2022 | August | 2022 | https://www.financialexpress.com/videos/business-video/2649361/the-financial-express-indias-best-bank-awards-2022/ |
| Emerging Startup of 2022 - B2B E-Commerce | May | 2022 | https://tracxn.com/d/emerging-startups/top-b2b-e-commerce-startups-2022 |
| ET Startup Awards 2023 | September | 2023 | https://economictimes.indiatimes.com/tech/startups/et-startup-awards-2023-ofbusiness-profits-at-scale-to-bag-top-prize/articleshow/103643157.cms |

## 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 respective 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.

## Details of application/any proceeding pending under the insolvency and bankruptcy code, 2016

| S.No. | Borrower Name | Case No. | Filing Date | Particulars | Current status |
|---|---|---|---|---|---|
| 1 | Kangaroo Hometex Pvt. Ltd | [CP(IB)/239/CHE/2022] | 12.09.2022 | Particulars-Section 7 IBC filed seeking Rs. 1.99cr | Closed |
| 2 | Mahip Industries Limited | [C.P.(IB)/247(AHM)2022] | 09.07.2022 | Section 7 IBC filed before NCLT, Ahmedabad seeking Rs. 1,03,53,015/- | Closed |
| 3 | Nilshikha Projects Limited | [CP(IB)/56(MP)2022] | 09.07.2022 | Section 7 IBC filed before NCLT, Ahmedabad seeking Rs. 2,01,78,227/-. | Listed for arguments on 13.10.2023. |
| 4 | Sivaji Hi-Tek Foods Pvt. Ltd. | [CP(IB)/237/CHE/2022] | 14.10.2022 | Section 7 IBC filed before NCLT, Chennai seeking Rs. 1,62,70,172/- | Closed |
| 5 | P Praful and Company Agency | [C.P. (IB) - 140/2020] | 03.12.2021 | Section 7 IBC filed before NCLT, Ahmedabad seeking Rs.1,05,68,424/-. | Corporate Insolvency Resolution Process is going on. |

## Employee stock option

Human Resources are key to the growth and success of an organization, more so in financial services industry. It is therefore imperative to align the interests of the employees and shareholders of the Company. Employee Stock Option schemes have been universally accepted as retention and wealth creation tool.

Oxyzo Financial Services Private Limited ('Oxyzo'), the company, had framed an Oxyzo Stock Options Plan, 2021 ('ESOP 2021 Plan'), which was duly approved by the Shareholder of the Oxyzo in the Extraordinary General Meeting held on 22 November 2021, created an ESOP pool and further expanded the same in the Extraordinary General Meeting held on 10 March 2022. ESOP 2021 Plan will be administered by Compensation committee and in the absence of such committee Board of Directors of the Oxyzo shall ensure the administration of the ESOP 2021 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. All vested options not exercised as per exercise period shall lapse.

### During the financial year under review, the following stock options were granted to the employees of the Company:

| Particular's | Grant Date | Number of options granted |
|---|---|---|
| Grant-I | 03 January 2022 | 21,32,651 |
| Grant-II | 06 April 202 | 2,80,709 |

The detail particulars about the ESOPs are captured in note no 46.1 and 46.2 of Notes to account to Financial Statements.

## DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

There is no one-time settlement during the year under review

## 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. Achievement of 5000 Crores of Asset size::

Your Company, the lending arm of business-to-business (B2B) commerce startup OfBusiness, has crossed the Asset size of 5000 Crores. Further the Company is also categorized into the Middle Layer as per the Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs as notified by the Reserve Bank of India via circular dated October 22, 2021 bearing reference no. DOR.CRE.REC. No.60/03.10.001/2021-22.

### 2. Consolidated Financial statements of the Company:

Your Company being in the growth phase had incorporated and acquired subsidiaries during the period under review. The structuring lead the Company to house five wholly owned subsidiaries and one acquired associate Company which mandated the Company to prepare the Consolidated Financial Statements for the Financial Year ended on 31st March 2023.

**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, 2023, 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

RBI Inspection was carried out in the Company premises from February 28, 2022, to March 04, 2022, with reference to the financial position of the company as on March 31, 2021. The physical Inspection was followed by an Inspection Report, Risk Assessment Report along with annexures, issued on April 8, 2022. The Company has duly submitted a point wise reply of the concerns raised by RBI and the same was discussed in a physical meeting of the team held on April 20, 2022, at RBI, followed by a formal reply adhering the point wise reply to all the queries raised by RBI vide our letter dated April 25, 2022.

During the period under review there were a few rounds of communication with the RBI including physical meeting in order to ensure the necessary flow of information to the Regulator. The latest communication sent by your Company was on 22nd August 2023. The communications to the RBI were operational in nature and there was no material concerns raised by the RBI.

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.

## 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, hence Company is not required to include cost records for any product or services in their books of account.

## DETAILS OF MONEY ACCEPTED FROM DIRECTOR

During the period under review the Company has not accepted money in the form of unsecured loan from the director or relative of the director of the Company.

## REVENUE RECOGNITION

During the year under review there were no circumstances in which revenue recognition has been postponed pending the resolution of significant uncertainties.

## COMPLIANCE WITH CODE OF CONDUCT

All Board members and Senior Management Personnel have affirmed their compliance with the Company's Code of Conduct for Financial Year 2022-23.

A declaration to this effect signed by the Managing Director & CEO is included in this Annual Report as Annexure- Management Declaration.

## ACKNOWLEDGEMENTS

The Board of Directors acknowledge with gratitude the co-operation and assistance extended by its bankers, financial institutions, rating agencies, customers, associates, debenture holders, auditors, trustees, regulatory bodies and its employees. The Board of Directors also gratefully acknowledge all stakeholders of the Company viz. customers, members, dealers, vendors and other business partners for the excellent support received from them during the year. Our employees are instrumental in helping the Company scale new heights, year after year. Their commitment and contribution is deeply acknowledged. Your involvement as shareholders is also greatly valued. The Board of Directors look forward to your continuing support.

For and on behalf of Board of Directors

OXYZO Financial Services Private Limited

| | |
|---|---|
| SD/- | SD/- |
| Ruchi Kalra | Asish Mohapatra |
| CFO and WTD | Director |
| DIN:03103474 | DIN : 06666246 |
| Add: Shop No. G-22 C (UGF) D-1 (K-84)<br>Green Park, Main New Delhi, South Delhi -110016 | Add: Shop No. G-22 C (UGF) D-1 (K-84)<br>Green Park, Main New Delhi, South Delhi -110016 |

Dated : 18th September, 2023

Place : Gurugram, Haryana

# ANNEXURE I

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 | NA |
| 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 and in ordinary course of business

| Name(s) of the related party and nature of relationship | Nature of contracts/ arrangements/ transactions | Duration of the contracts/ arrangements/ transactions | Salient terms of the contracts or arrangements or transactions including the value, if any | Justification for entering into such contracts or arrangements or transactions | Date(s) of approval by the Board, if any | Amount paid as advances, if any |
|---|---|---|---|---|---|---|
| OFB Tech Private Limited (Holding Company) | 1. Inter-company Loan Agreement with OFB<br>2. Technical Support Agreement with OFB<br>3. Common Sharing Agreement with OFB | Effective from November 01, 2017 and shall remain in full force and effect until it is terminated in accordance with the terms of Agreement. | 1. Working Capital Loan repayable on demand<br>2. Information Technology Services to OXYZO<br>3. a) Shared Services: The OXYZO Financial Services Private Limited shall use the following facilities on a cost to cost basis:<br>-Office space and its maintenance;<br>-Electricity;<br>-Telecommunication etc. | To share general nature of activities between company | The related party transactions are in ordinary course of business and are at arm's length basis. Accordingly, the approval/ratification /recommendation of the Board / Audit Committee is obtained on Quarterly basis | NA |

| | | | | | | |
|---|---|---|---|---|---|---|
| OFG Manufacturing Business Private Limited ( Fellow Subsidiary ) | 1. Loan given<br>2. Common expenses sharing basis on actual cost as per TP study | 1. Sanction letter dated 13-12-2021 (30 months Term Loan<br>2. Shall remain in full force and effect until it is terminated | 3. Loan given as part of Ordinary course of Business<br>4. Shared Services: The OXYZO Financial Services Private Limited and OFB Manufacturing shares few common expenses (refer note 43 of Financial) | | Same as above | Loan repaid Rs 99.96 lakhs |
| OAgri Farm Private Limited (Fellow Subsidiary) | Common expenses sharing basis on actual cost as per TP study | shall remain in full force and effect until it is terminated | Shared Services: The OXYZO Financial Services Private Limited and Oagri farm few common expenses (refer note 43 of Financial) | | Same as above | NA |
| E- Mox Manufacturing Private Limited | Master Facility Agreement – Semi secured purchase financing | 12 month, enhanced time to time | Purchase Financing | For Purchase Financing | Same as above | NA |
| OXY Ventures Private Limited | Common Sharing Agreement with Oxy venture Private Limited | Effective from April 26, 2022 and shall remain in full force and effect until it is terminated in accordance with the terms of Agreement | 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. | To share general nature of activities between company | Same as above | NA |
| OXY B Securities Private Limited | Investment in equity share capital | - | - | Investment in equity share capital | - | - |
| Oxyzo Finvest Private Limited | Investment in equity share capital | - | - | Investment in equity share capital | - | - |
| Oxyzo Investment Manager Private Limited | Investment in equity share capital | - | - | Investment in equity share capital | - | - |

| | | | | | | |
|---|---|---|---|---|---|---|
| Ziel Financial Technologies Private Limited | Services Agreement | Effective from November 24, 2022 and shall remain in full force and effect until it is terminated in accordance with the terms of Agreement. | Servicer shall source Borrowers to Oxyzo | To build the Synergies of operations and establishment. | General Business Contract agreement delegated to Operation committee. And the Investments are duly authorized by Board and Audit Committee | NA |
| Zfirst Technologies Private Limited | Services Agreement | Effective from February 28, 2023 and shall remain in full force and effect until it is terminated in accordance with the terms of Agreement. | Servicer shall source Borrowers to Oxyzo | To build the Synergies of operations and establishment. | General Business Contract agreement delegated to Operation committee. . And the Investments are duly authorized by Board and Audit Committee | NA |

