NEOGROWTH

Lending Simplified. Growth Amplified.

NEOGROWTH CREDIT PVT. LTD.

INTEGRATED ANNUAL REPORT 2019

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INTEGRATED ANNUAL REPORT

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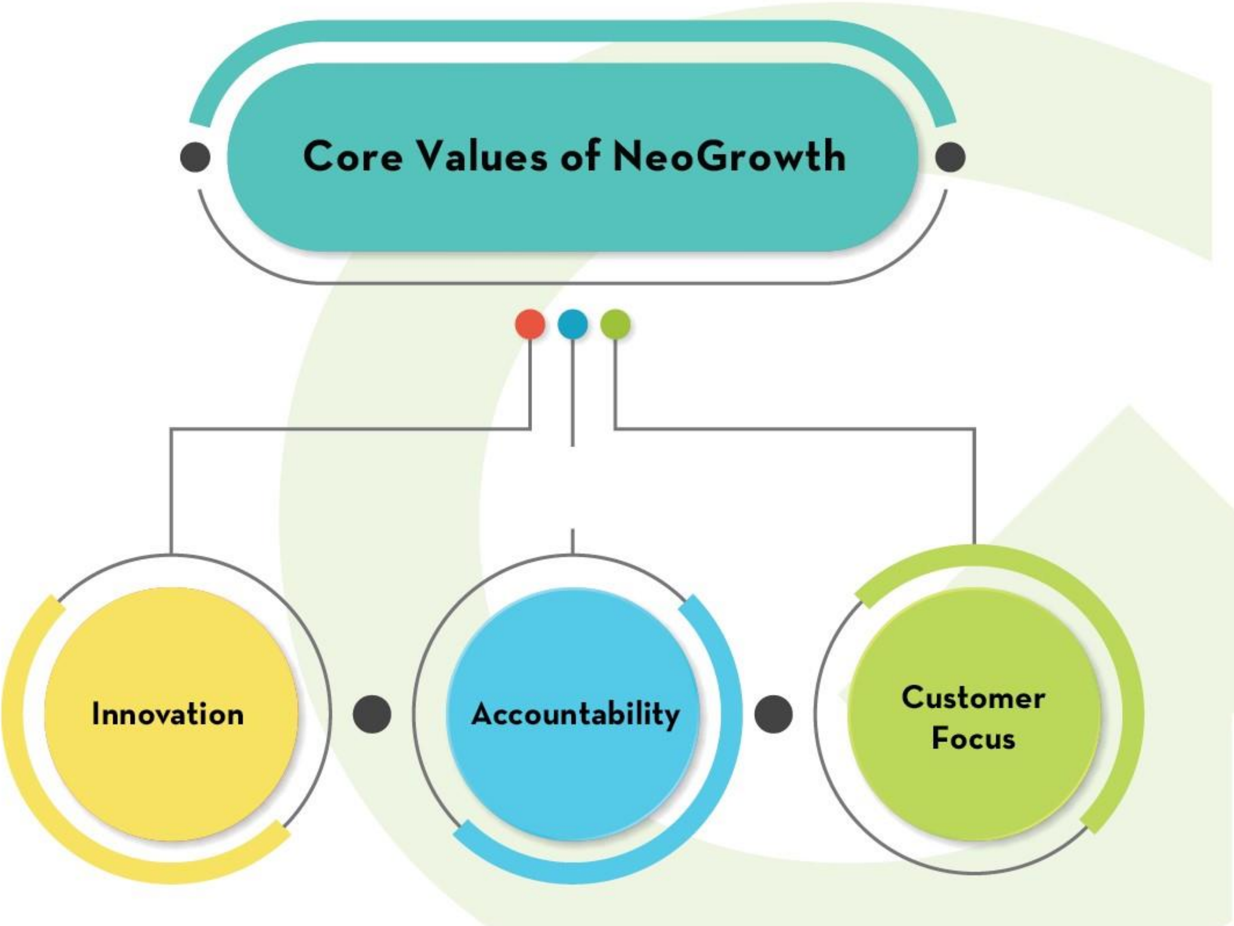


JOURNEY OF NEOGROWTH

Belonging to an entrepreneurial family, Dhruv Khaitan along with his brother Piyush Khaitan, founded a digital payments processing firm, Venture Infotek in the mid-1990s. Venture Infotek had soon become India's largest transaction processing company and operated merchant acquiring, card processing, loyalty programs and government benefits programs on behalf of Indian banks and large retailers.

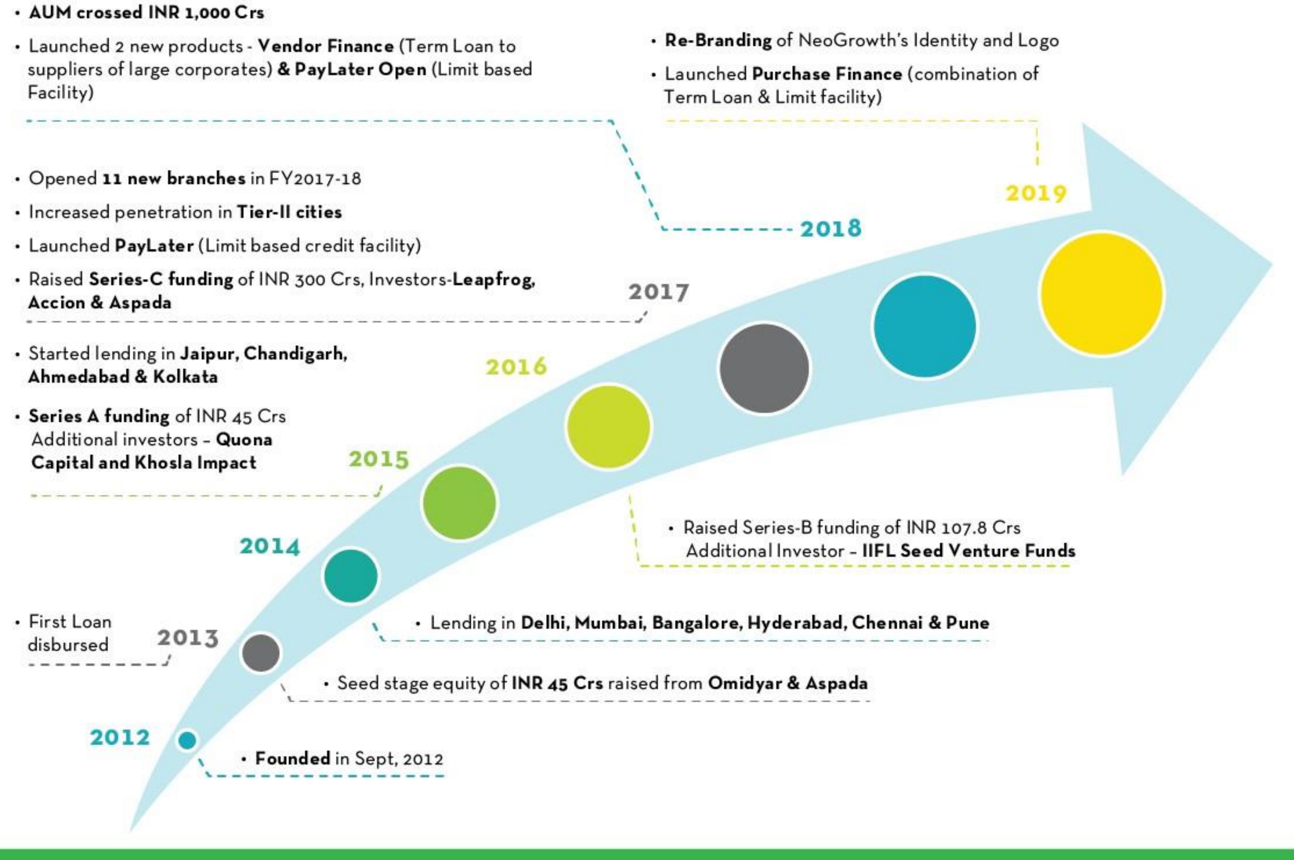
It is during the formative years when our founders worked closely with the retailers and they realised the pain points of retailers in terms of accessing finance. Then they closely understood the difficulties that these small businesses faced for accessing credit. More than 50% of retailers, though credit-worthy, were denied finance based on traditional underwriting methods.

