

B S R & Associates LLP

Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

To the Members of Oxyzo Financial Services Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Oxyzo Financial Services Private Limited ("the Company"), which comprise the balance sheet as at 31 March 2019, the statement of profit and loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters (continued)

Key audit matter	How the matter was addressed in our audit
<p>Identification of Non-performing Assets (NPA) and adequacy of provisions Gross NPAs: INR 36.15 million at 31 March 2019 Charge: INR 3.62 million for year ended 31 March 2019 Closing Provisions on NPAs: INR 3.62 million at 31 March 2019</p>	
	<p><i>Refer to the accounting policies in the financial statements: Significant Accounting Policies, 2(ii) – Use of Estimates, 2(v) – Provisioning for standard and non-performing assets, Note 13 to the financial statements: Long term loans and advances, Note: 7 to the financial statement: Long term provisions and Note: 28 Schedule to the Balance Sheet of a Non-Banking Financial Company as required in terms of paragraph 18 of the Master Direction.</i></p>
<p>Significant area of estimate and judgment with manual processes to identify NPAs</p> <p>Identification of NPA's is undertaken in accordance with the Prudential Norms on Income Recognition, Asset Classification & Provisioning. Provisions in respect of non-performing advances (<i>provisioning on loans and advances</i>) are made based on management's assessment of the degree of impairment of the advances subject to the minimum provisioning levels prescribed under RBI guidelines with regard to the Prudential Norms on Income Recognition, Asset Classification & Provisioning, prescribed from time to time as applicable to NBFCs and as per policies approved by the Board of Directors of the Company.</p> <p>We have identified NPA identification and provision as a key audit matter because it may involve significant management judgement on a portfolio basis and case to case basis.</p>	<p>Our key audit procedures included:</p> <p>Design / controls</p> <ul style="list-style-type: none"> • Performed process walkthroughs to identify the key controls used in the process on provision for loan portfolio. • Assessed the design and implementation of controls in respect of the Company's provision for loan portfolio process such as the identification of NPA accounts, measurement and timely recognition of provision, the completeness and accuracy of reports used in the provision process and management review processes over the calculation of provision. • Assessed the reliability of management information, which included overdue reports. <p>Substantive tests</p> <ul style="list-style-type: none"> • Test of details over calculation of NPA provisions as at 31 March 2019 for assessing the completeness, accuracy and relevance of data and to ensure that the same is in compliance with RBI guidelines with regard to the Prudential Norms on Income Recognition, Asset Classification & Provisioning. • Test of details over appropriate application of accounting principles and validating completeness and accuracy of the data used in the identification of NPA's and measurement of provision amounts.



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

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit and cash flows of the Company in accordance with the accounting principles generally accepted in India, specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors are 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 with reference to financial statements 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) 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. (A) As required by Section 143(3) of the Act, 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 and the cash flows statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standard specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 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 financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position – refer to note 32 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses – refer to note 33 to the financial statements;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and



- iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.
- (C) With respect to the matter to be included in the Auditors' Report under section 197(16):
The Company is a private limited company as defined under the Companies Act, 2013. Accordingly, the requirements prescribed under Section 197 of the Companies Act, 2013 do not apply.

For B S R & Associates LLP

Chartered Accountants

Firm Registration No.: 116231 W/W-100024



Manish Gupta

Partner

Membership No.: 095037

Place: Gurugram

Date: 30 May 2019

Annexure A to the Independent Auditor's Report of even date on the financial statements of Oxyzo Financial Services Private Limited

- (i) (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, the Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) According to the information and explanation given to us and based on our examination of records of the Company, the title deeds of immovable property are held in the name of the Company.
- (ii) The Company is a Non-Banking Financial Company (NBFC), primarily engaged in the lending business and does not hold any physical inventories. Accordingly, paragraph 3 (ii) of the Order is not applicable.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to Companies, firms, limited liability partnerships and other parties, if any, covered in the register maintained under section 189 of the Act.
- (iv) According to the information and explanations given to us and on the basis of examination of the records of the Company, the Company has not entered into any transactions related to loans, investments, guarantees and securities to which the provisions of Section 185 and Section 186 of the Act are applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed there under.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employee's state insurance, Income-tax, Goods and Services tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities, though there has been slight delays in few cases. As explained to us, the Company did not have dues on account of Service tax, Value added tax, Duty of customs, Duty of excise and cess during the year.

Also, according to the information and explanations given to us, no undisputed amount payable in respect of Provident fund, Employee's state insurance, Income-tax, Goods and Services tax and other material statutory dues were in arrear as at 31 March 2019 for a period of more than six months from the date they become payable.



- (b) According to the information and explanations given to us, there are no dues of income tax and goods and services tax which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution, bank and dues to debenture holders. The Company did not have outstanding dues to Government during the year.
- (ix) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the term loans outstanding obtained and money raised through debt instruments during the year were applied for the purpose for which they were obtained. The Company has not raised money from initial public offer or further public offer.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us, the provisions for managerial remuneration of Section 197 read with Schedule V to the Act is not applicable to the Company. Thus, paragraph 3(xi) of the Order is not applicable.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company, hence paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details are disclosed in financial statements as required by the applicable Accounting Standards. Further, the Company, being a listed private company, is not required to comply with the requirements of Section 177 of the Act.
- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934, and accordingly, the Company has obtained the registration certificate from the Reserve Bank of India.

For B S R & Associates LLP

Chartered Accountants

Firm Registration No:116231W/ W-100024



Manish Gupta

Partner

Membership No.: 095037

Place: Gurugram
Date: 30 May 2019

Annexure B to the Independent Auditors' report of even date on the financial statements of Oxyzo Financial Services Private Limited for the year ended 31 March 2019.

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

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

Opinion

We have audited the internal financial controls with reference to financial statements of Oxyzo Financial Services Private Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were established and maintained and whether 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

For B S R & Associates LLP

Chartered Accountants

ICAI Firm Registration No. 116231W/W-100024



Manish Gupta

Partner

Membership No. 095037

Place: Gurugram
Date: 30 May 2019

Oxyzo Financial Services Private Limited
Balance Sheet as at 31 March 2019
(All amounts are in Indian Rupees, unless otherwise stated)

	Note	As at 31 March 2019	As at 31 March 2018
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	355,268,810	250,000,000
Reserves and surplus	4	695,519,209	2,515,963
		1,050,788,019	252,515,963
Non-current liabilities			
Long-term borrowings	5	1,004,416,097	-
Deferred tax liabilities (net)	6	1,479,364	562,006
Long-term provisions	7	5,779,902	1,084,218
		1,011,675,363	1,646,224
Current liabilities			
Short-term borrowings	8	679,989,127	579,200,000
Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises			
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	9	8,070,386	9,532,844
Other current liabilities	10	1,026,232,828	17,437,436
Short-term provisions	7	11,805,542	1,934,018
		1,726,097,883	608,104,298
TOTAL		3,788,561,265	862,266,485
ASSETS			
Non-current assets			
Property, plant and equipment	11	5,120,672	583,872
Non-current investment	12	80,753,020	-
Long-term loans and advances	13	336,912,112	51,373,761
Other non-current assets	14	6,250,000	-
		429,035,804	51,957,633
Current Assets			
Cash and bank balances	15	49,256,212	33,113,817
Short-term loans and advances	13	3,275,946,923	771,622,441
Other current assets	14	34,322,326	5,572,594
		3,359,525,461	810,308,852
TOTAL		3,788,561,265	862,266,485