## Value of Transaction

(Amount in Lakhs)

| Particulars | Nature of transaction | Year ended 31 March 2023 |
|---|---|---|
| OFB Tech Private Limited | Purchase of property, plant and equipment | 33.53 |
| | Sale of property, plant and equipment | 37.21 |
| | Business auxiliary services (cost allocation received) | 379.53 |
| | Business auxiliary services (cost allocation made) | 0.26 |
| | Employee costs and reimbursements (cost allocation received)* | 33.26 |
| | Employee costs and reimbursements (cost allocation made)# | 561.30 |
| | Tech Support Services (cost allocation received) | 122.89 |
| | Interest and subvention Income (Net of expenses) | 1,670.97 |
| | Travelling and other expenses (cost allocation received) | 30.66 |
| | Travelling and other expenses (cost allocation made) | 5.93 |
| | Gratuity and leave encashment recoverable | 29.40 |
| | Gratuity and leave encashment payable | 18.10 |
| | Payment on behalf of borrowers | 1,59,464.50 |
| | Employee stock options (cost allocation received) | 1,191.32 |
| | Prepaid Insurance (on allocation basis) | 31.21 |
| OXY Ventures Private Limited | Investment in equity share capital | 200.00 |
| | Employee costs and reimbursements (cost allocation made) | 11.06 |
| | Business auxiliary services (Cost allocation made) | 0.07 |
| | Debt arrangement and facilitation fee | 4.00 |
| | Sale of property, plant and equipment | 0.24 |
| OXY B Securities Private Limited | Investment in equity share capital | 5.10 |
| Oxyzo Finvest Private Limited | Investment in equity share capital | 0.10 |
| Oxyzo Investment Manager Private Limited | Investment in equity share capital | 10.10 |

| | | |
|---|---|---|
| Ziel Financial Technologies Private Limited | Reimbursement of business loan premium | 37.60 |
| | Service fees expenses | 100.09 |
| Zfirst Technologies Private Limited | Reimbursement of business loan premium | 6.59 |
| | Service fees expenses | 101.68 |
| OFG Manufacturing Businesses Private Limited (Formerly known as Ofcons Projects and Services Private Limited) | Business auxiliary services (cost allocation made) | 1.84 |
| | Loan Repaid | 99.96 |
| | Purchase of property, plant and equipment | 0.39 |
| | Sale of property, plant and equipment | 3.47 |
| | Interest and other income | 10.88 |
| | Gratuity and leave encashment recoverable | 4.93 |
| | Gratuity and leave encashment payable | 1.18 |
| E-Mox Manufacturing Private Limited | Interest and other income | 11.62 |
| | Loan Given | 134.11 |
| | Loan Repaid | 359.84 |
| Oagri Farm Private Limited | Business auxiliary services (cost allocation made) | 0.58 |

**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 Delhi -110016**

**Dated: 18th September, 2023**
**Place: Gurugram, Haryana**

# ANNEXURE II

## 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]

The Company being an Unlisted Company (debt listed) is exempted as per the Companies (Amendment) Act, 2020, Notification dated 28th September, 2020, Amendment Effective from 22nd January 2021, issued by the Ministry of Corporate Affairs, Govt. of India, to furnish information as required under Section 197 of the Companies Act, 2013 read with the Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

In terms of the provisions of Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the name of the top ten employees in term of remuneration drawn as set out in the said Rules are to be shared with members, If any, member is interested in obtaining a copy thereof, such member may write to compliance@oxyzo.in

**Further, the name of every employee, who-**
(i) If employed throughout the financial year ended on March 31, 2023, 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, 2023, 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/-** | **SD/-** |
| **Ruchi Kalra** | **Asish Mohapatra** |
| **CFO and WTD** | **Director** |
| **DIN:03103474** | **DIN: 06666246** |
| **Add: Shop No. G-22 C (UGF) D-1 (K-84) Green Park, Main New Delhi, South Delhi -110016** | **Add: Shop No. G-22 C (UGF) D-1 (K-84) Green Park, Main New Delhi, South Delhi -110016** |

**Dated: 18th September, 2023**

**Place: Gurugram, Haryana**

# ANNEXURE III

**Annual Report on Corporate Social Responsibility (CSR) activities for the Financial Year 2022-23**

## 1. Brief outline on CSR Policy of the Company.

- The Company's CSR mission is to contribute to the social and economic development of the community through a series of interventions in the area of Health, Education, Environment, Poverty etc.
- The Company's strategy is to integrate its activities in community development, social responsibility and environmental responsibility and encourage each business unit or function to include these considerations into its operations.

## 2. Composition of CSR Committee*:

| Sl. No. | Name of Director | Designation/Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---|---|---|---|---|
| 1 | Asish Mohapatra | Director | 1 | 1 |
| 2 | Ruchi Kalra | CFO & WTD | 1 | 1 |
| 3 | Akshat Vikram Pande | Independent Director | NA | NA |
| 4 | Rohit Kapoor | Independent Director | 1 | 1 |

Though, composition has been changed in May 2022 as following-

**Corporate Social Responsibility Committee reconstitution –**

1. Mr. Asish Mohapatra
2. Mr. Rohit Kapoor
3. Ms. Ruchi Kalra

**3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company. https://www.oxyzo.in/policy/disclaimer**

**4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report). NA**

**5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:**

| Sl. No. | Financial Year | Amount available for set-off from preceding financial years (in Rs) | Amount required to be set-off for the financial year, if any (in Rs) |
|---|---|---|---|
| 1 | 2020-2021 | 5,500.87 | NIL |
| 2 | 2021-2022 | 80,128.65 | NIL |
| | | | |
| | TOTAL | 85,629.52 | |

**6. Average net profit of the company as per section 135(5).** INR 59,07,62,155.67/-

**7. a. Two percent of average net profit of the company as per section 135(5):** INR 1,18,15,243.11/-

**b. Surplus arising out of the CSR projects or programmes or activities of the previous financial years.** NIL

c. **Amount required to be set off for the financial year, if any: Not adjusted**

d. **Total CSR obligation for the financial year (7a+7b+7c). INR 1,18,15,243.11/-**

e. **(a) CSR amount spent or unspent for the financial year:**

| Total Amount Spent for the Financial Year. (In Rs.) | Amount Unspent (in Rs.) : **NIL** | | | | |
|---|---|---|---|---|---|
| | Total Amount transferred to Unspent CSR Account as per section 135(6). | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). | | |
| | Amount | Date of transfer. | Name of the Fund | Amount. | Date of transfer. |
| 1,20,00,000/- | NIL | NA | NA | NIL | NA |

b. **Details of CSR amount spent against ongoing projects for the financial year: NA**

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | (9) | (10) | (11) | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Sl. No | Name of the Project | Item from the list of activities in schedule VII to the Act. | Local area (Yes/ No). | Location of the project. | | Project Duration | Amount allocated for the Project. | Amount spent in the Current Financial Year (in Rs.) | Amount Transferred to unspent CSR Account for the project as per Section 135(6) (in Rs.) | Mode of implementation- Direct (Yes/ No). | Mode of implementation -Through implementation | |
| | | | | State | Dist. | | | | | | Name. | CSR Reg. No. |
| | | | | | | | | | | | | |

c. Details of CSR amount spent against other than ongoing projects for the financial year:

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | |
|---|---|---|---|---|---|---|---|---|---|
| Sl. No | Name of the Project | Item from the list of activities in schedule VII to the Act. | Local area (Yes/ No). | Location of the project. | | Amount spent for the project (in Rs.). | Mode of implementation- Direct (Yes/No). | Mode of implementation -Through implementing Agency as per rule 4. | |
| | | | | State | Dist. | | | Name. | CSR Reg. No. |
| | Children Education | (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects; | | Gujarat | Ahmadabad | 1,20,00,000 (One Crore Twenty Lakhs Only) | NO | Karmputra Charitable Trust | CSR00022403 |
| | Women Empowerment | (iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups; | | | | | NO | Karmputra Charitable Trust | CSR00022403 |
| | TOTAL | | | | | 1,20,00,000 | | | |

d. Amount spent in Administrative Overheads: NA

e. Amount spent on Impact Assessment, if applicable: NA

f. Total amount spent for the Financial Year (8b+8c+8d+8e): INR 1,20,00,000/-

g. Excess amount for set off, if any: ____

| Sl. No. | Particular | Amount (in Rs.) |
|---|---|---|
| i | Two percent of average net profit of the company as per section 135(5) | **1,18,15,243.11** |
| ii | Total amount spent for the Financial Year | 1,20,00,000.00 |
| iii | Excess amount spent for the financial year [(ii)-(i)] | 1,84,756.89 |
| iv | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | NIL |
| | Amount available for set off in succeeding financial years [(iii)-(iv)] | 1,84,756.89 |

h. Details of Unspent CSR amount for the preceding three financial years: NIL

| Sl. No. | Preceding Financial Year. | Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.) | Amount spent in the reporting Financial Year (in Rs.). | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any. | | | Amount remaining to be spent in succeeding financial years. (in Rs.) |
|---|---|---|---|---|---|---|---|
| | | | | Name of the Fund | Amount (in Rs). | Date of transfer. | |
| | | | | | | | |
| | TOTAL | | | | | | |

b. Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NIL

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
|---|---|---|---|---|---|---|---|---|
| Sl. No. | Project ID. | Name of the Project. | Financial Year in which the project was commenced. | Project duration, | Total amount allocated for the project (in Rs.). | Amount spent on the project in the reporting Financial Year(in Rs). | Cumulative amount spent at the end of reporting Financial Year. (in Rs.) | Status of the project - Completed / Ongoing. |
| | | | | | | | | |
| | TOTAL | | | | | | | |