That was the moment of truth for our founders and they realized that there is a huge credit gap that can be bridged by leveraging their learnings in digital payments and transactions.

They divested Venture Infotek to a European Multinational in 2010 and started a new journey with NeoGrowth in 2011-12. NeoGrowth was born to ease access to credit for the SME and MSME retailers by giving them loans against card swipes over point-of-sale terminals.

NeoGrowth, a journey which started with an idea of inclusive growth is seven years old now. On the way we have met several milestones. As the founding member of Digital Lenders Association of India (DLAI), we have pioneered the evolution of digital lending in India.

We are a 700 strong unit located in 21 cities and have touched 55,000+ SME businesses.



WAY FORWARD

The Indian economy has expanded at a much faster rate than initially estimated in the last two fiscal years indicating that growth remained high despite short term disruptions from the rollout of GST and demonetization. Strong domestic consumption and investment will continue to support growth, which is projected at 7% in FY2018-19 and 7.1% in FY2019-20 as per a United Nations report.

NBFCs have remained a crucial engine for fueling credit growth in the economy, especially with growing credit demand from Tier-II/III cities. NBFCs have been quite successful in meeting this credit demand through their differentiated product offerings, last mile connectivity, enhanced customer experience and leveraging alternate sources of data. Given the steadfast growth in contribution of NBFCs to commercial credit, currently at 12.6%, NBFCs have come to be recognized as a systemically important component of the financial services industry. Even though the IL&FS default crisis in Oct'18 resulted in liquidity challenges for the whole NBFC sector and most of the domestic lenders had curtailed incremental disbursals to the NBFC segment, NeoGrowth managed to cushion itself by maintaining a mix of borrowings from domestic and overseas lenders and liquidity buffers to ensure continuous disbursements.

Our company has continued to grow with our Assets under Management (AUM) scaling up from INR 48 crore (USD 7 Mn) in FY2015 to INR 1,056 crore (USD 155 Mn) in FY2019. This growth has been backed by continued focus on the target segment and deepening relationships with our customers. NeoGrowth has a highly granular loan book by virtue of low-ticket size disbursements across ~10,300 live loans. We continued to focus on customer delight and achieved a renewal rate of over 60% demonstrating high customer satisfaction.

Aligned with our customer focused business philosophy, we have launched a new product, Vendor Finance, which caters to the supply side requirements of a business. Apart from this, we are constantly leveraging our technology and analytics platform for automated underwriting and widening our reach to customers.

NeoGrowth has always focused on creating a strong positive social impact on MSMEs by lending to first generation entrepreneurs, assisting women entrepreneurs, enabling our customers in job creation and in improvement of credit scores via our loans. Presently, NeoGrowth operates in 21 cities where we will continue to expand and aim to build a billion-dollar balance sheet in the next 5 years while maintaining our pillars of growth.

CHAIRMAN's MESSAGE

There are around 60 million micro, small and medium size enterprises (MSMEs) operating in India today, contributing significantly to India's GDP and nation's employment. But a major barrier to their growth has been the ease of getting credit. Today, around 40% of total MSME credit demand is still served by informal sources of credit. This under-served market is a huge potential for MSME lenders and digital players to cater to, with innovative business models tailored specifically to the needs and behaviour of this segment. NeoGrowth was founded with a mission to finance these small business owners by leveraging the digital payments ecosystem. We started with a belief that our financing should not only help our clients grow but also create a positive social impact. Since then, we have continued to focus on data-driven underwriting algorithm and technology enabled repayment to provide loans to MSMEs against their future card sales. Our product design is built around the four key pillars of tech-oriented scalability, maintaining favorable unit economics, delivering superior customer experience and reducing friction. This has helped us achieve scale and impact customers across India. The exponential growth in digital payments transactions and GST implementation are expected to further increase the addressable market by making more data trails available.

The past financial year has been one of contradictions, straddling between a short-term liquidity crunch, and long-term opportunity. Our company has managed to successfully navigate this paradox to, both, protect itself against short-term risks and become poised to leverage future opportunities. NBFCs in general had to face a period of higher borrowing costs as well as a liquidity crunch, leaving the entire sector in a state of flux. Our company was able to navigate this industry-wide crisis by maintaining both liquidity buffers as well as a healthy mix of overseas and domestic borrowings. This ensured we never felt the impact of the liquidity crunch as some of the others in the sector; and disbursements remained unhindered throughout the year.

This year has also brought hope and optimism for the long run. The Union Budget 2018-19 emphasized the MSME sector, with the goal of increasing its contribution to the GDP from 30% to 50%. This has also resulted in a massive boost to the players present in the industry, especially the Digital Lending companies. While the overarching vision has been clearly outlined by the Government, the reality is changing on the ground as well. The MSME landscape is witnessing a paradigm shift, with formalization and digitization spearheading a significant disruption in the sector. The NBFCs that succeed amid this changing paradigm will be those that can quickly adapt to these changes and leverage them for rapid growth. And this is precisely what we have done this past financial year.

We have also leveraged the long-term opportunities, laying down the foundation for our future growth. During the financial year 2018-19, NeoGrowth 's AUM (Assets Under Management) exceeded INR 1,000 crores. We are now a 700+ strong team that services ~11,000+ customers and are present in 21 cities across the nation. Most importantly, we have taken hiring decisions and built a product roadmap that will help us leverage everything the changing financial landscape in this country has to offer.

NeoGrowth continues to remain focused on creating a positive social impact by lending to first time borrowers and women entrepreneurs, enabling job creation and improving the credit profile of its customers. So far NeoGrowth has disbursed over INR 4,550 crores worth of loans under its impact lending model and has already generated a lot of positive response by facilitating credit assistance to a massive under-served segment of Indian entrepreneurs across the country.

Dhruv Khaitan
Founder and Chairman

MANAGING DIRECTOR's MESSAGE

The digital finance landscape in this country has been changing dramatically in the last few years, and 2018-19 was no different. Our company's focus in the past year has been to balance current performance with active preparation for an exciting future.

Given that there is a total demand of INR 45 lakh crores for MSME loans, the scope for growth is massive. In fact, the share of digital lending is estimated to reach INR 6-7 lakh crores by FY 23 itself, and this is largely being driven by changes in the digital lending landscape as a whole.

Today, digital lenders are partnering with traditional lenders to provide credit through managed cost levers at every step of the value chain. Plus, the country has developed a substantial infrastructure, which lenders, like us, are now using to leverage data and underwrite faster and more effectively. Then there's also a series of measures taken by the Government, including UPI payments (which grew 25% month-on-month in transaction values last year), that are facilitating a shift in the payments behavior and moving the country towards a digital economy.

To add to that, there's the availability of unprecedent amount of consent-based user data – whether that's GST returns data, readily available user data, or payments data – which can really make it easier to lend to the MSME sector. Finally, there are over 44 lakh POS terminals in India, with 1.15 lakh crores worth of monthly card POS transactions which our company leverages to enable lending based on digital payments.

At NeoGrowth, this year, we have continued to grow steadily with strong focus on our core product offerings and delivering superior customer experience while maintaining strong asset quality. During the financial year 2018-19, our loan assets under management (AUM) grew by 22% to reach INR 1,056 crores. Our customer base increased by 25%, while our total income grew by the same percentage to INR 303 crores, and NIM (Net Interest Margin) grew by 35% to INR 210 crores.

Our company is also well aware of the need to keep pushing the envelope when it comes to innovation; so as to leverage the significant changes happening in the industry and stay ahead of the curve. In the past financial year, we have invested in both, new product development, as well as hiring a world-class leadership team. We also realized that as we enter into this new phase of high-growth and extensive innovation, we needed to revamp our identity and what we stand for as a brand. Last year, we unveiled NeoGrowth's new Brand Identity, that reflects the mission and values that all stakeholders at NeoGrowth stand for. This will form the bedrock of our identity and aspirations as we leverage our innovation capability and the changing digital lending landscape to scale up substantially.