Significant accounting policies and notes to the financial statements 2 - 35

The notes referred to above form an integral part of these financial statements

As per our report of even date attached

For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration No.: 116231W/W-100024

Manish Gupta
Partner
Membership No.: 095037

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

Brij Kishore Kiradoo
Company Secretary
M.No.: A40347

Place: Gurugram
Date: 30 May 2019

Place: Gurugram
Date: 30 May 2019

Place: Gurugram
Date: 30 May 2019

Oxyzo Financial Services Private Limited
Profit and Loss for the year ended 31 March 2019
(All amounts are in Indian Rupees, unless otherwise stated)

	Note	<u>For the year ended 31 March 2019</u>	<u>For the year ended 31 March 2018</u>
Revenue			
Revenue from operations	16	452,567,391	36,990,348
Other income	17	3,520,290	301,553
Total revenue		456,087,681	37,291,901
Expenses			
Employee benefits	18	122,036,122	12,497,673
Finance Costs	19	179,168,197	9,900,405
Depreciation	11	534,550	1,653
Other expenses	20	87,555,449	10,939,004
Total expenses		389,294,318	33,338,735
Profit before prior period items and tax		66,793,363	3,953,166
Prior period items	21	-	590,660
Profit before tax		66,793,363	3,362,506
Tax expense:			
- Current income tax		18,424,314	1,139,616
- Deferred tax charge	6	917,358	562,006
Profit after tax		47,451,691	1,660,884
Earnings per equity share [nominal value of share Rs.10 each (previous year Rs.10 each)]	22		
- Basic		1.58	0.20
- Diluted		1.58	0.20

Significant accounting policies and notes to the financial statements 2 - 35

The notes referred to above form an integral part of these financial statements


As per our report of even date attached

For **BSR & Associates LLP**
Chartered Accountants
ICAI Firm Registration No.: 116231W/W-100024

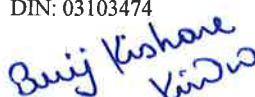


Manish Gupta
Partner
Membership No.: 095037

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



Brij Kishore Kiradoo
Company Secretary
M.No.: A40347



Asish Mohapatra
Director
DIN: 06666246

Place: Gurugram
Date: 30 May 2019

Place: Gurugram
Date: 30 May 2019

Place: Gurugram
Date: 30 May 2019

Oxyzo Financial Services Private Limited
Cash Flow Statement for the year ended 31 March 2019
(All amounts in Indian Rupees, unless otherwise stated)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Cash flow from operating activities:		
Net Profit before tax	66,793,363	3,362,506
Adjustment for:		
Depreciation	534,550	1,653
Contingent provisions for standard assets	6,881,239	2,056,737
Provisions for sub-standard assets	3,615,272	-
Loan portfolio written-off	7,499,800	-
Profit on sale of mutual funds	(366,983)	(301,553)
Interest income on bonds	(2,782,692)	-
Interest income on fixed deposits	(370,615)	-
Employee stock options expense	820,917	855,079
Operating cash flow before working capital changes	82,624,851	5,974,422
Increase/ (decrease) in trade payables	(1,462,458)	9,532,844
Increase/ (decrease) in provisions	4,070,698	961,499
Increase/ (decrease) in other current liabilities	106,321,138	16,883,828
(Increase)/ decrease in loans and advances	(2,796,887,302)	(822,770,702)
(Increase)/ decrease in other current assets	(20,879,096)	(5,572,594)
Cash generated from operations	(2,626,212,169)	(794,990,703)
Income taxes paid	(18,899,645)	(1,365,116)
Net cash used by operating activities (A)	(2,645,111,814)	(796,355,819)
Cash flow from investing activities:		
Purchase of property, plant and equipment	(4,011,792)	(31,917)
Investment in mutual fund	(155,000,001)	(136,000,000)
Proceeds from sale of mutual funds	155,366,984	136,301,553
Investment in fixed deposit	(105,000,000)	-
Investment in security deposit	(7,500,000)	-
Proceeds from maturity of security deposit	1,250,000	-
Proceeds from maturity of fixed deposit	100,000,000	-
Investment in bonds	(80,753,020)	-
Interest received on fixed deposit and security deposit	282,671	-
Net cash provided/ (used) by investing activities (B)	(95,365,158)	269,636
Cash flow from financing activities:		
Proceeds from short-term borrowings	7,597,007,455	711,700,000
Proceeds from loan-term borrowings	2,020,000,000	-
Repayments of short-term borrowings	(7,496,218,328)	(132,500,000)
Repayments of long-term borrowings	(114,169,208)	-
Proceeds from premium on issue of equity shares including share premium	749,999,448	230,000,000
Net cash flow from financing activities (C)	2,756,619,367	809,200,000
Net Increase in cash and cash equivalents (A+B+C)	16,142,395	13,113,817
Cash and cash equivalents at beginning of year (refer Note 15)	33,113,817	20,000,000
Cash and cash equivalents at end of year (refer Note 15)	49,256,212	33,113,817

Note: Cash flows are reported using the Indirect method in accordance with Accounting Standard-3 'Cash Flow Statements' specified under Section 133 of the Companies Act, 2013.


As per our report of even date attached

For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration No.: 116231W/W-100024


Manish Gupta
Partner
Membership No.: 095037

Place: Gurugram
Date: 30 May 2019

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


Brij Kishore Kiradoo
Company Secretary
M.No.: A40347

Place: Gurugram
Date: 30 May 2019


Asish Mohapatra
Director
DIN: 06666246

Place: Gurugram
Date: 30 May 2019

Oxyzo Financial Services Private Limited
Notes to financial statements for the year ended 31 March 2019
(All amounts in Indian Rupees, unless otherwise stated)

1. Background

Oxyzo Financial Services Private Limited (the 'Company') is a private limited company incorporated in India on 21 September 2016 under the provisions of the Companies Act, 2013. The Company is a subsidiary of OFB Tech Private Limited and incorporated to carry on the business of financing activities.

The 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 public deposits. The Company has listed its non-convertible debentures on the Bombay Stock Exchange ("BSE") with effect from 6 February 2019.

2. Significant Accounting Policies:

i. Basis for preparation of financial statements

The financial statements of the Company have been prepared and presented under the historical cost convention, in accordance with Generally Accepted Accounting Principles in India ("GAAP") to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, ("the Act") and the Master Directions – Non Banking Financial Company - Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 vide Master Direction DNBR.PD.007/03.10.119/2016-17 dated 1 September 2016 ('Master Direction') issued by the Reserve Bank of India, as adopted consistently by the Company.

ii. Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities, and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses for the reporting period. Any revision to the accounting estimates is recognised prospectively in the current and future periods. Estimate and underlying assumptions are reviewed on an ongoing basis. Estimates include provisions for doubtful debts and advances, employee benefit plans, provision for income taxes. Actual results could differ from these estimates.

iii. Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realization in case and cash equivalents, the Company has ascertained its operating cycle as less than 12 months for the purpose of current/ non-current classification of assets and liabilities.

iv. Revenue recognition

The Company's revenue recognition policies are in accordance with the Master Direction and Accounting Standards specified under Section 133 of the Act, to the extent applicable, as adopted consistently by the Company for income recognition. Reversal of income, necessitated by these guidelines, has been netted off from revenue from operations.