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

    a. Date of creation or acquisition of the capital asset(s). :NA

    b. Amount of CSR spent for creation or acquisition of capital asset.: NA

    c. Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc: NA

    d. Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). :NA

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). :NA

SD/-
Ruchi Kalra
CFO & WTD
DIN: 03103474
Date: 18th September, 2023
Place: Gurugram, Haryana

## 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<br>Windsor, 6th floor, OfficeNo.604, C.S.T Road,<br>Kalina, Santacruz (East)<br>Mumbai-400098<br>Contact Person: Mr. Umesh Salvi<br>Tel: 022-49220555<br>Fax: 022-49220505<br>Email id: ComplianceCTL@ctltrustee.com |
| 2 | Axis Trustee Services Limited<br>Registered office: The Ruby, 2nd Floor, SW, 29 Senapati Bapat Marg, Dadar West, Mumbai-400 028<br>Contact Person: Mr. Ganesh<br>Tel : 022-62300451<br>Email: debenturetrustee@axistrustee.in |
| 3 | IDBI Trusteeship Services Limited<br>Address- Asian Building, Ground Floor, 17. R. Kamani Marg, Ballard Estate, Mumbai – 400001<br>Contact Person: Mr. Munjal.K.G.Dhanani / Ms. Sheetal Mehta<br>Tel.: 022 40807000<br>Email: itsl@idbitrustee.com |

**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: 18th September, 2023**
**Place: Gurugram, Haryana**

## 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. 43 of Note to Account of Annual Accounts.

2. A. The disclosure requirements are as follows:

| S. 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 | Loans and advances in the nature of loans to subsidiaries by name and amount. - NA<br>Loans and advances in the nature of loans to associates by name and amount- NA<br>Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount. -NA |
| 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- NA |

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. 43 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: 18th September, 2023**

**Place: Gurugram, Haryana**

# 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, as amended time to time and other law for the time being in force, 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 adhered with the Code of Conduct as applicable to them for the Financial Year ended March 31, 2023.

By order of the Board of Director

For OXYZO Financial Services Private Limited

SD/-

Ruchi Kalra

CFO and WTD

DIN: 03103474

**Dated: 18th September, 2023**

**Place: Gurugram, Haryana**

# CORPORATE GOVERNANCE REPORT

(Pursuant to the Companies Act, 2013 & Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

## I. Company's Philosophy on Code of Governance

The Company's philosophy is based on the guiding principles on Corporate Governance and aims to help the Company in efficient conduct of its business and to fulfil its responsibilities to all its stakeholders. OXYZO is committed to adopting global best practices in Governance and Disclosure. OXYZO believes that highest standards of Corporate Governance are essential to enhance long term value of the Company for its stakeholders and practice the same at all levels of the organization. Ethical business conduct, integrity and commitment to values, which enhance and retain stakeholders' trust are the traits of your Company's Corporate Governance. Good Governance practices stem from the culture and mindset of the organization. The Company considers fair and transparent Corporate Governance as one of its core management tenets. Your Company follows the best governance practices with highest integrity, transparency and accountability. The said Corporate Governance Code has been uploaded on the Company's website and can be accessed at https://www.oxyzo.in/policy/disclaimer.

**The highlights of the Company's Corporate Governance regime are: -**

1. The Company believes that an active, well-informed and independent Board is necessary to ensure high standards of Corporate Governance.
2. Constitution of several Committees for focused attention and proactive flow of information.
3. Established Code of Conduct for Directors and Senior Management as also for other employees.
4. Robust Vigil Mechanism and Ombudsperson process.
5. Robust Compliance system.
6. Timely, transparent and regular disclosures.
7. Digital meetings of Board and Committees.
8. Robust Risk Management and Control Mapping for each of the business processes

The Securities and Exchange Board of India ('SEBI') regulates Corporate Governance practices and disclosure for the listed companies through the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). The Company is in full compliance with the Listing Regulations.

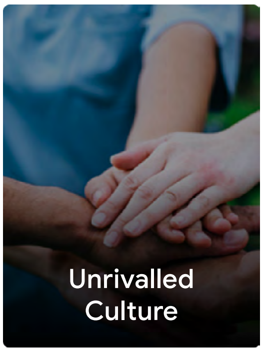
### Salient features of OXYZO's Corporate Governance Philosophy

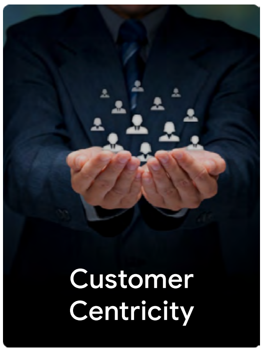
| | | | |
|---|---|---|---|
| Act in the spirit of Law and not just the letter of law | Do what is right and not what is convenient | Provide complete transparency on our operations | Follow openness in our communication to all our stakeholders |

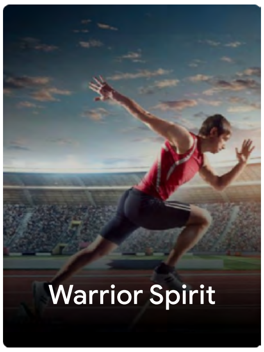
**The Corporate Governance Structure of OXYZO can be described through three layers namely:**

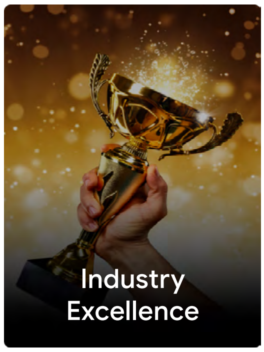
- Shareholders appoint the Board of Directors and entrust them with necessary powers.
- The Board leads strategic management and appoints various Committees to handle specific areas of responsibilities.
- The Executive Management and the Committees take up specific responsibilities and day-to-day affairs as set by the Board.

### OXYZO's Values









## II. The Board of Directors (The Board)

The Board of Directors and its Committees, provide leadership and guidance to the Company's Management while discharging its duties & fiduciary responsibilities, directs as well as review business objectives, management strategic plans and monitor the performance of the Company.

The Company has a professional Board with the right mix of knowledge, skills and expertise in diverse areas with an optimum combination of Executive and Non-Executive Directors including Independent Directors. Besides having financial literacy, vast experience, leadership qualities and the ability to think strategically, the Directors are committed to ensure highest standards of corporate governance.

### a. Composition

As on March 31, 2023, The Board comprised of Six (6) Directors consisting of two (2) Executive including one (1) Women Director, one (1) Non-Executive and (3) Three Non-Executive Independent Directors. The composition of the Board was in accordance with Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Number of Directorships held by Executive, Non-Executive and Independent Directors are within the permissible limits under Companies Act, 2013 & as per RBI Directions. The current composition of the Board can be accessed at https://www.oxyzo.in/about/team/board-of-directors. or refer the table hereunder: -

| S No. | Name | Designation | Type of Directorship | Director Since |
|---|---|---|---|---|
| 1 | Sathyan David | Independent Director | Non- Executive Director | 11/04/2019 |
| 2 | Praveen Kumar Bhambani | Independent Director | Non- Executive Director | 06/08/2022 |
| 3 | Rohit Kapoor | Independent Director | Non- Executive Director | 05/02/2019 |
| 4 | Asish Mohapatra | Director | Non- Executive Director | 05/02/2019 |
| 5 | Vasant Sridhar | Director | Executive Director | 26/12/2016 |
| 6 | Ruchi Kalra | Whole time Director and CFO (KMP) | Executive Director | 21/09/2016 |

**Disclosure pursuant to Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs:** The Shareholding of the Non- Executive Directors, as above-mentioned is NIL in the Company for the financial year ended 31st March 2023.

No Director is representing to any Investor / lender / institution.

### b. Attendance of Board Meetings and the last Annual General Meeting (AGM)

The Attendance Record of the Directors at the Board Meetings (Financial Year 2022-23) and at the Sixth AGM are as follows: -

| Name of Director | DIN | Attendance at the Board (11 BM) | Attendance at Sixth AGM (Yes / No) |
|---|---|---|---|
| Ruchi Kalra | 3103474 | 11 | Yes |
| Vasant Sridhar | 7685035 | 10 | Yes |
| Asish Mohapatra | 6666246 | 10 | Yes |
| Rohit Kapoor | 6529360 | 11 | No |
| Praveen Kumar Bhambani | 9681934 | 06 (post appointment 6 meetings occurred) | Yes |
| Sathyan David | 8386521 | 11 | No |

*Meetings attended includes attendance through audio visual means/video conferencing.