Piyush Khaitan
Founder and Managing Director

CEO's MESSAGE

The financial year 2018-19 has been an eventful year for us as we faced a mix of challenging times and opportunities. Our focus on financing the under-served small business owners by leveraging the digital payments, long term strategic vision and pro-active strategies combined with prudence risk control framework has enabled us to witness a steady growth last year. Though the NBFC industry has been faced with short term liquidity challenges in the past year, our company has been able to cushion itself by maintaining a mix of borrowings from domestic and overseas lenders and liquidity buffers to ensure continuous disbursements.

During the financial year 2018-19, our loan assets under management (AUM) grew by 22% to reach INR 1,056 Crores. We reported a total income of INR 303 Crores, an increase of 25% over the previous year and profit after tax of INR 4 Crores. In continuation with our strategy of "Deeper, Wider and Newer", we have focused on deepening our reach in existing cities through our core retail lending product offering to the underserved and underbanked MSMEs by leveraging digital payments data. By 'Newer' approach, we have strengthened our offerings by launching new products namely Vendor Finance and Purchase Finance last year. These products provide supply chain finance to businesses who sell to or purchase goods or services from eligible large corporate entities. And by 'Wider', we aim to expand our presence in newer markets by opening branches. Our tech & touch model along with our customer centric business philosophy has helped us emerge as market leaders touching customers across all industry segments. We have remained focused on maintaining deep local connect with market and customers.

Our long-standing relationship with channel partners, alliances with financial and strategic business partners and technology vendors have helped us deliver superior and rewarding experience for our customers. We continued to maintain a strong asset quality due to our robust risk management framework in place. We have been able to achieve this through robust customer selection methodology using risk gradation scorecards, active monitoring of portfolio trends including early warning signals and a multi-pronged automated collections strategy. With our 'Newer' approach, we continue to remain focussed on a data-driven approach and use predictive & prescriptive analytics models extensively, resulting in sharper customer selection, deep understanding of customer behavior & focussed collection strategies. We have also started leveraging newer technologies like Artificial Intelligence, Machine Learning and Deep Analytics with a strong emphasis on new product innovations and variants.

We continued to lay strong emphasis on quality improvements and business excellence in the last financial year. During the FY2018-19, we received ISO 9001:2015 certification from The International Organization for Standardization (ISO) This certification further reaffirms NeoGrowth's commitment to operate in a legally compliant, effective and efficient way through a framework validated by a globally accepted common standard. This is further accentuated by our equal commitment towards ensuring data security when NeoGrowth accomplished the ISO 27001:2013 audit from Bureau Veritas which guarantees the organization's Information and Data Security policies. Another focus area in the past financial year has been on steering our work culture towards a Balanced Score Card approach where each business unit is aligned to the organizational objectives for achieving our short-term and long- term goals. Through our periodical Employee and Customer Satisfaction Surveys, we have developed a sound feedback mechanism to introspect, investigate and improve our processes and policies. We strongly believe in a reward and recognition work culture, periodical engagement with employees through regular webinars and human resource initiatives to promote a camaraderie amongst the workforce across all our branches. During the last year, we have invested heavily in learning and development ensuring that our team stays abreast of the industry and skillsets. This too received recognition from the industry, and we were awarded the 'Best Learning Strategy of the Year' at the Future of L&D Summit & Awards in February 2019. We also got awarded for 'Best Fintech SME-Connect' at Governance Now's India Banking Reforms Conclave & BFSI Awards, 2019.

Finally, our financing not only helps our customers grow but also drives financial inclusion making a positive social impact. At NeoGrowth, we have always focussed on creating a strong positive social impact on MSMEs by lending to first generation entrepreneurs, assisting women entrepreneurs and enabling our customers in job creation and improvement of credit scores via our loans.

Arun Nayyar
Chief Executive Officer

BOARD OF DIRECTORS

Dhruv Khaitan
NeoGrowth

Piyush Khaitan
NeoGrowth

Ganesh Rangaswamy
Quona Capital

Prashasta Seth
IIFL

Michael Fernandes
LeapFrog Investments

Pranav Kumar
LeapFrog Investments

Mahesh Krishnamurthy
Omidyar Network

Smita Aggarwal
Omidyar Network

SENIOR LEADERSHIP TEAM

Arun Nayyar
Chief Executive Officer

B Ravi Kumar
Chief Financial Officer & Company Secretary

G K Shettigar
SVP – Treasury

Sachin Bawari
SVP – Risk, Credit Policy and Internal Controls

Sorabh Malhotra
SVP – Collections and Credit

Manish Doke
Circle Business Head 1

Manmeet Singh
Circle Business Head 2

Yogesh Nakhwa
VP – Operations & Business Excellence

Vivek Sapre
VP - Human Resource

Mansi Mittal Kumar
Director – Products

Amol Deherkar
VP - Strategy, Marketing, Analytics and New Product

Vamsikrishna Ithamraju
VP Engineering

PRODUCT SUITE

NeoGrowth has a suite of products catering to the SME and MSMEs retailers and non-retailers. The product offering includes:

Small Business Lending basis Digital Payments Ecosystem

Retailers

Retail Finance

Lending to consumer facing businesses that accept digital payments.

The loans are intended for retail businesses to finance their various business requirements.

Ticket Size: INR 2 to 75 Lakhs

NeoCash is the core term loan offering with a digitally enabled variant NeoCash Express for smaller ticker sizes

PayLater Open (PLO) is a revolving limit offered to existing customer

The product helps customers to manage their cashflows as per their need with a revolving limit

Supply Chain Finance

Vendor Finance

Financing offered to SMEs who are vendors/ suppliers to Corporates having turnover greater than INR 250 Crores (Large Corporates)
(Ticket Size: INR 10 to 75 Lakhs)

Vendor Finance Term Loan (VFTL)

Purchase Finance

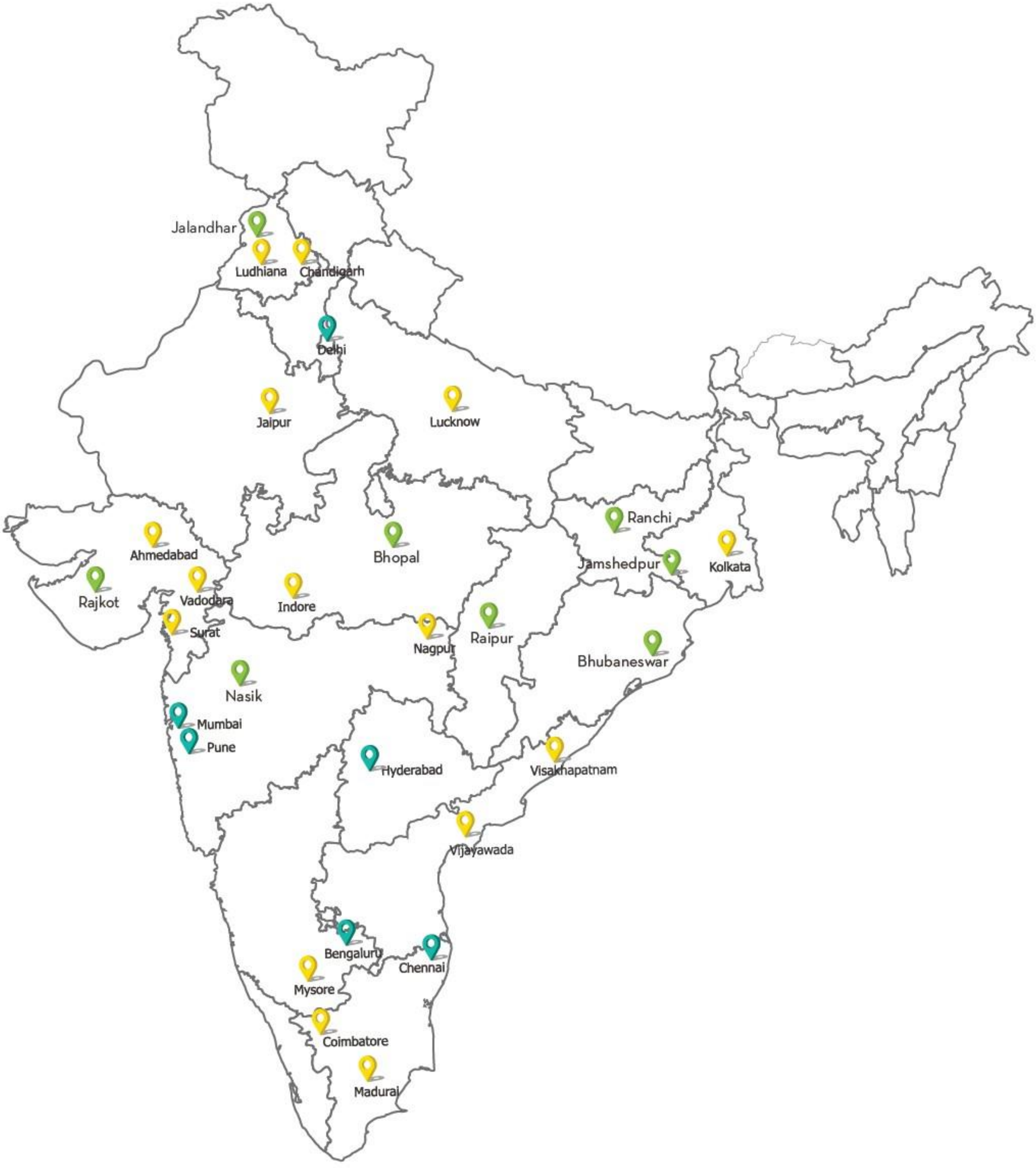
Financing offered to small businesses who have a significant proportion of their raw material purchases or trading goods purchases from large corporates or their channel partners
(Ticket Size: INR 5 to 75 Lakhs)

