S.N. Dhawan & CO LLP
Chartered Accountants

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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:** (Refer Note 6 and 51 to the consolidated financial statements)	**Principal audit procedures performed:** Read the policies approved by the Board of Directors of the Holding Company that articulate the objectives of

	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. 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. The elements of estimating ECL which in- volved increased level of audit focus are the following: • Qualitative and quantitative factors used in staging the loan assets measured at amortised cost. • Basis used for estimating Probabilities of Default ("PD"), • Basis used for estimating Loss Given Default("LGD") • Judgements used in projecting economic scenarios and probability weights applied to reflect future economic conditions. Adjustments to model driven ECL results to address emerging trends.	managing each portfolio and their business models. Evaluated the management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction, validation and computation 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. 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. 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. 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

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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

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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 financial 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

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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

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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.

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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

OXYZO FINANCIAL SERVICES PRIVATE LIMITED
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	4,67,159.48
(f) Investments	7	74,513.27
(g) Other financial assets	8	78.93
		5,55,708.75
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		**5,58,445.56**
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	-
(ii) Total outstanding dues of creditors other than micro and small enterprises	20	1,009.57
(c) Debt securities	21	27,303.03
(d) Borrowings (Other than debt securities)	22	2,85,441.80
(e) Other financial liabilities	23	12,623.64
		3,26,811.09
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	2,23,123.10
		2,29,929.25
TOTAL LIABILITIES AND EQUITY		**5,58,445.56**

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

OXYZO FINANCIAL SERVICES PRIVATE LIMITED
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	97.96
(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 after tax (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**
(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

OXYZO FINANCIAL SERVICES PRIVATE LIMITED
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	(2,15,875.09)
(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	**(1,80,478.59)**
Income- tax paid	(6,515.21)
Net cash flow from operating activities (A)	**(1,86,993.80)**
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	(1,90,250.00)
Proceeds from sale of mutual funds	2,20,832.03
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)	4,56,676.11
Repayments of other borrowings	(3,45,919.42)
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)	**1,80,757.16**
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**

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OXYZO FINANCIAL SERVICES PRIVATE LIMITED

OXYZO FINANCIAL SERVICES PRIVATE LIMITED
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

OXYZO FINANCIAL SERVICES PRIVATE LIMITED

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	**1,19,110.04**	**2,686.66**	**780.91**	**112.98**	**-**	**-**	**10,687.42**	**-**	**(52.82)**	**1,33,325.19**
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)	-	-	-	-	-	-	41.76	27.44	(217.53)	**(148.33)**
Total comprehensive income for the year	-	-	-	-	-	**18.78**	**19,774.13**	**27.44**	**(217.53)**	**19,602.82**
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 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	**1,89,180.35**	**6,616.76**	**-**	**641.16**	**73.39**	**322.90**	**26,531.45**	**27.44**	**(270.35)**	**2,23,123.10**

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

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

Asish Mohapatra

Director
DIN: 06666246

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 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 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.

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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 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.

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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.

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.

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(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.

(ii) 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

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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.

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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.

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

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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.

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(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).

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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.

(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 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*

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- 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.

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

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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:

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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.

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3 Cash and cash equivalents

	As at 31 March 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 31 March 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 31 March 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	-
	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	-	-	-	-	-	**-**
(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 31 March 2023
At amortised cost	
(A) Loans	
(i) Purchase finance	3,22,982.72
(ii) Term Loans	1,49,091.13
(iii) Others (Staff Loans)	688.04
(iv) Interest accrued on loans	1,155.52
Total (A) - Gross	**4,73,917.41**
Less: Impairment loss allowance	4,974.99
Less: Revenue received in advance	1,782.94
Total (A) - Net	**4,67,159.48**

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(B)	
(i) Secured by tangible assets*	29,947.65
(ii) Secured by others	1,38,221.12
(ii) Covered by bank guarantee	1,76,061.49
(iii) Unsecured	1,29,687.15
Total (B) - Gross	**4,73,917.41**
Less: Impairment loss allowance	4,974.99
Less: Revenue received in advance	1,782.94
Total (B) - Net	**4,67,159.48**
(C) Loans in India**	
(i) Public sector	-
(ii) Others	4,73,917.41
Total (C) - Gross	**4,73,917.41**
Less: Impairment loss allowance	4,974.99
Less: Revenue received in advance	1,782.94
Total (C) - Net	**4,67,159.48**

* 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	
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	
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
- Series C Compulsorily convertible preference shares	60.98
Log 9 Materials Scientific Private Limited (Refer Note iii)	
Equity shares of ₹1 each fully paid up	164.60
(C) Investments at fair value through profit and loss:	
Investment in Mutual funds	153.16
Total (A)	**74,513.27**

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(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 31 March 2023
Security Deposits	17.20
Other advances (Refer Note 45)	61.73
Total	**78.93**

9 Current tax assets (Net)

	As at 31 March 2023
Current tax assets	392.09
Total	**392.09**

10 Deferred tax assets

	As at 31 March 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**

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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**
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.