## c. Number of Directorship / Committee position of Director as on March 31, 2023

| Name of Director | Directorship | | | Committee positions in listed and unlisted public limited companies | |
|---|---|---|---|---|---|
| | In Listed Company | In unlisted Public Company | In Private Company (Including OXYZO) | As Member | As Chairman |
| Ruchi Kalra | Nil | Nil | 8 | NA | NA |
| Asish Mohapatra | Nil | Nil | 10 | NA | NA |
| Vasant Sridhar | NIL | Nil | 5 | NA | NA |
| Praveen Kumar Bhambani | Nil | Nil | 2 | NA | NA |
| Rohit Kapoor | Nil | Nil | 3 | NA | NA |
| Sathyan David | NIL | Nil | 3 | NA | NA |

## d. Number of Board Meeting held

The Board has met Eleven (11) times during the period ended on 31st March 2023. Thes necessary quorum was present for all the Board Meetings. The maximum interval between any two Board Meetings was well within the maximum allowed gap of one hundred and twenty days. After each Board Meeting, your Company has a well-articulated system of follow up, review and reporting on actions taken by the Management on the decisions of the Board.

| S.No. | Date of the Meeting | Ruchi kalra | Asish Mohapatra | Vasant Sridhar | Praveen Kumar Bhambani | Sathyan David | Rohit Kapoor |
|---|---|---|---|---|---|---|---|
| 1 | 17-May-22 | Y | Y | Y | N | Y | Y |
| 2 | 23-May-22 | Y | Y | N | N | Y | Y |
| 3 | 26-May-22 | Y | Y | Y | N | Y | Y |
| 4 | 05-July-22 | Y | N | Y | N | Y | Y |
| 5 | 06-August-22 | Y | Y | Y | N | Y | Y |
| 6 | 19-September-22 | Y | Y | Y | Y | Y | Y |
| 7 | 10-November-22 | Y | Y | Y | Y | Y | Y |
| 8 | 03-January-23 | Y | Y | Y | Y | Y | Y |
| 9 | 13-February-23 | Y | Y | Y | Y | Y | Y |
| 10 | 10-March-23 | Y | Y | Y | Y | Y | Y |
| 11 | 24-March-23 | Y | Y | Y | Y | Y | Y |

## e. (e) Relationship between Director inter-se;

The Board Members are not related to each other except Mr. Asish Mohapatra and Ms. Ruchi Kalra are spouses.

## f. (f) Number of Shares and Non-convertible Instrument held by Non- Executive Director

No shares or Non-convertible Instruments are held by the Non-Executive Director

## g. Familiarization Programme for Independent Directors

Your Company is a debt Listed Company, hence Regulation 25 (7) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is not applicable on your Company.

### h. Chart/Matrix relating to skills /expertise /competence of the Board Directors

| Skill Areas | Ruchi Kalra | Asish Mohapatra | Vasant Sridhar | Praveen Kumar Bhambani | Rohit Kapoor | Sathyan David |
|---|---|---|---|---|---|---|
| Leadership qualities | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Business & Strategic planning | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Industry & Knowledge and experience | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Governance, Compliance and Audit purview | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Information Technology | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Risk Management | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

### i. Independent Directors

Independent Director is a Non-Executive Director, who fulfils the criteria as laid down under Listing Regulations and Companies Act, 2013, including any amendments thereto. The Company has issued formal letter of appointment to its Independent Directors. The brief profile of Independent Director is posted on Website of the Company i.e https://www.oxyzo.in/about/team/board-of-directors. The Independent Director is not related to the Management of the Company in any aspect.

The appointment of Independent Directors is in accordance with the Companies Act, 2013 and RBI Master Director on Non – Deposit taking NBFC or other applicable law for the time being in force.

#### Declaration of independence

The Company has received the necessary declaration and confirmation from each of the Independent Directors confirming that they meet the criteria of independence as prescribed under the CA, 2013. Independent Directors have confirmed that they have registered their names in the Independent Directors' Databank. In the opinion of the Board, the Independent Directors continue to fulfil the criteria prescribed for an independent director as stipulated as per Section 149(6) of the Act and are independent of the management of the Company.

j. **Mr. Akshat Vikram Pande** resigned on 13th May 2022 from the Company as he moved to Dubai due to change in personal & professional circumstances and there are no material reason except as stated.

### Committees of the Board

The Board has constituted several Committees of Directors with adequate delegation of powers to focus effectively on the issues and ensure expedient resolution of diverse matters, your Company has duly constituted Board level Committees as per Companies Act, 2013, RBI Master Direction & SEBI Listing Regulation as applicable, all decisions pertaining to the constitution of Committees, appointment of members and terms of reference for Committee members are taken by the Board of Directors.

Further, the Company Secretary of the Company acts as the Secretary to all the Committees. All recommendations of the Committees are placed before the Board for approval or information, if required. During the financial year ended March 31, 2023, all the recommendations of/ submissions by the Committees which were mandatorily required, were accepted by the Board. These Committees meet as often as required or as statutorily required.

Details pertaining to the role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below:

## Following are the committees of the board with their scope and composition:

| S. No. | NAME OF THE COMMITTEE | COMPOSITION | TERMS OF REFERENCE AND MEETINGS |
|---|---|---|---|
| 1 | Audit Committee | 1. Ruchi Kalra, Member since August 21, 2019<br>2. Sathyan David, Member since August 21, 2019<br>3. Praveen Kumar Bhambani, Chairman since November 10, 2022 | **Terms of Reference**<br>1. Every Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall, inter alia, include-<br>i. The recommendation for appointment, remuneration and terms of appointment of auditors of the company.<br>ii. Review and monitor the auditor's independence and performance, and effectiveness of audit process.<br>iii. Examination of the financial statement and the auditors' report thereon.<br>iv. Approval or any subsequent modification of transactions of the company with related parties.<br>Provided that the Audit Committee may make omnibus approval for related party transactions proposed to be entered into by the company subject to such conditions as may be prescribed.<br>v. Scrutiny of inter-corporate loans and investments.<br>vi. Valuation of undertakings or assets of the company, wherever it is necessary.<br>vii. Evaluation of internal financial controls and risk management systems.<br>viii. Monitoring the end use of funds raised through public offers and related matters.<br>2. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.<br>3. The Audit Committee shall have authority to investigate into any matter in relation to the items specified in sub-section (4) or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company.<br>4. The auditors of a company and the key managerial personnel shall have a right to be heard in the meetings of the Audit Committee when it considers the auditor's report but shall not have the right to vote.<br>5. Audit committee shall oversee the vigil mechanism, if exist, through the committee and if any of the members of the committee have a conflict of interest in a given case, they should recuse themselves and the others on the committee would deal with the matter on hand.<br>6. The Audit Committee must ensure that an Information System Audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced by the applicable NBFCs.<br>7. Any other functions as Board/Management may decide time to time as per regulatory requirement |

### Meetings

**AC Meeting Dates are-** 26th May 2022; 30th June 2022; 06th August 2022; 19th September 2022; 10th November 2022; and 13th February 2022

| Name | Number of Meetings held during the tenure | Number of Meeting Attended |
|---|---|---|
| Ruchi Kalra | 6 | 6 |
| Sathyan David | 6 | 6 |
| Rohit Kapoor (Member & Chairperson till 10-11-2022) | 6 | 5 |
| Praveen Kumar Bhambani | 6 | 1 |

2 Nomination and Remuneration Committee

1. Sathyan David Member- (since 26th May 2022)
2. Asish Mohapatra, member (since 21 August 2019
3. Rohit Kapoor, Member (since 26th May 2022)

### Terms of Reference

1. To ensure 'fit and proper' status of proposed/ existing directors and there is no conflict of interest in appointment of directors on Board of the Company, KMPs and Senior Management.
2. The Nomination and Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
3. The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
4. The Nomination and Remuneration Committee shall, while formulating the policy under sub-section (3) ensure that—

   -The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully.

   -Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

   -Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
5. To oversee the framing, review and implementation of compensation policy and then approval from Board
6. To work closely for better coordination with RMC in order to maintain effective alignment between compensation and risk.
7. To ensure that compensation levels are supported by the need to retain earnings of the Company.
8. To ensure the maintenance of adequate capital based on internal capital adequacy assessment process (ICAAP).
9. Any other function as Board/Management may decide time to time as per regulatory requirement.