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Interest Income from financing activities:

Interest income from loans disbursed is accounted for by applying the Internal Rate of Return (IRR), implicit in the agreement, on the diminishing balance of the financed amount, over the period of the agreement so as to provide a constant periodic rate of return on the net investment outstanding on the contracts on accrual basis except for non-performing assets, in respect of which income is recognised when received in accordance with the Master Direction of the RBI. No income is accrued on accounts delinquent for more than 90 days.

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

Processing fees and service fees

Processing fees and service fee charged on loans are recognised upfront on accrual basis.

Gain/ loss on redemption of Investment:

Gain or loss on redemption of investments is determined based on the weighted average cost of the investments redeemed.

v. Provisioning for standard assets and non-performing assets

Provisions for standard and non-performing assets are recognized in accordance with the Master Direction. The provision estimate based on DPD (Days Past Due) are as below:

Asset Classification	Overdue (in days)	% of provision
Standard assets	0 – 90 days	0.25%
Sub-standard assets	91 – 455 days	10%
Doubtful 1	456 – 820 days	- 100% provision to the extent to which the advance is not covered by the realizable value of security - 20% on secured portion
Doubtful 2	821 – 1550 days	- 100% provision to the extent to which the advance is not covered by the realizable value of security - 30% on secured portion
Doubtful 3	> 1551 days	- 100% provision to the extent to which the advance is not covered by the realizable value of security - 50% on secured portion

Further, specific provisions are also recognized based on the management's best estimate of the recoverability on non-performing assets.

vi. Expenditure

Interest Expense

Interest on borrowings is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable on the borrowing.

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 other entity. The cost allocated to the Company under cost sharing arrangement are included under the head other expenses and employee benefits. The cost allocated

to other entity under the arrangement are shown as recoverable from respective entity. Amount charged from other entity is reduced from respective expense.



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vii. Employee benefits

The Company's obligations towards various employee benefits has been recognized as follows:

Short-term employee benefits

All employee benefits payable/ available within twelve months of rendering the service are classified as short-term employee benefits. 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.

Defined contribution plan

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

Defined benefit plan

The Company's Gratuity plan is a defined benefit plans. The present value of obligations under such a defined benefit plan is determined based on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations. Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss.

Other long-term benefits – Compensated absences

Entitlements to earned leaves are recognized when they accrue to employees. Any excess over the maximum number of accumulated leaves entitlement days subject to mandatory lapse days is encashed at applicable basic pay rate. Balance leaves, if any can be encashed at the time of retirement/ termination of employment. The Company determines the liability for such accumulated leave entitlements on the basis of actuarial valuation as at the year end.

viii. Employees Stock Option Scheme

The Company accounts of employee stock option based compensation as per the guidance note on share based payment under intrinsic value method. The guidance note also applies to transfer to stock options of the parent of the Company to the employees of the Company. The excess of fair value of underlying equity shares as of the date of grant of options over the exercise price of the options given to employees under the employee stock option plan is recognized as stock compensation cost over the vesting period on a straight line basis.



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ix. Fixed assets and depreciation

Property, plant and equipment

Property, plant and equipment are carried at cost of acquisition less accumulated depreciation. The cost of an item of property, plant and equipment comprises its purchase price, including non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditures related to an item of property, plant and equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values, over their estimated useful lives as determined under Part C of Schedule II of the Companies Act, 2013, using the straight line method, and is recognised in the statement of profit and loss. Management believes that the useful lives as determined under Part C of Schedule II represent the period over which management expects to use such assets.

In case of assets transferred from holding company to subsidiary company, the useful lives were arrived by deducting the life of assets already used from the total useful lives prescribed under Part C of Schedule II of the Companies Act, 2013.

x. Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date in accordance with Accounting Standard 28 'Impairment of Assets', to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the Statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortization, if no impairment loss had been recognized.

xi. Investments

Investments are classified into current or non-current based on the intent on the management at the time of making the investment. Investments intended to be held for more than one year are classified as non-current investment. Current investments, other than investments in unquoted mutual funds, are valued at lower of cost and market value. Investments in unquoted mutual funds in the nature of current investments are valued at net asset value declared by the respective funds as at the Balance Sheet date. Any reduction in the carrying amount and any reversals of such reductions are charged or credited to Statement of Profit and Loss; appreciation, if any, is recognised at the time of sale, except investments in current unquoted mutual fund on which appreciation is recognised based on the net asset value.

Non-current investments are valued at cost unless there is diminution, other than temporary, in their value. Diminution is considered other than temporary based on criteria that include the extent to which cost exceeds the market value, the duration of the market value decline and the financial health and specific prospects of the issuer.



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xii. Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of equity and dilutive potential equity shares outstanding during the year, except where the results would be anti-dilutive.

xiii. Current and deferred tax

Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognized only to the extent that there is a reasonable certainty that the assets can be realized in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written - up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realized.

xiv. Provisions, contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis. Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

xv. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and fixed deposits with original maturity of three months or less.



Oxyzo Financial Services Private Limited
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3 Share capital	As at 31 March 2019		As at 31 March 2018	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity shares of Rs. 10 each (previous year Rs. 10 each)	37,600,000	376,000,000	25,000,000	250,000,000
	37,600,000	376,000,000	25,000,000	250,000,000
Issued, subscribed and fully paid-up				
Equity shares of Rs. 10 each, fully paid up (previous year Rs. 10 each)	35,526,881	355,268,810	25,000,000	250,000,000
	35,526,881	355,268,810	25,000,000	250,000,000

(a) Reconciliation of number and amount of equity shares outstanding at the beginning and end of the year

Balance at the beginning of the year	25,000,000	250,000,000	2,000,000	20,000,000
Add: shares issued during the year	10,526,881	105,268,810	23,000,000	230,000,000
Balance as at the end of the year	35,526,881	355,268,810	25,000,000	250,000,000

(b) The rights, preferences and restrictions to equity shares

The Company has a single class of equity shares having a par value of Rs. 10 per share (previous Rs. 10 per share). Each holder of equity share is entitled to one vote per share in proportion of the share of the paid-up capital of the Company held by the shareholder. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after discharging all liabilities of the Company, in proportion to their shareholding.