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	200.28	**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**

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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**

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**

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.

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18 Derivative financial Instruments

	As at 31 March 2023		
	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**	-	**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**

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	**27,303.03**
Debt securities in India	**27,303.03**
Debt securities outside India	-
Total	**27,303.03**





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**

(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

Interest and unamortised processing fees is not included.

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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)	2,08,566.25
Term loans from financial institutions (Refer Note 22.3)	58,654.09
Accrued interest on term loans	776.95
	2,73,341.25
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	**2,86,021.74**
Less: Unamortised processing fees on borrowings	579.94
Total (A) - Net	**2,85,441.80**

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Borrowings (other than debt securities) in India	2,80,081.69
Borrowings (other than debt securities) outside India	5,360.11
Total (B) - Net	**2,85,441.80**

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**

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			**2,08,566.25**

^ 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.

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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
			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.

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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**

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Current tax liabilities	As at 31 March 2023
Provision for Tax [net of taxes paid ₹ 6,135.36 Lakhs)	805.73
Total	**805.73**

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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**

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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.

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27 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	7,33,81,715	7,338.17
Total	**7,33,81,715**	**7,338.17**
Issued, subscribed and paid up Equity share capital		
Equity shares of Rs.10 each	5,36,78,676	5,367.86
	5,36,78,676	**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

Particulars	As at 31 March 2023	
	No. of shares	(₹ in lakhs)
At the beginning of the year	**5,14,77,209**	**5,147.72**
Add:		
- Issued during the year (refer note vi)	20	-
- Converted during the year (refer note vii)	22,01,447	220.14
Outstanding at the end of the year^	**5,36,78,676**	**5,367.86**

(iv) Equity shares in the Company held by the promoter of the Company

Particulars	As at 31 March 2023	
	No. of shares	% of holding
OFB Tech Private Limited (ultimate holding company)	5,14,77,159	95.90
Ruchi Kalra (including nominee shares)^	22,01,467	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.

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

Particulars	As at 31 March 2023	
	No. of shares	% of holding
OFB Tech Private Limited (ultimate holding company)	5,14,77,159	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.

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(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	1,43,82,874	1,438.29
Total	**1,43,82,874**	**1,438.29**
Issued, subscribed and paid up		
-Series A cumulative, mandatory and fully convertible preference shares of Rs. 10 each	1,43,82,868	1,438.29
Total	**1,43,82,868**	**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.

(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	**75,58,340**	**755.83**
Add:		
-Issued during the year (refer note v)	68,24,528	682.46
Outstanding at the end of the year	**1,43,82,868**	**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	54,30,276	37.76
Internet Fund VII Pte. Ltd.	33,02,191	22.96
Norwest Capital, LLC	27,88,515	19.39
Creation Investments Social Ventures Fund V, LP	14,67,634	10.20
Matrix Partners India Investments IV, LLC	13,82,145	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.

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28 Other equity

Particulars	As at 31 March 2023
Securities premium reserve	1,89,180.35
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	**2,23,123.10**

(i) Securities premium reserve[1]

Particulars	As at 31 March 2023
Opening balance	1,19,110.04
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	**1,89,180.35**

(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)Emplovee 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**

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(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	29,35,263	293.53
Total	**29,35,263**	**293.53**
Issued, subscribed and paid up		
-Series A optionally convertible and redeemable preference shares of Rs. 10 each	7,33,816	73.39
Total	**7,33,816**	**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).

(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**

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OXYZO FINANCIAL SERVICES PRIVATE LIMITED

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 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).

(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.

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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**

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Fee and commission income	**Year ended 31 March 2023**
Service and other fees (Refer Note 45)	1,670.34
Subvention charges (Refer Note 45)	747.13
Total	**2,417.47**

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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**

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

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Other income	**Year ended 31 March 2023**
Interest on income tax refund	9.99
Excess liabilities written back	48.60
Total	**58.59**

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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	131.23
- On lease liability	6.80
Total	**18,333.15**

*includes premium on principal only swaps on foreign currency loans to ₹ 241.26 lakhs

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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**

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**

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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
Deferred tax charge/ (benefits)	
In respect of the current year	(721.72)
	(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

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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	6,75,65,360
Adjustments for calculation of diluted earnings per share	31,43,331
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share	7,07,08,691

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**	**1,62,347.19**	**2,01,478.73**
Cash flows:			
Proceeds from debt securities/borrowings	6,901.38	4,68,250.73	4,75,152.11
Repayment of debt securities/borrowings	(18,729.89)	(3,45,919.42)	(3,64,649.31)
As at 31 March 2023	**27,303.03**	**2,84,678.50**	**3,11,981.53**

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**

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(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).
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.