<table>
<tr>
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<td>
<h3>Meetings</h3>
NRC Meeting dates are- 26th May 2022; 30th June 2022; and 24th March 2023.
<table>
<tr><th>Name</th><th>Number of Meetings held during the tenure</th><th>Number of Meeting Attended</th></tr>
<tr><td>Sathyan David</td><td>3</td><td>3</td></tr>
<tr><td>Rohit Kapoor (Chairperson)</td><td>3</td><td>3</td></tr>
<tr><td>Asish Mohapatra</td><td>3</td><td>3</td></tr>
</table>
<h3>Performance Evaluation Criteria for the Independent Directors:</h3>
The performance of the independent directors was done by the entire Board excluding the director to be evaluated and the continuance or extension of the independent director was determined by the performance evaluation report. The performance evaluation criteria for Independent Directors is based on various factors which includes participation and contribution by a Director, commitment, effective deployment of knowledge and expertise, integrity and maintenance of confidentiality and independence of behaviour and judgment.
</td>
</tr>
<tr>
<td>3</td>
<td>Risk Management Committee</td>
<td>1. Sathyan David, Chairman (since 21 August 2019<br>2. Ruchi Kalra, Member (since 21st August 2019)<br>3. Asish Mohapatra, Member (since 21st August 2019)</td>
<td>
<h3>Terms of Reference</h3>
i. Approving and monitoring the Company’s risk management policies and procedures;<br>
ii. Framing, implementing, reviewing and monitoring the risk management plan including cyber security for the Company;<br>
iii. Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;<br>
iv. Monitoring and overseeing implementation of the risk management policy, including evaluating the adequacy of risk management systems;<br>
v. Periodically reviewing the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;<br>
vi. Approving and reviewing the Assets Classification & Expected Credit Loss policy, Review IT Risk assessment of IT systems;<br>
vii. Approving a framework to evaluate the risks and materiality of all existing and prospective outsourcing and the policies that apply to such arrangements.
<h3>Meetings</h3>
RMC Meeting dates are- 30th June 2022 and 10th November 2022.
<table>
<tr><th>Name</th><th>Number of Meetings held during the tenure</th><th>Number of Meeting Attended</th></tr>
<tr><td>Ruchi Kalra</td><td>2</td><td>2</td></tr>
<tr><td>Sathyan David (Chairperson)</td><td>2</td><td>2</td></tr>
<tr><td>Asish Mohapatra</td><td>2</td><td>2</td></tr>
</table>
</td>
</tr>
<tr>
<td>4</td>
<td>Stakeholder’s Relationship Committee</td>
<td>NA</td>
<td>NA</td>
</tr>
</table>

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<tr>
<td>5</td>
<td>Assets Liability Committee</td>
<td>1. Ruchi Kalra, Chairperson (since 21 August 2019)<br>2. Prashant Roy Sharma, Member(since 26th May 2022)<br>3. Vasant Sridhar, Member (since  21st August 2019)</td>
<td>1. Liquidity risk management<br>2. Management of market risks.<br>3. Funding and capital planning.<br>4. Profit planning and growth projection.<br>5. Forecasting and analysing 'What if scenario' and preparation of contingency plans.<br>Any other functions as Board/ Management may decide time to time as per regulatory requirement.<br><br>Meeting<br><br>ALM Committee Meeting dates are: - 30th June 2022; 06th August 2022; 10th November 2022; and 13th February 2023<br><br>
<table>
<tr><th>Name</th><th>Number of Meetings held during the tenure</th><th>Number of Meeting Attended</th></tr>
<tr><td>Ruchi Kalra (Chairperson)</td><td>4</td><td>4</td></tr>
<tr><td>Prashant Roy Sharma, Member</td><td>4</td><td>4</td></tr>
<tr><td>Vasant Sridhar, Member</td><td>4</td><td>4</td></tr>
</table>
</td>
</tr>
<tr>
<td>6</td>
<td>IT Strategy Committee</td>
<td>1. Sathyan David- Chairman (since 21st August 2019)<br>2. Dhruva Shree Agrawal- CTO and CIO (since 21st August 2019)<br>3. Asish Mohapatra- Member (since 21st August 2019)</td>
<td>1. Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place.<br>2. Ascertaining that management has implemented processes and practices that ensure that IT delivers value to the business.<br>3. Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable.<br>4. Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources.<br>5. Ensuring proper balance of IT investments for sustaining NBFC’s growth and becoming aware about exposure towards IT risks and controls.<br>6. Any other functions as Board/ Management may decide time to time as per regulatory requirement.<br><br>Meetings<br><br>IT Strategy Meeting dates are: - 26th May 2022 and 10th November 2022.<br><br>
<table>
<tr><th>Name</th><th>Number of Meetings held during the tenure</th><th>Number of Meeting Attended</th></tr>
<tr><td>Dhruva Shree Agrawal- CTO and CIO</td><td>2</td><td>2</td></tr>
<tr><td>Sathyan David (Chairperson)</td><td>2</td><td>2</td></tr>
<tr><td>Asish Mohapatra</td><td>2</td><td>2</td></tr>
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<tr>
<td>7</td>
<td>IT Steering Committee</td>
<td>1. Ruchi Kalra- Business owner (since 21st August 2019)<br>2. Dhruva Shree Agrawal- Development Team (21st August 2019)<br>3. Asish Mohapatra member (since 21st August 2019)</td>
<td>1. To provide oversight and monitoring of the progress of the project, including deliverables to be realized at each phase of the project and milestones to be reached according to the project timetable.<br>Any other functions as Management may decide time to time as per regulatory requirement.<br><br>Meetings<br><br>IT Steering Meeting dates are: - 10th March 2023<br>
<table>
<tr><th>Name</th><th>Number of Meetings held during the tenure</th><th>Number of Meeting Attended</th></tr>
<tr><td>Ruchi Kalra</td><td>1</td><td>1</td></tr>
<tr><td>Dhruva Shree Agrawal-</td><td>1</td><td>1</td></tr>
<tr><td>Asish Mohapatra</td><td>1</td><td>1</td></tr>
</table>
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</tr>
<tr>
<td>8</td>
<td>Corporate Social Responsibility Committee</td>
<td>1. Mr. Asish Mohapatra Member (since 10th November 2020)<br>2. Mr. Rohit Kapoor Member (Since 26th May 2022)<br>3. Ms. Ruchi Kalra Member (since 10th November 2020)</td>
<td>1. To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the company as per the Companies Act, 2013.<br>2. To review and recommend the amount of expenditure to be incurred on the CSR related activities to be undertaken by the company.<br>3. To institute a transparent monitoring mechanism for the implementation of the CSR projects, programs and activities undertaken by the Company from time to time.<br>Any other matter the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.<br><br>Meeting<br>CSR Committee Meeting date is: - 19th September 2022.<br>
<table>
<tr><th>Name</th><th>Number of Meetings held during the tenure</th><th>Number of Meeting Attended</th></tr>
<tr><td>Ruchi Kalra</td><td>1</td><td>1</td></tr>
<tr><td>Dhruva Shree Agrawal</td><td>1</td><td>1</td></tr>
<tr><td>Asish Mohapatra</td><td>1</td><td>1</td></tr>
</table>
</td>
</tr>
</table>

## V. Remuneration paid to Directors

Remuneration by way of Sitting Fees to Independent Directors are in accordance with the Appointment letter and Terms and conditions mentioned thereunder.

Remuneration to Independent Directors and Non-Executive Directors, is fixed by the Board based on -

1. The contribution they make to the decision making at the Board level and
2. Industry standards/practice. No stock options have been granted to any Executive Directors, Non- Executive and/or Independent Directors during the Financial Year 2022-23.

During the year, there were no pecuniary relationships or transactions between the Company and any of its Non-Executive and/or Independent Directors apart from the remuneration and the transactions under the Related Party Transactions, as disclosed in the financial statements.

The details of the remuneration paid to Ms. Ruchi Kalra, CFO & WTD and Mr. Vasant Sridhar, Executive Director of the Company for the financial year ended March 31, 2023 are given below:

| Particulars | Ruchi Kalra | Vasant Sridhar |
|---|---|---|
| Gross Salary | 2,140,848 | 3,526,800 |
| a) Salary as per provisions of section 17(1) of the Income-tax Act, 1961 | 1,940,848 | 3,294,400 |
| b) Value of perquisites under section 17(2) Income-tax Act, 1961 | - | 32,400 |
| c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - |
| Period of Contract | Till notice | Till notice |
| Notice Period and Severance Fees | 3 Months by company and 6 months by employee | 3 Months by company and 6 months by employee |
| Employee Stock Options ("ESOP") | - | 2,969,400.00 |
| Benefits | 0 | 0 |
| Bonus | 0 | 0 |
| Pension | 0 | 0 |
| Fixed component | 2,750,004 | 4,290,000 |
| Variable component along with criteria | 0 | 0 |
| Severance fees | 0 | 0 |
| Stock option if issued at discount | 0 | 0 |
| Accrued stock option | - | 2,130,714.18 |
| Exercisable option | - | 2,236,764.18 |
| | | |
| OXYZO Employee Stock Options | 0 | 1,066,326.00 |

*The sitting fees paid to the Non-Executive Directors is as follows:*

| Name of the Director | Sitting Fees Paid (in Lakhs) |
|---|---|
| Sathyan David | 9 |
| Rohit Kapoor | 2.75 |
| Praveen Kumar Bhambani | 3 |
| Asish Mohapatra | NIL |

No other compensation, commission etc paid to any Director during the year 2022-23.

## VII. General Body Meeting

Annual General Meeting:

| Year | Date | Location | Time | Special Resolution Matter |
|---|---|---|---|---|
| 2021-22 | 26th September 2022 | Via Video Conferencing ("VC") Other Audio-Visual Means ("OAVM") | 12:05 Noon | 1. To adopt restated and amended Articles of Association of the Company<br>2. To adopt the entrenched provisions contained in the Amended Articles of Association |
| 2020-2021 (5th) | September 28, 2021 | Registered office - Shop No. G-22C (UGF) D-1 (K-84) Green Park Main, New Delhi-110016 | 10:00 A.M. | No such Business |
| 2019-2020 (4th) | December 07, 2020 | Registered office - Shop No. G-22C (UGF) D-1 (K-84) Green Park Main, New Delhi-110016 | 10:00 A.M. | No such Business |

* No meeting is conducted through Postal Ballot.