Purchase Finance Term Loan (PFTL)

Purchase Finance PayLater Open (PFPO)

Customer would have 50% of the amount as a Term loan (PFTL) and other 50% as a Limit (PFPO)

GEOGRAPHICAL PRESENCE



Tier-I Delhi, Mumbai, Chennai, Bangalore, Hyderabad and Pune.

Tier-II Jaipur, Chandigarh, Ahmedabad, Kolkata, Coimbatore, Surat, Ludhiana, Lucknow, Vijayawada, Madurai, Indore, Baroda, Vizag, Mysore and Nagpur.

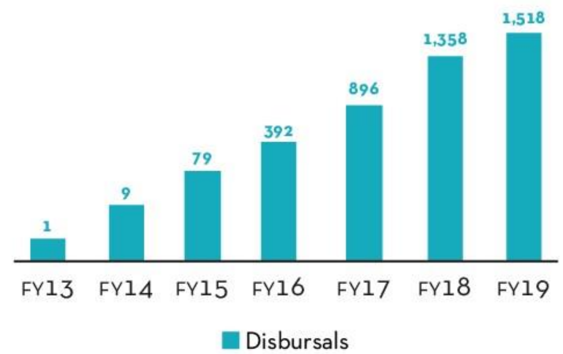
New Cities Jalandhar, Rajkot, Nasik, Bhopal, Ranchi, Raipur, Jamshedpur and Bhubaneswar.

FINANCIAL HIGHLIGHTS

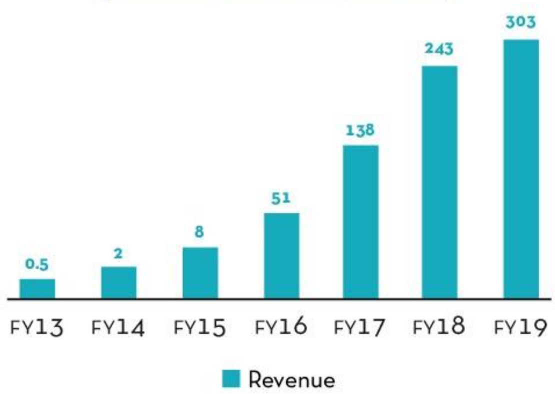
(All figures in INR Crores)