(c) Equity shares held by the holding company

Name	As at 31 March 2019		As at 31 March 2018	
	No. of shares	% holding	No. of shares	% holding
OFB Tech Private Limited (holding company)*	35,526,881	100.00%	25,000,000	100.00%

(d) Detail of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name	As at 31 March 2019		As at 31 March 2018	
	No. of shares	% holding	No. of shares	% holding
OFB Tech Private Limited (including shared held by nominees)*	35,526,881	100.00%	25,000,000	100.00%

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

4 Reserves and surplus

	As at 31 March 2019	As at 31 March 2018
Capital reserve (Employee stock options outstanding account)		
Opening balance	855,079	-
Add: transferred during the year	820,917	855,079
Closing balance	1,675,996	855,079
Statutory reserve under section 45-IC of the RBI Act, 1934*		
Opening balance	332,177	-
Add: Transfer from surplus in the statement of profit and loss	9,490,338	332,177
Closing balance	9,822,515	332,177
Share Premium		
Opening balance	-	-
Add: Premium on issue of shares during the year	644,730,638	-
Closing balance	644,730,638	-
Surplus in statement of profit and loss		
Opening balance	1,328,707	-
Add: Profit for the year	47,451,691	1,660,884
Less: Transfer to reserve fund as per section 45-IC of RBI Act, 1934*	(9,490,338)	(332,177)
Closing balance	39,290,060	1,328,707
	695,519,209	2,515,963

*Statutory reserve represents the reserve fund created under Section 45-IC of the Reserve Bank of India Act, 1934 (RBI Act). Under Section 45-IC of the RBI Act, a company is required to transfer sum not less than twenty percent of its net profit every year. Accordingly, the Company has transferred Rs.9,490,338 (previous year Rs.332,177) being twenty percent of net profit for the financial year to the statutory reserve. The statutory reserve can be utilised for the purposes as specified by the Reserve Bank of India from time to time.



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5 Long-term borrowings*	Non-current portion		Current portion**	
	As at	As at	As at	As at
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Debentures (secured)				
Non-convertible debentures	510,000,000	-	160,000,000	-
Term loans (secured)				
From banks	100,833,329	-	273,392,709	-
From non-banking financial institutions	393,582,768	-	468,021,987	-
	1,004,416,097	-	901,414,696	-

* For terms of borrowings, refer note 25

** Amount disclosed under "other current liabilities" (refer note 10)

6 Deferred tax liabilities (net)	As at	As at
	31 March 2019	31 March 2018
Deferred tax liabilities		
Difference between written down value of fixed assets as per Income-tax Act, 1961 and Companies Act, 2013	149,734	29,729
Unamortised borrowing costs	4,953,426	1,133,000
Total deferred tax liabilities	5,103,160	1,162,729
Deferred tax assets		
Provision for gratuity	569,056	18,536
Provision for compensated absences	480,559	52,577
Contingent provision for standard assets	2,486,545	529,610
Provision for sub-standard assets	87,636	-
Total deferred tax assets	3,623,796	600,723
Net deferred tax liabilities recognised in the financial statements	1,479,364	562,006

7 Provisions	Non-current		Current	
	As at	As at	As at	As at
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Provision for employee benefits:				
Provision for gratuity (refer note 27)	3,166,955	756,539	3,825	779
Provision for compensated absences (refer note 27)	1,772,419	199,808	88,998	4,373
Others:				
Contingent provision for standard assets	840,528	127,871	8,097,447	1,928,866
Provision for sub-standard assets	-	-	3,615,272	-
	5,779,902	1,084,218	11,805,542	1,934,018

8 Short-term borrowings	As at	As at
	31 March 2019	31 March 2018
Term loans (secured)*		
From banks	212,500,000	-
From non-banking financial institutions	250,956,486	550,000,000
Loans repayable on demand (secured)		
Bank overdraft #	109,763,431	-
Loan from related party (unsecured)		
OFB Tech Private Limited	-	29,200,000
Other loans and advances (unsecured)		
Commercial papers^	106,769,210	-
	679,989,127	579,200,000

* For terms of borrowings, refer note 25

Rs.30,298,356 (previous year nil) are secured against fixed deposit pledged by the holding company, interest rate of 9% per annum (previous year nil). Rs.79,465,075 (previous year nil) secured against charge on all receivables of the Company and corporate Guarantee by the holding company and interest rate varies from 12.35% to 13.36% per annum (previous year nil).

^Details of repayment, interest rate and installment due for the year ended 31 March 2019 (Previous year Nil)

Particulars	Amount	Date of
12.70% Northern Arc Money Market Alpha Trust (ISIN: INE04VS14020)	58,178,010	18-Jun-19
12.75% Northern Arc Money Market Alpha Trust (ISIN: INE04VS14012)	48,591,200	29-Apr-19



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9 Trade payables*	As at 31 March 2019	As at 31 March 2018
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	8,070,386	9,532,844
	<u>8,070,386</u>	<u>9,532,844</u>

* The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should maintain in their correspondence with its customers, the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Based on the information received and available with the Company, there are no amounts payable to Micro and Small Enterprises as at 31 March 2019 and 31 March 2018.

10 Other current liabilities	As at 31 March 2019	As at 31 March 2018
Current maturities of long term borrowings (refer note 5)	901,414,696	-
Payable to holding company	44,823,997	-
Loans pending disbursement (payable to holding company)	45,489,595	10,906,989
Interest accrued but not due on borrowings	23,593,299	3,601,736
Capital creditors (payable to holding company)	1,613,166	553,608
Statutory dues payable	7,009,558	2,115,391
Employee related payables	2,288,517	259,712
	<u>1,026,232,828</u>	<u>17,437,436</u>



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11 Property, plant and equipment

Asset description	Gross block						Accumulated depreciation			Net block	
	As at 1 April 2018	Additions	Deletions	As at 31 March 2019	As at 1 April 2018	During the year	Deletions	As at 31 March 2019	As at 31 March 2019	As at 31 March 2018	As at 31 March 2018
	Freehold Land*	-	1,331,400	-	1,331,400	-	-	-	-	1,331,400	-
Computers and other equipment	585,525	3,739,950	-	4,325,475	1,653	534,550	-	536,203	3,789,272	583,872	583,872
Total	585,525	5,071,350	-	5,656,875	1,653	534,550	-	536,203	5,120,672	583,872	583,872

* Note: Mortgaged by way of first *paripasu* charge for non-convertible debentures of Rs.670,000,000 (previous year Nil)

Property, plant and equipment

Asset description	Gross block						Accumulated depreciation			Net block	
	As at 1 April 2017	Additions	Deletions	As at 31 March 2018	As at 1 April 2017	During the year	Deletions	As at 31 March 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2017
	Computers and other equipment	-	585,525	-	585,525	-	1,653	-	1,653	583,872	-
Total	-	585,525	-	585,525	-	1,653	-	1,653	583,872	583,872	-



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12 Non-current investments

	As at 31 March 2019	As at 31 March 2018
Quoted		
Investment in bonds (face value of Rs. 1,000,000 each) #		
36 (Previous year Nil) 16.83% Bond of ESAF Small Finance Bank Limited	40,693,689	-
17 (Previous year Nil) 12.60% Bond of Chola Prep	18,735,166	-
20 (Previous year Nil) 12.60% Bond of Chola Prep	21,324,165	-
	80,753,020	-
Aggregate book value of quoted investment	80,753,020	-
Aggregate market value of quoted investment	80,753,020	-
# Plèdged against Series A and Series B listed, non-convertible debentres of face value Rs. 1,000,000 per debenture.		