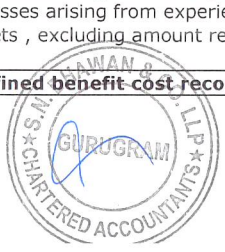
Principal assumptions:	**Gratuity As at 31 March 2023**
Discount rate (per annum)	7.45%
Salary growth rate (per annum)	9.00%
Retirement age	60 Years
Withdrawal rate based on age: (per annum)	
Upto 30 years	9.44%
31-44 years	5.71%
Above 44 years	0.00%
In service mortality	IALM 2012-14

Assets and Liability (Balance Sheet Position)

Particulars	**Gratuity 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 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 profit or loss	**132.77**
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	Year ended 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.

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	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

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(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

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) Non-Current Liability (Long term)	6.17 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**

Demographic Assumptions

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

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

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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.

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 :-

Name of Subsidiary	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.

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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)

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
	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
	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

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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
		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**	**As at March 31, 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

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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.

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	-	-	4,67,159.48	4,67,159.48	-	-	4,67,159.48
Investments	-	-	74,513.27	74,513.27	153.16	-	74,360.11
Other financial assets*	-	-	78.93	78.93	-	-	-
Total financial assets	**-**	**231.10**	**5,55,477.65**	**5,55,708.75**	**153.16**	**231.10**	**5,41,519.59**
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)	-	-	2,85,441.80	2,85,441.80	-	-	2,85,441.80
Other financial liabilities*	-	-	12,623.64	12,623.64	-	-	-
Total financial liabilities	**-**	**0.76**	**3,26,810.33**	**3,26,811.09**	**-**	**27,303.79**	**2,85,441.80**

*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.

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.

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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	7,21,140
Grant-II to Grant-IV (FY 17-18)	08-Apr-17 to 28-Feb-18	19,72,530
Grant-V to Grant-VI (FY 18-19)	02-Jul-18 to 05-Jul-18	24,17,940
Grant-VII to Grant-X (FY 19-20)	01-Apr-19 to 05-Jul-19	32,87,550
Grant-XII to Grant-XIII (FY 20-21)	01-Oct-20 to 01-Mar-21	32,87,550
Grant-XIV to Grant XXV (FY 21-22)	01-Apr-21 to 01-Jan-22	63,27,367
Grant-XXVIII to Grant XXXX (FY 22-23)	01-Apr-22 to 01-Mar-2023	28,31,457

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
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	1,25,89,408	45.64
Granted during the year	28,31,457	302.59
Exercised during the year	(65,753)	(26.28)
Forfeited during the year ^	(1,16,188)	(70.96)
Outstanding at the end of the year	1,52,38,923	93.27
Exercisable at the end of the year	46,92,464	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.

Particulars	For options granted during the 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

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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.

Particular's	Grant Date	Number of options
Grant-I	03 January 2022	21,32,651
Grant-II	06 April 2022	2,80,709

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:

Particulars	31 March 2023	
	Shares arising out of Options	Weighted average exercise price (in Rs.)
Outstanding at the beginning of the year	21,32,651	650
Granted during the year	2,80,709	1,042
Outstanding at the end of the year	24,13,360	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 ended
	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

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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.

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 profit or loss	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%	2,29,732.59	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%**	**2,29,929.25**	**100.00%**	**19,751.15**	**100.00%**	**(148.33)**	**100.00%**	**19,602.82**

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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	4,67,159.48
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

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.

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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

	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)	4,55,063.71	2,301.02
Impairment on account of COVID-19		-
Total	**4,73,917.41**	**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:

Particulars	31 March 2023			
	Stage-1	Stage-2	Stage-3	Total
Gross carrying amount opening balance	**2,44,485.87**	**10,757.29**	**2,609.84**	**2,57,853.00**
New assets originated	3,83,880.73	6,858.20	279.22	3,91,018.15
Assets repaid (excluding write offs)	-1,65,678.83	-7,696.67	-685.69	-1,74,061.19
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	**4,55,063.71**	**14,918.65**	**3,935.05**	**4,73,917.41**

Reconciliation of ECL balance is given below:

Particulars	31 March 2023			
	Stage-1	Stage-2	Stage-3	Total
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 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 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.

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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 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	2,74,788.26
Fixed rate borrowing	37,781.35
Total borrowings	**3,12,569.61**

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.

Particulars	**Foreign Currency**	**Year Ended 31 March 2023**		
		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
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

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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.

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*	3,82,008.25	85,151.23	4,67,159.48
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	-	13.32	13.32
Property, Plant and Equipment	-	228.65	228.65
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	**4,24,444.87**	**1,34,000.69**	**5,58,445.56**
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)	1,99,326.81	86,114.99	2,85,441.80
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	**2,25,552.72**	**1,02,963.59**	**3,28,516.31**
Net equity	**-**	**-**	**2,29,929.25**

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

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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

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") 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.

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(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.

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
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