Details of Extra Ordinary General Meeting held in FY 22-23 :

| S. No | Date | Location | Special Resolution Matter |
|---|---|---|---|
| 1 | 08th April 2022 | 6th Floor, Tower A, Global Business Park, M. G. Road, Gurugram-122001 | 1. Adoption of restated and amended Articles of Association of the Company<br>2. To adopt the entrenched provisions contained in the Amended Articles of Association |
| 2 | July 07, 2022 | 6th Floor, Tower A, Global Business Park, M. G. Road, Gurugram-122001 | Approval of the offer and issuance of series a ccps on a preferential basis (private placement) |
| 3 | 03 January 2023 | 6th Floor, Tower A, Global Business Park, M. G. Road, Gurugram-122001 | Approval to issue and offer of Rated, Senior, Secured, Transferable, Redeemable, Principal protected, Non-Convertible Market Linked Debentures ("NCDs" or "Debentures") |
| 4 | March 10, 2023 | 6th Floor, Tower A, Global Business Park, M. G. Road, Gurugram-122001 | Approval to issue and offer of rated, listed, senior, secured, redeemable, taxable, non-convertible debentures ("ncds" or "debentures") |

## VIII. Means of Communication

A separate dedicated section 'Investors' is maintained on the website of the Company for ease of the shareholders. The information required to be disseminated by the Company in terms SEBI Listing Regulations are uploaded on the website of the Company.

Quarterly, half-yearly, annual financial results & Annual Report are intimated to the BSE Limited. The Financial Results & Annual Report are also uploaded on the website of the Company. The said communication can be accessed at https://www.oxyzo.in/investor-relation/listing-compliances

The Financial Results are generally published in leading business newspaper, namely, Financial Express (English) and simultaneously posted on the website of the Company, which can be accessed at https://www.oxyzo.in/investor-relation/financial-reports.

## IX. General Shareholders' Information

### Seventh Annual General Meeting

| Day, Time and Date | Venue |
|---|---|
| On or before 30th September 2023 | Physically or Through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") |

The Shareholders/Members, who cannot attend the AGM in person, can appoint a proxy to represent themselves at the AGM by sending a Proxy Form. The Proxy Form in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the AGM.

Financial Year: The Company follows April 01 to March 31 as its financial year **Details of Dividend for the Financial Year 2022-23:**

### Details of dividend for the Financial Year 2022-2023:

Your Directors have not declared any dividend for the FY 2022-2023

### Listing on Stock Exchange:

The non-convertible securities of the Company are listed on the debt market segment of BSE Limited.

| Name of the Stock Exchange | Address |
|---|---|
| BSE Limited | Phiroze Jeejeebhoy Towers, Dalal Street, Mum-bai-400 001 |

The Company has paid the listing fees for FY2023-24 to BSE Limited.

**Stock Code** – The equity shares of the Company are not listed on the Stock Exchange, hence the Stock code is not applicable.

### Market Price Data: High, Low during each month in the Financial Year 2022-23

Not Applicable , No equity shares are listed.

### Performance in comparison to broad-based indices such as BSE Sensex, CRISIL index etc:

Not Applicable , No equity shares are listed.

### Security Suspended

No such event occurred during the period under review.

### Registrar and Share Transfer Agent

In terms of Regulation 7 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015; **KFin Technologies Limited**, continues to be the Registrar and Share Transfer Agent and handles all relevant share registry serviced. The communication address of the Registrar and Share Transfer Agent is given hereunder:

**Kfin Technologies Private Limited**

KFin Technologies Limited

301, The Centrium, Phoenix Market City, LBS Road, Kurla, Mumbai – 400070, Maharashtra, India.

investorrelations@kfintech.com

### Share transfer system.

All the securities of the Company are in dematerialised form, hence there are no physical transfer of securities.

Process:

**Step 1 -** The investor fills the DIS (Delivery Instruction Slip) and submits to his/ her Depository Participant (DP)
**Step 2 -** The DP forwards the DIS form or request to respective depository (NSDL/ CDSL)
**Step 3 -** The Depository will transfer your existing shares to the Transferee Demat account
**Step 4 -** Once all the shares are transferred, the same will be reflected in the new investor Demat account.

## Distribution of Shareholding as on March 31, 2023

| S No | Category | Shareholding | |
|---|---|---|---|
| | | No. of shares held | 10. % of shareholding |
| A | **Promoters' holding** | | |
| | **Indian:** | | |
| 1 | **Individual** | | |
| | Ruchi Kalra* | 29,35,283 | 4.00% |
| 2 | **Body Corporate** | | |
| | OFB Tech Private Limited | 5,14,77,159 | 70.15% |
| | **Sub Total (A)** | **5,44,12,442** | **74.15%** |
| | | | |
| B | **Non-Promoters' holding** | | |
| | **Body Corporate:** | | |
| 1 | **Indian Companies** | | |
| | Matrix Partners India III AIF Trust | 12,108 | 0.02% |
| 2 | **Foreign Companies:** | | |
| | Norwest Capital, LLC | 27,88,525 | 3.80% |
| | Creation Investments Social Ventures Fund V, LP | 14,67,644 | 2.00% |
| | Internet Fund VII Pte. Ltd. | 33,02,201 | 4.50% |
| | Alpha Wave Ventures II LP | 54,30,286 | 7.40% |
| | Matrix Partners India Investment IV, LLC | 13,82,154 | 1.88% |
| 3 | **Indian Private Equity Fund** | - | - |
| 4 | **Partnership Firms/ sole proprietorship** | - | - |
| | **Sub Total (B)** | 1,43,82,918 | 19.60% |
| | | | |
| C | **ESOP** | 45,86,348 | 6.25% |
| | **Sub Total (C)** | **45,86,348** | **6.25%** |
| | | | |
| | **GRAND TOTAL(A+B+C)** | **7,33,81,708** | **100%** |

***Includes: 7,33,816 (1%) as Series A optionally convertible and redeemable preference shares**

## Dematerialization of Shares and Liquidity

Your Company's shares are admitted into both the Depositories i.e. NSDL and CDSL by the Company's Registrar and Share Transfer Agent, all the shares are in Demat Form.

## Shares held in Physical Form

The Company does not have shares in the Physical Form.

**Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity shares of the Company.**

There are no outstanding GDRs / ADRs / Warrants / of the Company and hence, the same is not applicable to the Company.

**However, the Company has issued Convertible Securities in the form of OCPRS/CCPS:**

## 1. Private Placement of Cumulative Mandatorily and Fully Convertible Preference Shares Security:

| S.No. | Date of Allotment (DD-MM-YY) | No. of Preference shares issued | Face Value (INR) | Issue Price (INR) | Consideration | Nature of Allotment | Form of Consideration |
|---|---|---|---|---|---|---|---|
| 1 | 05-Apr-22 | 354794 | 10 | 1041.26 | 369432800.4 | Private Placement | Cashx |
| 2 | 05-Apr-22 | 12107 | 10 | 1041.26 | 12606534.82 | Private Placement | Cash |
| 3 | 06-Apr-22 | 5430276 | 10 | 1041.26 | 5654329188 | Private Placement | Cash |
| 4 | 06-Aug-22 | 1027351 | 10 | 1041.26 | 1069739502 | Private Placement | Cash |

## 2. Detail of OCRPS:

| S.No. | Date of Allotment (DD-MM-YY) | No. of Preference shares issued | Face Value (INR) | Issue Price (INR) | Consideration | Nature of Allotment |
|---|---|---|---|---|---|---|
| 1 | 06-April-22 | 2,935,263 | 10 | NIL | NIL | Bonus Issue |

## 3. Conversion of OCRPS into Equity shares:

| S.No. | Date of Allotment (DD-MM-YY) | No. of Preference shares issued | Face Value (INR) | Issue Price (INR) | Consideration | Nature |
|---|---|---|---|---|---|---|
| 1 | 11-April-22 | 2,201,447 | 10 | NIL | NIL | 75 % of OCRPS has been converted into equity shares |

## 4. Transfer of CCPS

| Total Number of Securities held by the Seller in the Company | Number of Sale Shares being sold to Matrix Partners India Investments IV, LLC | Purchase Price payable by Matrix Partners India Investments IV, LLC |
|---|---|---|
| 3,54,794 Series A CCPS and 9 Equity Shares | 3,54,794 Series A CCPS and 9 Equity Shares | **Series A CCPS:** INR 36,94,32,800 (Indian Rupees Thirty-Six Crores Ninety-Four Lakhs Thirty-Two Thousand and Eight Hundred only);<br>**Equity Shares:** INR 9,371 (Indian Rupees Nine Thousand Three Hundred and Seventy-One only). |

### Commodity price risk or foreign exchange risk and hedging activities

Your Company do not have any above captioned risk.