	Non-current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
13 Loans and advances				
To parties other than related parties <i>(Unsecured, considered good unless stated otherwise)</i>				
Loans - secured considered good	66,814,341	-	1,046,980,527	98,903,293
Loans - unsecured considered good	269,396,940	51,148,261	2,224,535,779	672,643,140
Loans - secured considered doubtful	-	-	101,985	-
Loans - unsecured considered doubtful	-	-	3,513,287	-
Subtotal (A)	336,211,281	51,148,261	3,275,131,578	771,546,433
Advance tax and tax deducted at source [net of provision for tax Rs. 19,563,931 (previous year Rs. 1,139,616)]	700,831	225,500	-	-
Prepaid expenses	-	-	454,071	62,442
Advance to employees	-	-	361,274	13,566
Subtotal (B)	700,831	225,500	815,345	76,008
Total (A) + (B)	336,912,112	51,373,761	3,275,946,923	771,622,441

	Non-current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
14 Other assets				
Bank deposits with maturity more than twelve months*	5,000,000	-	-	-
Unamortised borrowing costs	-	-	17,805,269	4,400,000
Interest accrued but not due				
- on loans given	-	-	5,598,584	-
- on bonds and deposits	-	-	2,870,636	-
Recoverable from holding company	-	-	2,158,637	1,172,594
Security deposits*	1,250,000	-	5,000,000	-
Other advances	-	-	889,200	-
	6,250,000	-	34,322,326	5,572,594

* Balances held as lien marked fixed deposit/ security deposit against lending facilities.

15 Cash and bank balances

	As at 31 March 2019	As at 31 March 2018
Cash and cash equivalents		
- On current account balances with banks	49,256,212	33,113,817
	49,256,212	33,113,817
Other bank balances		
- Bank deposits with maturity more than twelve months from the reporting date included under other current assets *	5,000,000	-
	5,000,000	-

* Balances held as lien marked fixed deposit/ security deposit against lending facilities.



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	For the year ended 31 March 2019	For the year ended 31 March 2018
16 Revenue from operations		
Interest income		
Interest from financing activities	394,851,076	29,043,205
Other financial services income		
Processing fees	52,012,885	7,754,900
Service and other fees	4,479,752	192,243
Subvention charges	1,223,678	-
	452,567,391	36,990,348
17 Other income		
Profit on sale of mutual funds	366,983	301,553
Interest income on bonds	2,782,692	-
Interest income on fixed deposits and security deposits	370,615	-
	3,520,290	301,553
18 Employee benefits expense		
Salaries and wages	115,103,201	11,136,644
Employee stock options expense	820,917	855,079
Contribution to Provident and other funds	2,029,486	157,389
Gratuity	1,973,509	71,983
Compensated absences	1,523,206	204,181
Staff welfare	585,803	72,397
	122,036,122	12,497,673
19 Finance cost		
Interest on loan	168,693,466	9,300,405
Processing fees on loans	10,474,731	600,000
	179,168,197	9,900,405
20 Other expenses		
Legal and professional charges*	25,634,014	1,047,755
Contingent provision against standard asset	6,881,239	2,056,737
Provision against sub-standard asset	3,615,272	-
Portfolio write off	7,499,800	-
Commission	10,672,497	605,000
Technical support services	9,908,664	2,021,460
Business auxilliary services	11,193,280	2,221,332
Rates and taxes	6,921,038	2,602,728
Travelling and conveyance	2,450,933	271,314
Telephone expenses	643,852	39,494
Insurance	283,234	5,109
Printing and stationery	163,823	35,461
Bank charges	91,993	6,979
Miscellaneous	1,595,810	25,635
	87,555,449	10,939,004
* Legal and professional expenses includes payment to auditors (breakup of which is given below)		
Payment to the auditors (excluding Goods and Services tax)		
- Statutory audit	900,000	350,000
- Tax audit	100,000	50,000
- Certifications in capacity of statutory auditor	100,000	50,000
- Reimbursement of expenses	41,756	-
	1,141,756	450,000
21 Prior period items		
Pre-incorporation expenses	-	590,660
Total	-	590,660



Oxyzo Financial Services Private Limited
Notes to financial statements for the year ended 31 March 2019
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22 Earnings per share	For the year ended 31 March 2019	For the year ended 31 March 2018
Net profit for the year	47,451,691	1,660,884
Effect of dilutive potential equity shares (if any)	-	-
Net profit for the year considered for computing diluted EPS	47,451,691	1,660,884
Number of shares at the beginning of the year	25,000,000	2,000,000
Number of shares at the end of the year	35,526,881	25,000,000
Weighted average number of equity shares	29,990,823	8,268,493
Weighted average number of equity shares used in computing diluted	29,990,823	8,268,493
Basic earning per equity share of face value of Rs. 10 each	1.58	0.20
Diluted earning per equity share of face value of Rs. 10 each	1.58	0.20

23 Cost allocation

OFB Tech Private Limited, the holding company, allocates common costs viz. rent, cost of utilities, payroll, technical support etc. to the Company on an appropriate basis, mutually agreed between the two companies. During the current year, personnel costs and administrative and other costs amounting to Rs. 57,622,271 (previous year Rs. 8,535,779) have been allocated by OFB Tech Private Limited to the Company on account of the above.

Further, pursuant to cost sharing arrangement, the Company has also allocated common costs related to Payroll and other expenses to OFB Tech Private Limited. The costs allocated by the Company during the current year is Rs. 2,158,636 (previous year Rs. 1,172,594).

24 Segment reporting

In the opinion of the management, there is only one business segment, i.e. financing as envisaged in AS 17 - Segment Reporting, specified under Section 133 of the Companies Act, 2013. Accordingly, no separate disclosure for segment reporting is required to be made in the financial statements of the Company. The Company operates principally within India and does not have operations in economic environments with different risks and returns; hence, it is considered operating in single geographical segment.



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25. Terms of the borrowings

A. Terms of Long-term borrowings (including respective current maturities)

Following are the details of certain pertinent terms and conditions of the borrowings for the year ended 31 March 2019 and year ended 31 March 2018:

Note no. (i) Security and terms of repayment for listed redeemable non-convertible debenture (Listed NCD)*

Particulars	Amount outstanding		Amount outstanding		Principal repayment terms				Interest
	As at 31 March 2019		As at 31 March 2018		Installments	Rate of Interest (per annum)	Periodicity	Start date	repayment terms
	Non current	Current maturities	Non current	Current maturities					Periodicity
200 Series A NCD's of Rs. 1,000,000 each	120,000,000	80,000,000	-	-	10	12.32%	Quarterly	18-Apr-2019	Quarterly
200 Series B NCD's of Rs. 1,000,000 each	120,000,000	80,000,000	-	-	10	12.32%	Quarterly	18-Apr-2019	Quarterly
Total (A)	240,000,000	160,000,000	-	-					

*Listed non-convertible redeemable debentures of Rs.400,000,000, which are secured by first *paripassu* charge over the book debts/ loan receivables of the Company, by first ranking exclusive charge by way of pledge over corporate bonds for Rs.800 lakhs and by corporate guarantee from the Holding Company, OFB Tech Private Limited and by first *paripassu* charge on the immovable property being freehold land situated at Mappedu Village, Tiruvallur taluk and district, Chennai, Tamil Nadu.