AUM in past years

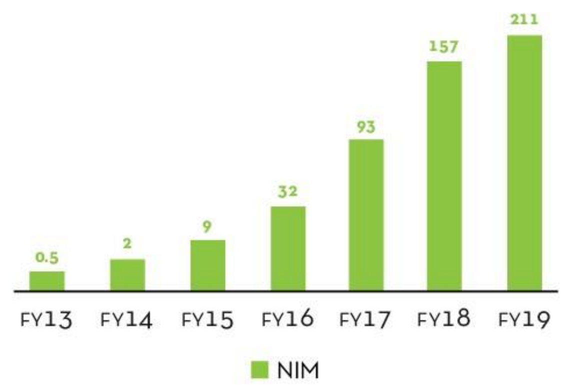
Disbursal in past years



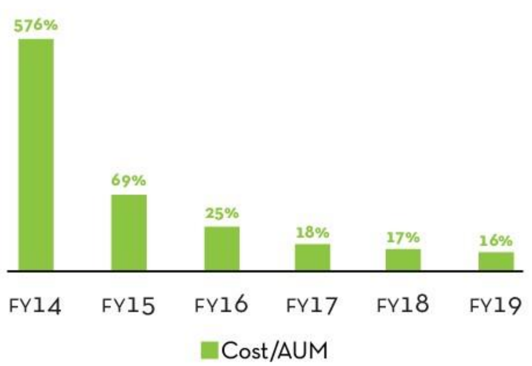
Revenue Growth in past years



NIM Growth in past years

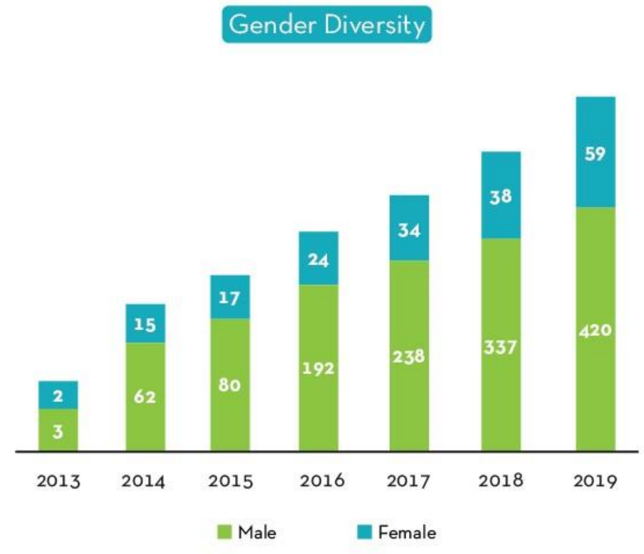


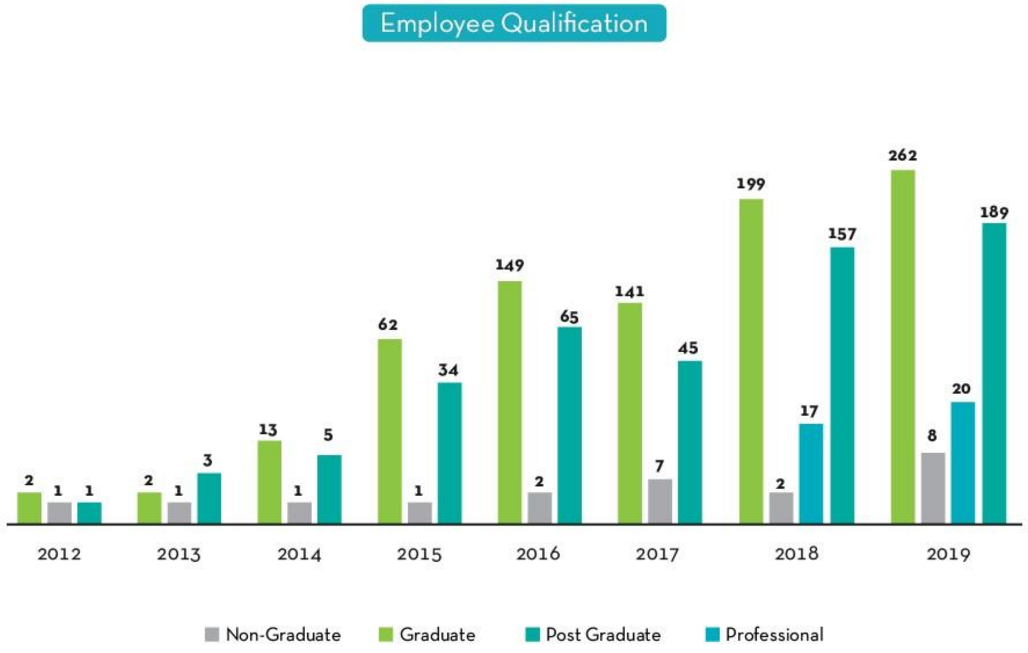
Operational Cost to AUM



Operational Cost to NIM

HUMAN CAPITAL





RELATIONSHIP WITH FINANCIAL INSTITUTION

International Lenders

- BlueOrchard – Impact Investment Managers
- Developing World Markets
- Deutsche Bank
- DWS
- FMO – Entrepreneurial Development Bank
- MicroVest – Purposeful Investing
- Oikocredit – Maanaveeya Development & Finance Private Limited
- OPIC
- responsAbility
- symbiotics
- Triodos Bank

Domestic Lenders

- a.k. – Building Bonds
- AU Small Finance Bank – चलो आगे बढ़ें
- caspian
- Federal Bank – Your Perfect Banking Partner
- HDFC Bank
- HeroFinCorp.
- Hinduja Leyland Finance
- IIFL
- Intellegrow – Catalyzing Growth
- Mahindra Finance
- Manappuram Finance Limited – Make Life Easy
- MAS Financial Services Ltd. – Excellence Through Endeavours – The Power of Distribution
- Muthoot Pappachan Capital
- Reliance Capital
- RBL Bank
- Sundaram Finance – Enduring values. New age thinking.
- Yes Bank

SOCIAL IMPACT

Committed to bring about a positive social impact and true financial inclusion through lending at the convergence of retail and digital payments, NeoGrowth is among the very few fintech NBFCs to have objectively measured and presented the impact that they have created. The independent study, conducted by ALSiSAR Impact Pvt. Ltd. on behalf of NeoGrowth, gives a rich insight into how deeply the company has impacted the economic as well as social lives of its customers in the financial year of 2018-19.

It is an undeniable fact that the traditional underwriting methods in India have been excluding more than 50% of SMEs and MSMEs that are creditworthy. This is where NeoGrowth steps in the picture, leveraging digital payments data to underwrite and provide business loans to the underserved SME and MSME sectors' players thus. Over these years, the company has succeeded in distinguishing itself from its contemporaries by providing unsecured, short-term, easy, instantaneous, and customized business loans on flexible repayment terms through automated processes. Having disbursed 25,000+ loans amounting to more than INR 4,550 crores (USD 650 million), NeoGrowth has been funding and enabling merchants to grow and sustain their businesses while continuing to tread on its initial journey of achieving inclusive growth.

But the realm of the impact created by NeoGrowth is not limited to extending financial support to small and medium businesses. The company has simultaneously been asserting an indirect positive impact on the society through its lending activities. Selecting a random sample from NeoGrowth's base of over 10,000 live customers across cities including Mumbai, Delhi NCR, Hyderabad, Chennai, Bengaluru, Lucknow, and Chandigarh, the agency researched about and conducted on-field interviews of over 159 customers.

Some of the key social impact themes measured and analyzed in the report include:

- **Strengthening Credit History**
  NeoGrowth has been actively contributing to the strengthened credit history of its customers by facilitating access to funds on feasible repayment terms.

  According to the report, about 48% of the customers surveyed witnessed an increase in their credit bureau scores upon availing loans from the platform.

- **Fostering Entrepreneurship**
  NeoGrowth is one of the most active facilitators and nurturers of first-generation entrepreneurs in the Indian digital lending ecosystem.
  This was revealed in the report as well, wherein as much as 80% of the customers surveyed were found to be first-gen businessmen and businesswomen.

- **Gender Inclusion**
  The report also observed how over 10% of the loans that were disbursed among the customers surveyed were extended to female entrepreneurs. Moreover, an increase of 15% was also observed in the number of women employed by the surveyed customers, post availing of business loans from NeoGrowth.

- **Indirect Employment Generation**
  NeoGrowth's lending activities were revealed to have indirectly led to the creation of 367 new jobs in the SME and MSME segments. This also translated to an increase of 9% in employee generation, when compared to the previous financial year.

- **Accelerating Digitization of SME and MSMEs**
  Because of its unique model of providing loans against future credit and debit card sales, NeoGrowth has played a key role in acceleration of digitization in India. According to the report, for instance, over 53% of the total sales transactions carried out by the customers surveyed were digital in nature.

- **Financial Inclusion**
  With inaccessibility to funds owing to parameters like less to no credit bureau scores and low-income strata hindering the inclusive growth of India, NeoGrowth has been extending loans to them all. For instance, during the period from April 2018 to January 2019, 372 first-time borrowers and 2,274 merchants with credit bureau score less than 650 availed loans from the platform. In this manner, NeoGrowth has been contributing significantly towards achieving financial inclusion in India.

SOCIAL IMPACT

Key Highlights Of Merchant Surveyed

- About 80% of the total merchants interviewed are first generation entrepreneurs.

- About 35% of the total merchants surveyed were first time borrowers, that is, they did not avail of other financing options prior to the loan from NeoGrowth. Further, during the period from April 2018 to January 2019, 372 first time borrowers (i.e. with no credit scores) availed loans from NeoGrowth. NeoGrowth also rendered loans to 2,274 merchants with a CIBIL score less than 650. Each of these parameters point to financial inclusion initiatives by NeoGrowth.

- Around 48% of the merchants surveyed have shown an increase in their CIBIL scores after availing loans from NeoGrowth.

- Around 10% of the merchants surveyed were for disbursements towards businesses that were run by women either as sole proprietors, partners or directors. In addition, there has been a 15% increase in the number of women employed by the merchants interviewed, post funding from NeoGrowth.

- Out of the merchants surveyed, almost 23% were high school pass outs.

- NeoGrowth's lending activity has indirectly resulted in creating 367 new jobs in the MSME and SME segment. It witnessed an upsurge of 9% in job creation versus the previous year.

- 12% of the total disbursements by NeoGrowth for the year 2018-19 were towards businesses that were run by women either as sole proprietors, partners or directors.

- As of 2019, 17% of the total lending activities in NeoGrowth were to merchants in Tier-II cities

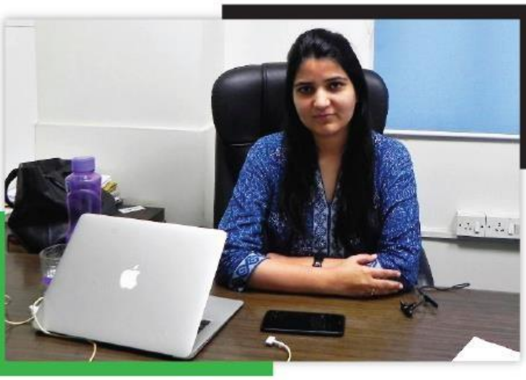
This is how we have impacted our customers.

RVD Beauty Concepts, Chandigarh

After completing his education, Rohan Dhavan joined the financial services industry. However, the idea of being an entrepreneur always fascinated him and soon he started a salon named 'RVD Beauty Concepts'. In the initial years, Rohan attended several part-time courses to improve his technical skills. Due to his zeal and hard work, his salon soon became popular but he could not plan any further expansion due to paucity of funds. NeoGrowth's loan provided him with the timely capital required for business expansion. Rohan finds the loan disbursal process of NeoGrowth convenient and quick, especially for those borrowers who are in need of quick funding.