### Plant Locations of the Company

Not Applicable

### Address for Correspondence

Stakeholder can also send their correspondence to the Company with respect to their shares, dividend, request for annual reports and other grievances. The contact details are provided below:

| Name of the officer | Ms. Pinki Jha |
|---|---|
| Designation | Company Secretary and Head Compliance |
| Postal address | 6th Floor, Tower A, Global Business Park, M.G. Road, Gurugram-122001 |
| Telephone Number | 1140507973 |
| Mobile Number | 0124-4006603 |
| Email ID | compliance@oxyzo.in |

### Credit Rating: The credit rating details:

| S.NO. | Instrument | Rating Agency | Rating As at March 31, 2023 | Rating As at March 31, 2022 |
|---|---|---|---|---|
| 1 | Non-convertible debentures | ICRA Ltd | ICRA A+ (Stable) | BBB+ Stable |
| 2 | Commercial paper | ICRA Ltd | ICRA A1+ | A2+ |
| 3 | Bank Lines | ICRA Ltd | ICRA A+ (Stable) | BBB+ Stable |
| 4 | Principal Protected Market Linked Debenture | ICRA Ltd | PP-MLD ICRA A+ (Stable) | PP-MLD BBB+ Stable |
| 5 | Other Instruments | ICRA Ltd | - | A-(CE) Stabl |
| 6 | Non-convertible debentures | ICRA Ltd | - | A-(CE) Stabl |
| 7 | Bank Lines | CARE | CARE A+ (Stable) | BBB+ |
| 8 | Non-convertible debentures | CARE | CARE A+ (Stable) | BBB+ |
| 9 | Bank Lines | CRISIL | CRISIL A+/Stable | - |
| 10 | Principal Protected Market Linked Debenture | CRISIL | CRISIL PP MLD A + /Stable | - |
| 11 | Non-convertible debentures | CRISIL | CRISIL A+/Stable | BBB+ |

### Revision in Credit rating from CRISIL:

CRISIL Ratings has upgraded its rating on the long term bank facilities and debt instruments of Oxyzo Financial ServicesPrivate Limited (Oxyzo) to 'CRISIL A+/CRISIL PPMD A+' from 'CRISIL A/CRISIL PPMLD A' and removed the ratings from'Rating Watch with Developing implications' while assigned a 'Stable' outlook to the rating..

## X. Other Disclosures

### Whistle Blower Policy /Vigil Mechanism

The Company has in place a Whistle Blower Policy ('Policy') and has established the necessary vigil mechanism for Directors and employees in confirmation with Section 177(9) of the Companies Act, to report concerns about unethical behavior.

The Policy provides a neutral and unbiased forum for any Director or employees of the Company to voice concerns in a responsible and effective manner, if they discover information, which they believe shows malpractice, impropriety, abuse or violation of code of conduct, without fear of reprisal. The Policy is disclosed on Company's website at https://www.oxyzo.in/policy/disclaimer

The Audit Committee reviews the functioning of the Policy. During the year, no Director or full-time employee of the Company was denied access to the Chairperson of the Audit Committee.

#### Disclosure of Related Party Transactions and weblink

Your Company has formulated a policy on related party transactions and on dealing with related party transactions in accordance with Companies Act, 2013 and RBI Master Direction.

During the Financial Year 2022-23, there were no materially significant related party transactions that may have potential conflict of interests of the Company at large. Related Party disclosures have been disclosed in Note 39 to the Standalone Financial Statements forming an integral part of the Annual Report.

The Policy disclosed on the website of the Company at www.oxyzo.in

**Disclosure on Accounting treatment in preparation of Financial Statements**

The Company has prepared financial statements in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as applicable.

**Details of non-compliance by the Company, penalties, structures imposed on the Company by the Stock Exchange(s) or SEBI or any statutory authority, on any matter related to capital markets, during the last three years**

During the financial year 2022-23, the SEBI imposed penalty amounting Rs. 12,09,500 for delayed compliance under the regulation 50, 57(1), 57(5), and 60(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

After the prompt representations, the Compliance Team of OXYZO put its arguments before BSE and **successfully withdraw the penalty amounting Rs. 9,81,760** and the company is in under discussion with BSE for remaining penalties.

There are no other penalties imposed by any other statutory authorities. Also, there is no such event occurred of any default in compliance with the requirements of Companies Act, 2013, including with respect to compliance with accounting and secretarial standards.

**Details of compliance with mandatory and adoption of non-mandatory requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015 -**

The Company has complied with all the mandatory requirements of the SEBI Listing Regulations as applicable to the Company being a Debt Listed Company.

**Details of the Material Subsidiaries of the Company**

Material Subsidiary as defined under Regulation 16 of SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015 is not applicable on our Company.

**Reporting of Internal Auditor –** The Internal auditor reports directly to the Audit Committee.

**Audit Qualifications –** The Company has unqualified financial statements. The Auditors of the Company, have issued Audit Reports with unmodified opinion on the standalone for the year ended March 31, 2023.

**Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).**

This regulation is not applicable, though company has issued NCD through private placement during FY 22-23 and utilised the fund for the purpose mentioned in term sheet / Sanction letter.

A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority. **Kindly refer Annexure A**

**Cases where board had not accepted any recommendation of any committee of the board, which is mandatorily required, in the relevant financial year.**

There has been no instance during the period under review where the Board has not accepted the recommendations of any mandatory committee.

**Material Subsidiaries of Company and Statutory Audit Fees**

As per SEBI Listing Regulation, Material Subsidiary as defined under regulation 16 of SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015 is not applicable on our Company.

**Though, company has following corporate structure:**

| Payment to Auditor | OXYZO (in Lakhs) | OXY Ventures Private Limited- | Oxy B Securities Private Limited- | Oxyzo Investment Manager Private Limited- | Oxyzo Finvest Private Limited- | Ziel Financial Technologies Private Limited- | Zfirst Technologies Private Limited |
|---|---|---|---|---|---|---|---|
| Auditor's Name | M/S S N DHAWAN & CO | M/S PSAN & Co. | M/S PSAN & Co. | M/S PSAN & Co. | M/S PSAN & Co. | AMRK & Associates LLP | AMRK & Associates LLP |
| Statutory Audit | 18.5 | 1.25 | 0.25 | 0.35 | 0.25 | 0.5 | 0.25 |

| | |
|---|---|
| Limited Review | 9 |
| Tax Audit | 3 |
| For other Certifications and Reporting | 3 |
| Audit of Consolidated financial statement | 2.5 |
| Group Reporting | 1.5 |

### Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company is committed to provide a safe and conducive work environment to its employees. The Company has complied with the provisions relating to the Constitution of Internal Complaints Committee under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has the said policy, which can be accessed at https://www.oxyzo.in/policy/disclaimer

| No. of complaints filed during the financial year | NIL |
|---|---|
| No. of complaints disposed of during the financial year | NIL |
| No. of complaints pending as on end of the financial year | NIL |

**Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount: Not Applicable**

## XI. Compliance with Corporate Governance

Your Company has complied with Corporate Governance practice to the extent of applicability under the Law. Compliance certificate from practicing company secretaries regarding compliance of conditions of corporate governance is annexed as Annexure B.

***Not Applicable provisions**

Your Company registered on BSE as DEBT Listed is not required to comply with following clauses/points under Part C of Schedule V of SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

- Point -12 – Discretionary requirements as specified in Part E of Schedule II as per regulation 27 (1) though, Company has moved towards a regime of financial statements with unmodified audit opinion.
- Point 13 – Disclosure as per Regulation 17 to 27 and clause (b) to (i) of Regulation 46 (2)

**Disclosures with respect to demat suspense account/ unclaimed suspense account**

No such accounts are existing to the Company

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

| | |
|---|---|
| SD/- | SD/- |
| Ruchi Kalra | Asish Mohapatra |
| CFO and WTD | Director |
| DIN:03103474 | DIN: 06666246 |
| Add: Shop No. G-22 C (UGF) D-1 (K-84) Green Park, Main New Delhi, South Delhi -110016 | Add: Shop No. G-22 C (UGF) D-1 (K-84) Green Park, Main New Delhi, South Delhi -110016 |
| Dated: 23 May 2023 | Dated: 23 May 2023 |
| Place: Gurugram, Haryana | Place: Gurugram, Haryana |

## ANNEXURE-A

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS_2023

**KUNDAN KUMAR MISHRA & ASSOCIATES**
**Company Secretaries**
**Unique Identification No. S2018DE56 3000**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**
*(Pursuant to Schedule V Para C clause (10)(i) of the SEBI (ListingObligations and Disclosure Requirements) Regulations, 2015)*

To,
The Members of
OXYZO FINANCIAL SERVICES PRIVATE LIMITED
(CIN: U65929DL2016PTC306174)
Shop No. G-22 C (UGF) D-1 (K-84)
Green Park Main, South Delhi 110016

1. That the debt securities of **OXYZO FINANCIAL SERVICES PRIVATE LIMITED** (herein after referred as "the Company") are listed on BSE Limited
2. I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of OXYZO FINANCIAL SERVICES PRIVATE LIMITED having CIN: U65929DL2016PTC306174 and having registered office at **Shop No. G-22 C (UGF) D-1 (K-84) Green Park Main, South Delhi 110016** (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3. In my opinion and to the best of my/our information and according to the verifications and examination of the disclosures under section 184, 189, 170, 164, 149 of the Companies Act, 2013 (the Act) and Directors Identification Number (DIN) status at the portal, www.mca.gov.in as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the below named Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| Sr. No. | Name of Director | DIN | Date of Appointment in Company |
|---|---|---|---|
| 1 | RUCHI KALRA | 03103474 | 21/09/2016 |
| 2 | ROHIT KAPOOR | 06529360 | 05/02/2019 |
| 3 | ASISH MOHAPATRA | 06666246 | 05/02/2019 |
| 4 | VASANT SRIDHAR | 07685035 | 26/12/2016 |
| 5 | SATHYAN DAVID | 08386521 | 11/04/2019 |
| 6 | PRAVEEN KUMAR BHAMBANI | 09681934 | 06/08/2022 |

4. Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Kundan Kumar Mishra & Associates
C.P. No. 19344
M. No. F11769
FCS
New delhi
Company Secretaries

Address: Office No. 301, Building N0. 61, Vijay Block, Laxmi Nagar, New Delhi – 110092
Email id: Kundankumarmishra107@gmail.com ; cskundankumarmishra@gmail.com
Mobile: +91-8527675107, +91-8851440227

5. This certificate is based on the information and records available up to this date and we have no responsibility to update this certificate for the events and circumstances occurring after the date of the certificate.