Note no. (ii) Security and terms of repayment for unlisted redeemable non-convertible debenture

Particulars	Amount outstanding		Amount outstanding		Repayment terms				Interest
	As at 31 March 2019		As at 31 March 2018		Installments	Rate of Interest (per annum)	Periodicity	Start date	repayment terms
	Non current	Current maturities	Non current	Current maturities					Periodicity
100 NCD's of Rs. 1,000,000 each **	100,000,000	-	-	-	1	13.60%	Bullet	31-Mar-2023	Quarterly
1700 NCD's of Rs. 100,000 each ***	170,000,000	-	-	-	1	13.45%	Bullet	1-Mar-2022	On maturity
Total (B)	270,000,000	-	-	-					

**Non-convertible redeemable debentures of Rs.100,000,000, which are secured by first *paripassu* charge on identified receivables and by corporate guarantee from the Holding Company, OFB Tech Private Limited and by first *paripassu* charge on the immovable property being freehold land situated at Mappedu Village, Tiruvallur taluk and district, Chennai, Tamil Nadu.

***Market-linked non-convertible debentures of Rs.170,000,000 which are secured by first *paripassu* charge on identified receivables and by corporate guarantee from the Holding Company, OFB Tech Private Limited and by first *paripassu* charge on the immovable property being freehold land situated at Mappedu Village, Tiruvallur taluk and district, Chennai, Tamil Nadu.

Note no. (iii) Secured term loans from banks^

Particulars	Amount outstanding		Amount outstanding		Repayment terms				Interest
	As at 31 March 2019		As at 31 March 2018		Installments	Rate of Interest (per annum)	Periodicity	Start date	repayment terms
	Non current	Current maturities	Non current	Current maturities					Periodicity
IDFC First Bank	87,499,987	162,500,013	-	-	12	12.50%	Monthly	1-Sep-2019	Monthly
Utkarsh Small Finance Bank	13,333,342	79,999,992	-	-	15	12.70%	Monthly	15-Mar-2019	Monthly
Fincare Small Finance Bank	-	30,892,704	-	-	15	12.25%	Monthly	28-Oct-2018	Monthly
Total (C)	100,833,329	273,392,709	-	-					

^ Secured term loans from bank are secured by first *paripassu* charge on all receivables of the Company and corporate guarantee by holding company.

Note no. (iv) Secured term loans from non banking financial companies ^

Particulars	Amount outstanding		Amount outstanding		Repayment terms				Interest
	As at 31 March 2019		As at 31 March 2018		Installments	Rate of Interest (per annum)	Periodicity	Start date	repayment terms
	Non current	Current maturities	Non current	Current maturities					Periodicity
Northern Arc Capital Limited (formerly IFMR Capital Finance Limited)	16,505,505	3,494,494	-	-	30	13.25%	Monthly	25-Oct-2019	Monthly
	66,028,187	13,971,811	-	-	30	13.25%	Monthly	25-Oct-2019	Monthly
Shriram City Union Finance Limited	-	34,301,362	-	-	18	12.50%	Monthly	5-Oct-2018	Monthly
	-	68,516,684	-	-	18	12.50%	Monthly	5-Oct-2018	Monthly
Hinduja Leyland Finance Limited	126,907,478	73,092,526	-	-	30	11.70%	Monthly	27-Apr-2019	Monthly
	40,618,114	48,274,843	-	-	24	13.25%	Monthly	19-Jan-2019	Monthly
MAS Financial Services Limited	16,666,664	33,333,336	-	-	18	13.00%	Monthly	25-Apr-2019	Monthly
	16,666,664	33,333,336	-	-	18	13.00%	Monthly	25-Apr-2019	Monthly
	8,333,330	33,333,336	-	-	18	13.50%	Monthly	25-Jan-2019	Monthly
	8,333,330	33,333,336	-	-	18	13.50%	Monthly	25-Jan-2019	Monthly
Ugro Capital Limited	8,994,163	35,899,590	-	-	18	13.50%	Monthly	25-Jan-2019	Monthly
Vivriti Capital Private Limited	68,576,403	21,423,597	-	-	18	12.50%	Monthly	1-Feb-2019	Monthly
	7,619,600	2,380,400	-	-	33	13.15%	Monthly	27-Jul-2019	Monthly
Total (D)	393,582,768	468,021,987	-	-	33	13.15%	Monthly	27-Jul-2019	Monthly
Total (A+B+C+D)	1,004,416,097	901,414,696	-	-					

^ Secured term loans from non banking financials companies are secured by first *paripassu* charge on all receivables of the Company and corporate guarantee by holding company.



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B. Terms of Short-term borrowings

Following are the details of certain pertinent terms and conditions of the borrowings for the year ended 31 March 2019 and year ended 31 March 2018:

Note no. (i) Secured term loans from banks[^]

Particulars	Amount outstanding		Repayment terms				Interest repayment terms
	As at 31 March 2019	As at 31 March 2018	Installments	Rate of Interest (per annum)	Periodicity	Start date	Periodicity
Kotak Mahindra Bank	50,000,000	-	1	11.75%	Bullet	20-Jun-2019	Monthly
	50,000,000	-	1	11.75%	Bullet	6-Jun-2019	Monthly
AU Small Finance Bank	112,500,000	-	3	13.00%	Quarterly	18-Mar-2019	Monthly
Total (A)	212,500,000	-					

[^] Secured term loans from bank are secured by first pari-passu charge on all receivables of the Company and corporate guarantee by holding company.

Note no. (ii) Secured term loans from non banking financial companies[^]

Particulars	Amount outstanding		Repayment terms				Interest repayment terms
	As at 31 March 2019	As at 31 March 2018	Installments	Rate of Interest (per annum)	Periodicity	Start date	Periodicity
Northern Arc Capital Limited (formerly IFMR Capital Finance Limited)	33,876,191	-	9	13.35%	Monthly	31-Jan-2019	Monthly
	28,333,986	-	9	13.35%	Monthly	31-Dec-2018	Monthly
	22,827,853	-	9	13.35%	Monthly	3-Dec-2018	Monthly
	17,205,358	-	9	13.35%	Monthly	31-Oct-2018	Monthly
	17,205,358	-	9	13.35%	Monthly	31-Oct-2018	Monthly
	11,543,327	-	9	13.35%	Monthly	1-Oct-2018	Monthly
	-	50,000,000	6	13.50%	Monthly	26-Sep-2018	Monthly
	-	50,000,000	6	13.50%	Monthly	13-Sep-2018	Monthly
	-	50,000,000	6	13.50%	Monthly	27-Aug-2018	Monthly
	-	150,000,000	6	13.50%	Monthly	19-Jul-2018	Monthly
	-	100,000,000	1	13.50%	Bullet	18-Jun-2018	Monthly
	-	50,000,000	1	13.50%	Bullet	22-Jun-2018	Monthly
Avanse Financial Services Limited	-	100,000,000	1	12.95%	Bullet	25-Mar-2019	Monthly
Capri Global Capital Limited	24,999,998	-	12	13.70%	Monthly	15-Oct-2018	Monthly
	16,666,664	-	12	14.00%	Monthly	15-Aug-2018	Monthly
A.K.Capital Finance Private Limited	35,714,286	-	7	12.65%	Monthly	28-Feb-2019	Monthly
	35,714,285	-	7	12.65%	Monthly	28-Feb-2019	Monthly
Vivriti Capital Private Limited	6,869,180	-	9	12.50%	Monthly	12-Oct-2018	Monthly
Total (B)	250,956,486	550,000,000					
Total (A+B)	463,456,486	550,000,000					

[^] Secured term loans from non banking financials companies are secured by first pari-passu charge on all receivables of the Company and corporate guarantee by holding company.