NeoGrowth loan helped Rohan Dhavan open the second branch of his salon.

Tashee International, Delhi



Amna Abbasi left a lucrative corporate career to start her own business. Initially, she started an e-commerce website under the name "etashee.com" for selling clothes online and soon after opened a small store in Noida. Apparel business being seasonal in nature, Amna was required to maintain sufficient stock during peak season and approached NeoGrowth for providing her with funds to purchase the required stock. Today, Amna operates an apparel chain named 'Fashion Street'. She believes that the funds from NeoGrowth have helped her in maintaining working capital. She praises NeoGrowth's smooth loan application process and ease of documentation.

Funds from NeoGrowth helped Amna Abbasi to manage her working capital needs in a more efficient manner.

SOCIAL IMPACT

Sai Shrushti Packaging, Hyderabad

Suresh Gupta began his business in 2008 with only INR 250. He started with door-to-door sales and 5 years later, managed to rent a shop in 2013. Retail businesses need to maintain sufficient cashflow due to their high working capital requirements. Suresh decided to take a loan from NeoGrowth to meet his liquidity requirements. According to him, the daily repayment option is one of the best features of a loan from NeoGrowth. The payment flexibility eases the burden on the borrower. Further, quick disbursal of the loan amount makes it effective for emergency fund requirements.

When Suresh Gupta was finding it difficult to avail loans from other banks, NeoGrowth stepped in and met the working capital needs of his business.

Scarlet Kidswear, Hyderabad

Post completion of his post-graduation, Sudarsana Rao Sandepudi wanted to start his own business. Since he had no experience in running a business, he faced opposition from his family for the same. Despite this, Sudarsana started renting out accommodations to paying guests and later shifted to trading in apparel. Sudarsana was approached by an agent from NeoGrowth and applied for a loan for his working capital requirements. He is very thankful to NeoGrowth for lending him money in his hour of need.

Though there are multiple other lenders in the market, Sudarsana Rao Sandepudi is a firm believer in NeoGrowth's services especially due to the quick and timely disbursal of funding when required.

Tip Top Unisex Salon, Mumbai

Prakash J Rathore gained interest in beauty and grooming industry due to his father, who used to own a salon in their native place. He worked as a hairdresser in Mumbai and later started his own salon. However, it was promptly shut down as he did not enjoy his work. He decided to improve his knowledge and skills and hence worked as a senior stylist at a leading salon. Soon, he gained popularity amongst the customers and got encouraged to buy his friend's salon to start his entrepreneurial journey again. Prakash was finding it difficult to obtain finance to purchase equipment for his salon and thus approached NeoGrowth. He appreciated NeoGrowth for enabling timely financing for new businessmen especially the minimal documentation process and quick disbursal of funds.

NeoGrowth helped Prakash J Rathore by providing him with the required capital for setting up his business.

BSK Hospitality Pvt Ltd, Delhi

After completing his studies, Arjun Singh Khurana, began working in his family business. Having gained some business experience, he felt the urge to take the plunge and start his own venture where he could build something from scratch and at the same time get hands-on experience of the challenges faced by businessmen. Being passionate about the hospitality segment, he started a club under the brand name 'Quoter' which provides varied experiences under one roof such as sit down dinners, clubbing, gaming zone, etc.
Arjun was first introduced to NeoGrowth on an online platform. When he was in need of funding for expanding his business and upgrading his club, he approached NeoGrowth for a loan. He believes that the loan was the right support he needed at that time and holds NeoGrowth in high regard for its on-time and convenient services.

In 'Quoter' about 50% of the total transactions are digital.

SOCIAL IMPACT

Mission Green Mumbai

NeoGrowth had tied up with Lets Green Foundation for their leading initiative "Mission Green Mumbai" that works with local communities on the green project to encourage sustainability. With a mission to plant One Crore trees in Mumbai, Mission Green Mumbai was pioneered by Mr. Subhajit Mukherjee in 2015 and managed by thousands of passionate volunteers and expert team members.

With this collaboration through a focused initiative, NeoGrowth will be distributing Neem saplings to NGOs, registered societies, schools, and colleges with an aim to promote social responsibility and nature conservation by involving various stakeholders. The initiative is to promote adoption of trees with the motto of "Each One Teach One to Plant One" for a beautiful green and pollution-free Mumbai.

AWARDS & RECOGNITIONS

Fintech

NeoGrowth was Awarded as the 'Best Fintech-SME Connect' at Governance Now's 4th India Banking Reforms Conclave & BFSI Awards, May 2019.

Listed as one of the 50 Emerging fintech firms in the world by KPMG and H2 ventures in November 2017.

Listed amongst the top 10 Best Emerging Fintech Startups of 2018 by Insight Success Magazine in May 2018.

Social Impact

Listed as one of the Top 10 Social Impact companies in India by Forbes in January 2018.

Our CEO, Mr. Arun Nayyar, has been featured as one of the Top 100 Fintech for SDG (Sustainable Development Goals) Influencers who are leveraging the power of fintech and blockchain technology to create a positive impact on the future. This List was presented by LATTICE80 in collaboration with FinTech4Good.

Startup

Listed amongst the 10 Best Startups in Finance 2018 by SiliconIndia Startupcity Magazine in Nov 2018.

Financial Services

Awarded for Outstanding Financial Services at the 7th Global Economic Summit in February 2018.

Learning & Development

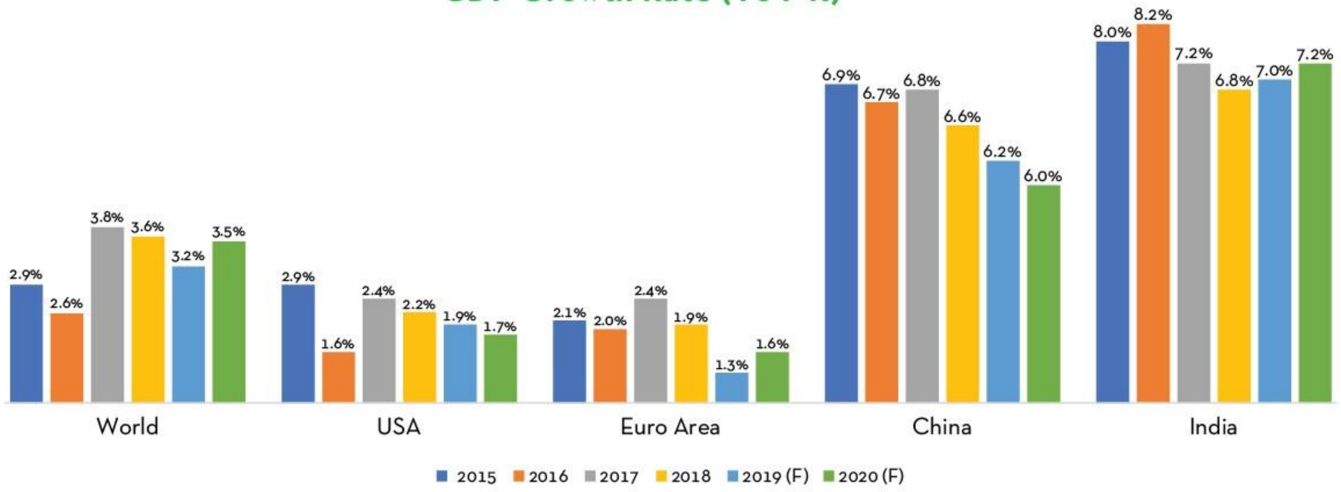
Awarded for 'Best Learning Strategy of the Year' at 3rd Edition of Future of L&D Summit & Awards 2019 organized by UBS Forums, for implementing new and innovative learning strategy, employee onboarding and development program.