**For Kundan Kumar Mishra & Associates**
Company **Secretaries**

Kundan Kumar Mishra
19.04.2023

Kundan Kumar Mishra
Proprietor
C.P. No. 19844
M No: F11769
PR: 2908/2023
UDIN: F011769E000141569

Place: New Delhi
Date: 19th April, 2023

## ANNEXURE-B

CERTIFICATE OF CORPORATE GOVERNANCE

**KUNDAN KUMAR MISHRA & ASSOCIATES**
Company Secretaries
Unique Identification No. S2018DE56 3000

### CERTIFICATE OF CORPORATE GOVERNANCE

**To,**
**The Members of**
**OXYZO FINANCIAL SERVICES PRIVATE LIMITED**
**(CIN: U65929DL2016PTC306174)**
**Shop No. G-22 C (UGF) D-1 (K-84)**
**Green Park Main, South Delhi 110016**

We have examined all the relevant records of **OXYZO FINANCIAL SERVICES PRIVATE LIMITED ("the Company")** for the purpose of certifying compliance with the conditions of the Corporate Governance under Chapter - V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) for the financial year from **April 01, 2022 to March 31, 2023.**

The compliance with conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation process adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. This Certificate is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations and information furnished to us, we certify that the Company has complied with all the conditions of Corporate Governance as stipulated in the Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For Kundan Kumar Mishra & Associates**
**Company Secretaries**

Kundan Kumar Mishra 19.04.2023

Kundan Kumar Mishra & Associates C.P. No. 19844 M. No. F11769 FCS New delhi Company Secretaries

**Kundan Kumar Mishra**
**Proprietor**
**C.P. No. 19844**
**M No: F11769**
**PR: 2908/2023**
**UDIN: F011769E000141800**

**Place: New Delhi**
**Date: 19th April, 2023**

**Address: Office No. 301, Building N0. 61, Vijay Block, Laxmi Nagar, New Delhi – 110092**
**Email id: Kundankumarmishra107@gmail.com ; cskundankumarmishra@gmail.com**
**Mobile: +91-8527675107, +91-8851440227**

ABHINAV AGARWAL ASSOCIATES

**ABHINAV AGARWAL & ASSOCIATES**
**Company Secretaries & Registered Valuers (IBBI-SFA)**
(A peer reviewed firm of Company Secretaries)
Regd. Office: Office No. 256, Ground Floor,
Anarkali Complex, Jhandewalan, New Delhi - 1100552
T: +91-99900 61697 E: pcs.abhinav@gmail.com W: www.corpvaluers.com

## Form No. MR-3

***[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]***

**<u>SECRETARIAL AUDIT REPORT</u>**
**For the financial year ended March 31, 2023**

**To,**
**The Members,**
**OXYZO FINANCIAL SERVICES PRIVATE LIMITED**
**Reg. Off: Shop No. G-22 C (UGF) D-1 (K-84)**
**Green Park Main New Delhi - 110016**

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.

Based on our verification of the **Oxyzo Financial Services Private Limited's** 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, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **March 31, 2023** 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.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2023** according to the provisions of:

i) The Companies Act, 2013 (the Act) and the rules made thereunder;
ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and External Commercial Borrowings;
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 to the Company during the Audit Period)**;
   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 to the Company during the Audit Period)**;
   d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 **(Not applicable to the Company during the Audit Period)**;
   e) The Securities and Exchange Board of India (Issue and Listing of Non Convertible Securities) Regulations, 2021;
   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 to the Company during the Audit Period)**;
   g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not applicable to the Company during the Audit Period)**;
   h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during the Audit Period)**; and

vi) Other laws, specifically applicable to the company:

a) Specific provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
b) The Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993;
c) RBI Regulations for NBFC Company; and
d) Other Laws including Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, Labour Laws, etc. to the extent applicable to the Company.

We have also examined compliance with the applicable clauses of the following:

a) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India; and
b) The Listing Agreements entered into by the Company with Bombay Stock Exchange.

During the period under review the Company has generally complied, to the extent possible, with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

*i) Except for specific instances of irregular or delayed intimations to the stock exchange, which resulted in the receipt of emails from BSE and subsequent fines that were imposed and duly settled, the Company has, in general, adhered to the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*

**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. There were few changes in the composition of the Board of Directors during the period under review. The same has been mentioned below.

Adequate notice has been given to all directors to schedule the Board Meetings. Except where the meeting is scheduled at a shorter notice, 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.

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

**We further report that** in accordance with the information provided to us, 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.

**We further report that** during the audit period the company has:

i) Approved the allotment of 5,797,177 (Fifty-seven lakhs ninety-seven thousand one hundred seventy-seven) Series A Cumulative, Mandatorily and Fully Convertible Preference Shares ("Series A CCPS") and 20 (twenty) Equity Shares at an issue price of INR 1,041.26 per share;
ii) Approved the allotment of 29,35,263 (Twenty-nine lakhs thirty-five thousand two hundred sixty-three) Series A Optionally Convertible and Redeemable Preference Shares ("Series A OCRPS") of INR 10/- each as a bonus issue to Mrs. Ruchi Kalra;
iii) Approved the conversion of 22,01,447 (Twenty-two lakhs one thousand four hundred forty-seven) Series A OCRPS held by Mrs. Ruchi Kalra into equity shares of INR 10/- each at a ratio of 1:1;
iv) Approved the issuance and allotment of 10,27,351 (Ten lakhs twenty-seven thousand three hundred fifty-one) Series A CCPS of INR 10/- each, on preferential basis (private placement), at an issue price of INR 1,041.26/- per share;
v) Approved the issuance of 7000 (Seven Thousand) Non-Convertible Debentures of INR 1,00,000/- each, on private placement basis, at an issue price of INR 1,00,000/- per debenture, out of which 4000 (Four Thousand) Non-Convertible Debentures were subscribed and allotted to the investors;
vi) Approved the issue and allotment of 2000 (Two Thousand) Non-Convertible Debentures of INR 1,00,000/- each, on private placement basis, at an issue price of INR 1,00,000/- per debenture;
vii) Approved the execution of share transfer agreement of the entire stake held by Matrix Partners India Investments III LLC in the Company to Matrix Partners India Investments IV LLC;
viii) Approved the amendment and entrenchment of the Company's Articles of Association on two occasions:
   (a) In the Extraordinary General Meeting of the Company's members held on April 8, 2022; and
   (b) In the Annual General Meeting of the Company's members held on September 26, 2022
ix) Approved the 100% acquisition of M/s Ziel Financial Technologies Private Limited in the Board Meeting held on September 19, 2022;
x) Approved the 34.43% acquisition, on diluted basis, of M/s Zfirst Technologies Private Limited in the Board Meeting held on November 11, 2022;
xi) Obtained registrations for the formation of following wholly owned subsidiaries:

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(a) OXY Ventures Private Limited
(b) OXY B Securities Private Limited
(c) OXYZO Investment Manager Private Limited
(d) OXYZO Finvest Private Limited

xii) Took note of the resignation tendered by Mr. Brij Kishore Kiradoo as Company Secretary of the Company on May 17, 2022 and subsequently approved the appointment of Mrs. Pinki Jha as the Company Secretary, with her appointment taking effect on May 26, 2022;

xiii) Took note of the resignation of Mr. Akshat Vikram Pande as an Independent Director of the Company, effective from May 13, 2022; and

xiv) Approved the appointment of Mr. Praveen Kumar Bhambani as an Independent Director (Additional Director) of the Company, effective from August 6, 2022, and was subsequently regularized as an Independent Director in the Annual General Meeting of the Company held on September 26, 2022;

**For and on Behalf of**
**Abhinav Agarwal & Associates**
***Company Secretaries & Registered Valuers (IBBI-SFA)***
***(A peer reviewed firm of Company Secretaries)***

Abhinav Agarwal & Associates CS New Delhi Company Secretaries

14/09/23

**RV FCS Abhinav Agarwal**
**Proprietor**
**FCS: 10972; C.P. No.: 15639**
**Firm Unique Code: I2015DE1372300**
**Peer Review Certificate no. 2809/2022**

**Place: New Delhi**
**Date: September 14, 2023**
**UDIN: F010972E001006461**

This report is to be read with my letter of even date which is annexed as Annexure and forms an integral part of this report.

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**Annexure to the Secretarial Audit Report**

**To,**
**The Members,**
**OXYZO FINANCIAL SERVICES PRIVATE LIMITED**
**Reg. Off: Shop No. G-22 C (UGF) D-1 (K-84)**
**Green Park Main New Delhi - 110016**

Our report of even date is to be read along with this letter:

1. Management of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test-check basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of the events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test-check basis.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We have tried to verify the physical records, to the extent possible, for the period under review in order to verify the compliances, however, reliance was also placed on electronic records for verification.

**For and on Behalf of**
**Abhinav Agarwal & Associates**
***Company Secretaries & Registered Valuers (IBBI-SFA)***
***(A peer reviewed firm of Company Secretaries)***

Abhinav Agarwal & Associates Company Secretaries CS New Delhi

14/09/2023

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