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26 Related party disclosures

(a) *Related party and nature of relationship where control exists*

Holding company OFB Tech Private Limited

(b) *Related party and nature of the related party relationship with whom transactions have taken place during the year*

Holding company OFB Tech Private Limited

Key managerial personnel
Ruchi Kalra, Whole-time Director and Chief financial officer
Vasant Sridhar, Director
Dhaval Dineshchandra Radia, Director (till 31 July 2018)
Brij Kishore Kiradoo, Company Secretary

(c) *Transactions with related parties*

	For the year ended 31 March 2019		For the year ended 31 March 2018	
	Holding company	Key managerial personnel	Holding company	Key managerial personnel
Issue and allotment of equity share capital*	749,999,448	-	230,000,000	-
Purchase of property, plant and equipment	1,613,166	-	553,608	-
Interest expense	4,127,683	-	2,134,120	-
Pre-incorporation expenses (prior period)	-	-	590,660	-
Technical support services (cost allocation received)	9,908,664	-	2,021,460	-
Business auxiliary services (cost allocation received)	11,193,280	-	2,221,332	-
Employee costs and reimbursements (cost allocation received)	16,558,287	-	4,292,986	-
Reimbursement of legal and other expenses (cost allocation received)	20,000,000	-	-	-
Employee costs and reimbursements received (cost allocation made)	2,158,637	-	1,172,594	-
Payments on behalf of borrowers	2,711,654,991	-	435,732,967	-
Loan taken	-	-	161,700,000	-
Loan repaid	29,200,000	-	132,500,000	-
Guarantee given to lenders on behalf of the Company (loan outstanding as on current year Rs.2,448,752,353 previous year Rs.550,000,000)	4,040,000,000	-	700,000,000	-
Loans secured by fixed deposits given by holding company	30,298,356	-	-	-
Managerial remuneration**				
Ruchi Kalra	-	2,528,401	-	1,250,000
Dhaval Dineshchandra Radia	-	742,949	-	1,841,665
Vasant Sridhar	-	3,178,404	-	283,333
Employee stock options expense				
Vasant Sridhar	-	82,794	-	78,136
Dhaval Dineshchandra Radia***	-	303,405	-	672,424
(d) Balances outstanding as at year end				
Payables	44,823,997	-	8,779,232	-
Capital creditors	1,613,166	-	553,608	-
Interest accrued but not due	3,714,915	-	1,920,708	-
Other recoverables	2,158,637	-	1,172,594	-
Loans pending disbursement	45,489,595	-	10,906,989	-
Loans outstanding	-	-	29,200,000	-



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27 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. The amount recognized as an expense towards contribution to Employees' Provident Fund and Employees' State Insurance schemes is Rs. 1,968,105 (previous year Rs. 152,672) and Rs. 61,381 respectively (previous year Rs. 4,715).

(b) Defined benefit plans

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

The following table sets forth the status of the gratuity plan of the Company and the amounts recognized in the balance sheet and in the statement of profit and loss:

Change in present value of defined benefit obligation	As at 31 March 2019	As at 31 March 2018
Present value of obligation as at the beginning of the year	757,318	-
Expense in respect of inward transferred employees from holding company	439,953	685,335
Interest cost	59,028	-
Current service cost	2,235,794	90,303
Benefits paid	-	-
Actuarial loss/ (gain) on obligation	(321,313)	(18,320)
Present value of obligation as at the end of the year	3,170,780	757,318
Classification of net liability into current/ non-current	As at 31 March 2019	As at 31 March 2018
Current	3,825	779
Non-current	3,166,955	756,539
	3,170,780	757,318
Expense recognised in the Statement of Profit and Loss	For the year ended 31 March 2019	For the year ended 31 March 2018
Current service cost	2,235,794	90,303
Interest cost	59,028	-
Net actuarial loss/ (gain) recognized in the year	(321,313)	(18,320)
Total expense included in 'employee benefits' in Note 18.	1,973,509	71,983
Experience adjustments		
Particulars	As at 31 March 2019	As at 31 March 2018
Defined benefit obligation	(3,170,780)	(757,318)
Experience adjustments on plan liabilities	(201,918)	(18,320)
Principal assumptions used at the balance sheet for gratuity and compensated absences are as follows:		
Particulars	As at 31 March 2019	As at 31 March 2018
Discount rate (p.a.)	7.55%	7.80%
Salary escalation rate (p.a.)	12.00%	9.00%
Retirement age	60	60
Mortality table	IALM 2006-08	IALM 2006-08
Withdrawal rates (%)		
Upto 30 years	3.00%	3.00%
31 - 44 years	7.00%	2.00%
Above 44 years	0.00%	1.00%

The discount rate is based upon the prevailing market yields available on government bonds as at the balance sheet date for the estimated term of the obligation and the salary growth rate takes account of the inflation, seniority, promotion and other relevant factors on long term basis.

(c) Other long-term benefits:

The actuarial valuation of compensated absences has been carried out by an independent actuary. The obligation of compensated absences in respect of employees of the Company as at 31 March 2019 amounts to Rs. 1,861,417 (previous year Rs. 204,181).



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

Category	As at 31 March 2019			As at 31 March 2018		
	Amount net of provisions			Amount net of provisions		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	-	-	-	-	-
(c) Other related parties	-	-	-	-	-	-
2. Other than related parties	1,113,896,853	2,497,446,006	3,611,342,859	98,903,293	723,791,401	822,694,694
Total	1,113,896,853	2,497,446,006	3,611,342,859	98,903,293	723,791,401	822,694,694

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 2019		As at 31 March 2018	
	Rupees		Rupees	
	Market Value/ Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value/ Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties	80,753,020	80,753,020	-	-
Total	80,753,020	80,753,020	-	-

8) Other information

Particulars	As at 31 March 2019 Rupees	As at 31 March 2018 Rupees
(i) Gross Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties*	36,152,721	-
(ii) Net Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	3,615,272	-
(iii) Assets acquired in satisfaction of debt	-	-

*Out of this Rs. 7,726,735 of Gross NPAs have been regularised subsequently.