A. Macro-Economic Outlook

Indian Economy and Digital Lending Landscape – Overview

India is one of the best performing economy in the world despite the marginal slowdown in the global economy growth. India has grown consistently in the last few years, outperforming China and other major economies in the world. The global growth prospects are impacted by the US China trade sanctions, uncertainty over Brexit and rising geopolitical tensions.

GDP Growth Rate (YoY %)



Source: IMF World Economic Outlook, July 2019

The consistent outperformance of Indian economy is driven by the strengthening of investment activity, consumption demand and robust credit growth. India has shown resilience to external shocks via controlled inflation, stable interest rate regimen, bolstering forex reserves and lowering fiscal deficit. The average inflation in last 4 years is around 3.8%. As of March 2019, India has forex reserves of USD 430 billion (INR 31 Lakh Crores). The fiscal deficit as a percentage of GDP has reduced from 5.2% in FY 2012 to 3.4% in FY 2019 and is estimated to further go down to 3.3% in FY 2020. With such strong and supportive fundamentals, India is moving towards being a USD 5 Trillion (INR 360 Lakh Crores) economy.

The consumption demand will drive the economy growth forward. As was seen in Japan and China, the rising incomes will change the way Indians spend going forward. The per capita income was INR 1.5 Lakhs (or USD 2,100) in FY 2018 and is expected to rise to about INR 2.5 Lakhs (or USD 3,400) by FY2025.

Also, India has shown a consistent domestic consumption growth of 12% to 13% per annum since FY 2008. The total domestic consumption was INR 31 Lakh Crores in FY 2008, INR 110 Lakh Crores in FY 2018 and is expected to be INR 335 Lakh Crores in FY 2028. It was observed in BCG-RAI Report 2019 and ABSLAMC Research, that Food, Household goods, and Transport are largest segments, while Clothing & Footwear and Healthcare are fastest growing segments.

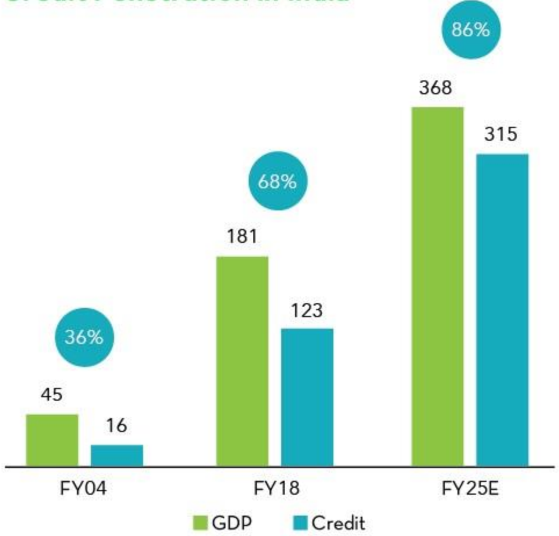
Segment	2008	Growth	2018
Food	10.9	3.4 x	36.6
Housing and consumer durables	6.8	3.3 x	22.1
Transport and Communication	5.8	3.2 x	18.5
Clothes and Footwear	1.7	4.6 x	8.0
Education and Leisure	2.4	3.2 x	7.6
Health	1.3	3.8 x	5.1
Others	3.0	5.2 x	15.4
Total	**31.9**	**3.6 x**	**113.5**

Source: BCG-RAI Report 2019, ABSLAMC Research
Note: Total Consumption in INR Lakh Crores
Note 2: Highlighted Rows represent segments where NeoGrowth is also present

MANAGEMENT DISCUSSION AND ANALYSIS

The credit penetration in India is about 68% of the GDP in FY 18, which is expected to increase to 86% by FY25. In comparison to more developed economies, such as USA, China and Japan, the credit to GDP percentage was about 190%, 155% and 160% respectively, in 2016. Therefore, there is a huge opportunity in India to leverage credit in the growth of its economy.

Credit Penetration in India



GDP and Credit Amount in INR Crores

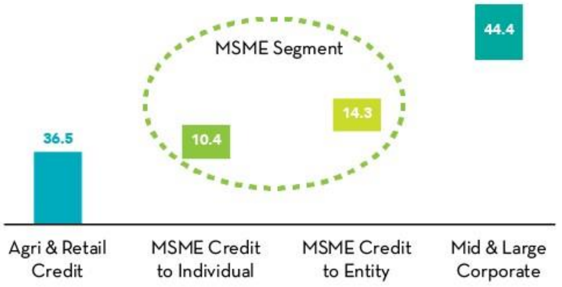
In the last few years Digital Lending has grown rapidly at a CAGR of 40%+ but still is only 4% of the credit. Digital Lending is expected to grow at CAGR of 33% in the future and is expected to constitute around 14% of the total credit.

Digital Lending AUM (INR Crores)

Note: Digital Lending AUM in INR Lakh Crores

Digital Lending has boosted financial inclusion and benefitted a host of people and sectors including self-employed, small and micro enterprises and small borrowers deemed uneconomical by the formal sector. Thereby, helping decrease the gap between formal and informal credit.

Total formal credit in India is INR 105.5 Crores



Note: Amount in INR Lakh Crores

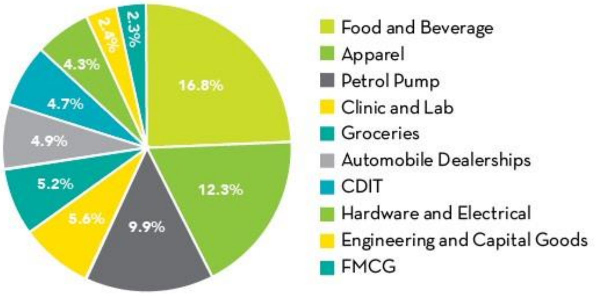
About our Customer Segment: MSMEs

There are about 55 to 60 million MSMEs in India, that have contributed roughly one-third of India's GDP. These MSMEs face one huge challenge of getting access to formal credit due to lack of proper documentation, lack of collaterals, incomplete or under reported financials and other reasons. It was estimated in a BCG - Omidyar Survey (Credit Disrupted: Digital MSME Lending in India Report, November 2018) that there is a total demand of INR 45 Lakh Crore of MSME business loans. Out of this 40% is informal credit (about 20 Lakh Crores) and another 25% is through proprietor borrowing (about 10 Lakh Crores). So, only one-third of MSMEs can borrow formally under entity name (about 15 Lakh Crores). If we consider MSME Digital Lending, out of 45 Lakh Crore, current AUM is around 60,000 Crores. This has the potential to reach INR 6 to 7 Lakh Crores by FY 23, which will be about 25% of the total Digital Lending (estimated to be INR 24.5 Lakh Crores).

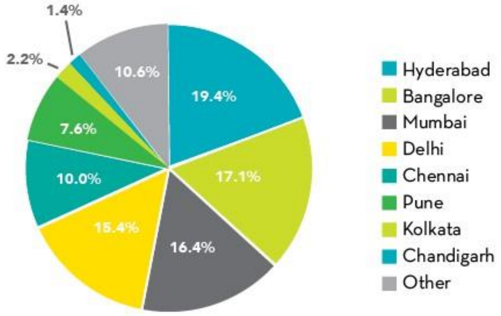
B. Consolidated Performance Highlights – FY2018-19

- AUM increased by 22% to INR 1,056 Crs
- Customer Base increased by ~25% to ~10,300 live customers
- Total Income grew by 25% to INR 303 crores
- NIM grew by 35% to INR 210 crores
- Cost to Income improved from 78% to 71%
- Introduced new products to cater to complete SME segment
- Human Capital increased from 375 to 479

Portfolio sector wise (top 10 sector)



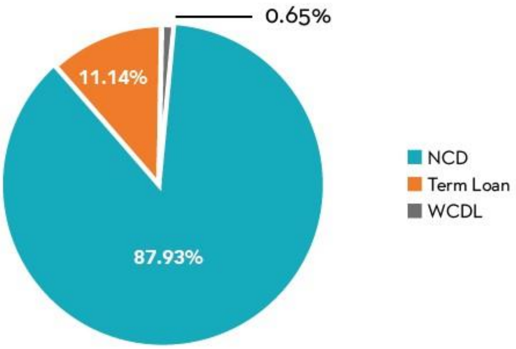
Portfolio - branch Wise



Lender Information and ALM

Major List of Lenders	Country	Type	Tenor	INR Crore
Blue Orchard	Switzerland	NCD	3 yrs	235.6
Symbiotics	Switzerland	NCD	3 yrs	126.3
Responsibility	Switzerland	NCD	3 yrs	100
FMO	Netherlands	NCD	4 yrs	125
RBL Bank	India	TL	5 yrs	32.1
AU Small Finance Bank	India	TL	1 yr	20.0
Caspian	India	TL	2 yrs	20.0

Instrument Wise Debt Book:



ALM Position:

- The ALM position is very robust.
- The average maturity of advances is at ~16 months, and that of borrowings is at ~28 months
- Even with 20% stress on inflows up to 1 year, the ALM Gap remains positive, indicating prudent asset-liability management.