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29 Share based payments

Employee Stock Option Plan ("ESOP Plan")

OFB Tech Private Limited ('OFB'), the holding company, had framed an OfBusiness Stock Options Plan, 2016 ('ESOP 2016 Plan'), which was duly approved by the Shareholder of the OFB in the Extraordinary General Meeting held on 8 April 2016. ESOP 2016 Plan will be administered by Compensation committee and in the absence of such committee Board of Directors of the OFB shall ensure the administration of the ESOP 2016 Plan. The stock options granted are categorized as equity settled and have a graded vesting. The options vest at various dates over the period of one to four year from the date of grant. The options expires within 7 years from the date of last vesting.

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

Employee stock compensation expense for stock options during the year ended 31 March 2019 amounts to Rs.820,917 (previous year Rs.855,079).

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

Vesting schedule (from the date of grant)*	Date of grant	No. of options granted	Exercise price (in Rs.)
40% on completion of first year (month end) 20% during the second year (various dates) 20% during the third year (various dates) 20% during the fourth year (various dates)	08-Apr-16	30	10
25% on completion of first year (month end) 25% on completion of second year (month end) 25% on completion of third year (month end) 25% on completion of fourth year (month end)	08-Apr-16	4	10
25% on completion of first year 25% on completion of second year 25% on completion of third year 25% on completion of fourth year	08-Apr-17	40	10
13% on completion of first year 29% on completion of second year 29% on completion of third year 29% on completion of fourth year	15-Jun-17	7	204,767
25% on completion of first year 25% on completion of second year 25% on completion of third year 25% on completion of fourth year	28-Feb-18	20	10
33.33% on completion of second year 33.33% on completion of third year 33.33% on completion of fourth year	28-Feb-18	12	204,767
50% on completion of third year 50% on completion of fourth year	28-Feb-18	12	204,767
100% on completion of fourth year	28-Feb-18	2	204,767
100% on completion of fourth year	02-Jul-18	1	10
100% on completion of fourth year	02-Jul-18	5	204,767
50% on completion of second year 50% on completion of fourth year	02-Jul-18	2	10
50% on completion of second year 50% on completion of fourth year	05-Jul-18	4	10
50% on completion of second year 50% on completion of fourth year	05-Jul-18	2	204,767
20% on completion of first year 20% during the second year 20% during the third year 40% during the fourth year	05-Jul-18	5	204,767
20% on completion of first year 20% during the second year 20% during the third year 40% during the fourth year	05-Jul-18	5	10
23% on completion of first year 23% during the second year 25% during the third year 29% during the fourth year	05-Jul-18	90	152,052

* 40 options granted on 8 April 2017 (with vesting schedule being 25% at month end of successive years for a period of 4 years) and 2 options granted on 28 February 2018 (with vesting schedule being 50% at month end of each of third and fourth year) were forfeited during the year in respect of employees which left the Company and did not exercise the option.



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Stock option activity during the year is as follows:

Particulars	31 March 2019		31 March 2018	
	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	74	29,612	-	-
Granted during the year#	114	141,597	24	102,389
Options granted prior to transfer date in respect of employees transferred from holding company during the year	44	97,735	59	10
Exercised during the year	-	-	-	-
Vested during the year	10	10	-	-
Surrendered / Cancelled during the year	11	18,625	9	10
Outstanding at the end of the year	42	9,760	-	-
Exercisable at the end of the year	169	195,485	74	29,612
Weighted average remaining contractual life of the options outstanding at the end of the year	30	6,835	9	10
	10.07 years		10.10 years	

The Company accounts of employee stock option based compensation under intrinsic value method as per the Guidance Note on "Accounting for Employee Share-based Payments" ("Guidance Note"), issued by the Institute of Chartered Accountants of India ("ICAI"). Accordingly, the excess of fair value of underlying equity shares as of the date of grant of options over the exercise price of the options given to employees under the employee stock option plan is recognized as stock compensation cost over the vesting period on a straight line basis. Had the compensation cost of employee stock options been determined based on fair value approach as described by the Guidance note, the Company's net profit after tax and basic and diluted earning per share would have been as per the proforma amount shown below:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Net profit as reported	47,451,691	1,660,884
Add: Employee stock options expense included in reported net profit/ (loss)	820,917	855,079
Less: Employee stock options expense determined under fair value based method	(7,247,493)	(876,389)
Pro forma net profit/ (loss)	41,025,115	1,639,574
Earning per share		
As reported - Basic	1.58	0.20
As reported - Diluted	1.58	0.20
Adjusted pro forma - Basic	1.37	0.20
Adjusted pro forma - Diluted	1.37	0.20

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

Particulars	8-Apr-16 ^a	8-Apr-17 ^a	15-Jun-17	28-Feb-18 ^a	28-Feb-18	2-Jul-2018/ 5-Jul-2018	2-Jul-2018	05-Jul-18	05-Jul-18
Fair value of options at grant date	53,187	80,615	22,556	69,319	69,319	152,052	69,390	69,319	101,699
Fair value of share at grant date	53,193	80,621	80,621	152,058	152,058	152,058	152,058	152,058	152,058
Exercise price	10	10	204,767	204,767	204,767	10	204,767	204,767	152,052
Expected volatility	43.05%	41.16%	39.99%	41.16%	41.16%	56.70%	56.70%	56.70%	56.70%
Option life	9.08	10.08	9.21	10.91	10.91	10.34	10.34	10.34	10.34
Dividend yield	0%	0%	0%	0%	0%	0%	0%	0%	0%
Risk free interest rate	7.47%	6.64%	6.79%	7.51%	7.51%	8.10%	8.10%	8.10%	8.10%

^aOptions granted on 8 April 2017 and 28 February 2018 were forfeited during the year in respect of employees which left the Company and did not exercise the option.



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- 30 The Hon'ble Supreme Court of India, vide their ruling dated 28 February 2019, set out the principles based on which certain allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed by a third party and is pending before the SC for disposal. In view of the management, pending decision on the subject review petition and directions from the EPFO, the management has a view that the applicability of the decisions is prospective. Further, the impact for the past period, if any, is not practically ascertainable in view of various interpretation issues. The Company will continue to assess any further developments in this matter for the implications on financial statements, if any.
- 31 There are no un-hedged liabilities or assets denominated in foreign currency with the Company as at 31 March 2019.
- 32 The Company has a process whereby pending litigations (if any) are reviewed on periodical basis. As at 31 March 2019, the Company did not have any pending litigation.
- 33 The Company has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision, if any, as required under any law/ accounting standards for material foreseeable losses on such long-term contracts has been made in the books of account.
- 34 There has been no loans restructured during the financial year ended 31 March 2019 and 31 March 2018.
- 35 Previous year's figures have been regrouped/ reclassified where necessary to confirm to current year's classification.

For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration No.: 116231W/W-100024

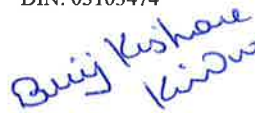


Manish Gupta
Partner
Membership No.: 095037

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



Brij Kishore Kiradoo
Company Secretary
M.No.: A40347



Asish Mohapatra
Director
DIN: 06666246

Place: Gurugram
Date: 30 May 2019

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