Particulars (Rs. Crores)	Upto 1 Month	Over 1M upto 3M	Over 3M upto 6M	Over 6M upto 1 Yr	Over 1 Yr upto 3 Yr	Over 3 Yr upto 5 Yr	Over 5 years	Total
Total Outflows	7.7	98.7	65.5	111.9	446.7	30.0	437.2	1,197.7
Total Intflows	180.3	137.9	187.9	328.9	328.9	31.3	3.6	1,197.7
Mismatch	172.7	39.2	122.3	216.0	-117.9	1.3	-433.6	
Cumulative Mismatch	172.7	211.9	334.2	550.2	432.3	433.6	0.0	
Inflows (under stress-20% of inflows upto 1 year)	144.3	110.3	150.3	262.3	328.9	31.3	3.6	
Mismatch (Under stress)	136.6	11.6	84.8	150.4	-117.9	1.3	-433.6	
Cumulative Mismatch (Under stress)	136.6	148.2	233.0	383.4	265.5	266.8	-166.8	

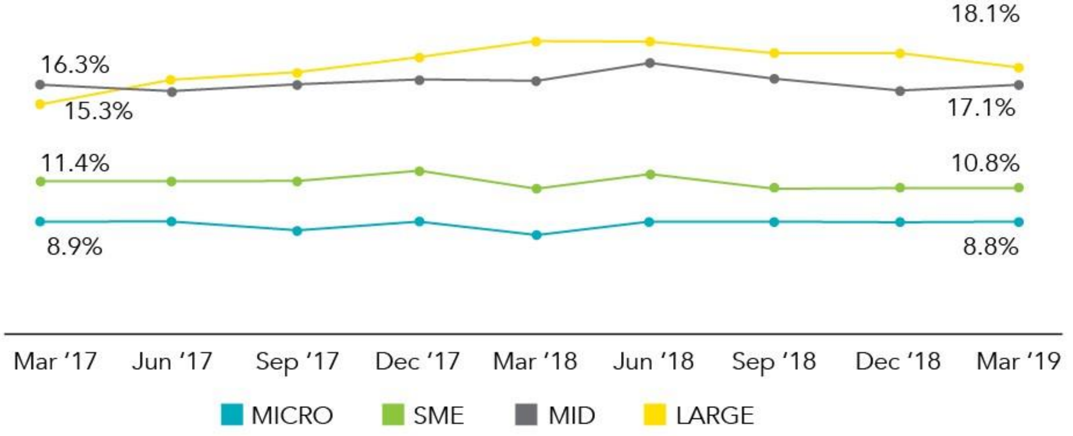
Note: Mismatch +ve = Inflows > Outflows | Mismatch -ve = Outflows > Inflows

C. Risk Management and Portfolio Quality

i. Industry Trends in Commercial Lending

As of March '19, the total on-balance sheet Commercial Lending exposure in India stood at INR 64.1 Tn with the SME and MSMEs segments constituting INR 15.9 Tn exposure (~25.0% of commercial credit- outstanding). Micro Loans (credit exposures less than INR 10 Mn) and SME and MSMEs loans (credit exposures INR 10 Mn – INR 250 Mn) continue to grow in the commercial lending space showing YoY growth of 19.8% and 15.6% respectively. While midsegment (credit exposures INR 250 Mn – INR 1 Bn) has grown by 5.5%, large segment (credit exposures >INR 1 Bn) has shown a growth of 11.8% over the Mar '18 to Mar '19 period.

Segment Wise NPA rate:



(Source – TransUnion CIBIL) NPA Trends in Commercial Lending
Exhibit 2: Segment - Wise NPA Rate

ii. Risk Management

The Risk Management philosophy at NeoGrowth hinges on maximizing risk-adjusted returns i.e. optimizing risk relative to the enterprise revenue streams & targeted profitability.

Our Risk Management Framework is based on the following key pillars

a) Robust customer selection methodology using risk gradation scorecards.

b) Active portfolio trends monitoring (including detection of early warning signals) & responsive actions for course corrections, wherever required.

c) Multi-pronged collections, strategy-wide automated payment reminders & collections, and strong collections field force backed up by an able litigation team.

Each of the above pillars are supported by predictive & prescriptive analytics, resulting in sharper customer selection, deep understanding of customer behavior, and focused collection strategies.

D. Technology

We use technology to parse one year of digital bank statement data, and gain insights into daily card based sales for the last 365 days. We then use proprietary algorithms to build predictive models into the future sustainability and growth of the business. This helps us determine that eligibility for loans, and also create a bespoke offering in terms of loan amount, tenure and pricing.

In addition, NeoGrowth has developed APIs into other Permission Based rich data sources like the credit bureaus, GST data, Merchant acquiring data bases etc. Our platform analyses data from these sources on an ongoing basis, both at the time of loan underwriting, and on an ongoing basis (sometimes even daily) during the lifetime of the loan.

Even the repayment of NeoGrowth loans is based on a daily repayment model, where the amount repayable to us is remitted directly by the card acquiring bank to NeoGrowth. This is only possible because of our digital interfaces with the banks, and thanks to Advance Suite, our proprietary Loan Origination System (LOS) and Loan Management System (LMS) which is purpose built for NeoCash, our unique loan product.

Advance Suite also directly interfaces with our Data Warehouse, which is a critical repository of all data sources and serves as a 'single source of truth' for all management reporting and 'Deep Analytics'. We use Deep Analytics extensively to continuously tweak and evolve our credit risk models in tune with changing market conditions and macro-economic scenario.

Besides, NeoGrowth has a suite of digital assets to support the Loan products. Our Sales team is equipped with a mobile App which enables us to on-board customers on-the-go in the field. The Android and ioS enabled Sales App is used for sourcing and tracking the loan application along with a dashboard on sales visits and loan status. NeoGrowth also has a comprehensive online portal for its sourcing partners called Referral Agents, who can use the tool to generate leads, upload invoices for payouts and other features. We have also developed a web-based Alliance portal for our partners to manage the entire lead management flow and tracking of the loan application. We also offer API integration to our Alliance partners for seamless flow of lead information from them. Besides this, we also have a Merchant Portal for our customers who can log on to it any point of time to get all loan related information including interest certificate, loan statement, repayment schedule, etc.

Also, NeoGrowth has extensive coverage across all forms of social media channels (Facebook, Instagram, LinkedIn, YouTube, etc). This helps us to create a strong brand digitally as well as an effective tool for direct customer acquisition.

Analytics

We use analytics extensively to develop machine learning algorithms for providing pre-approved offers to existing customers without underwriting. Analytics is used as a tool to solve problems across all functions. For example, we use analytics for developing deep dive strategy in collection mechanism which helps us identify and follow-up with customers at the right time. Analytics is also used to drive targeted digital marketing campaigns to acquire new customers and offer renewals to existing customers. Besides, we also use our in-house analytics for regular optimisation of our risk scorecards and development of models for several business use cases across lead management, acquisition and collections strategy, credit scorecard improvement, marketing strategy as well as in improving workforce attrition.

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the Report of the Board of Directors of your Company together with the Audited Financial Statements for the financial year ended March 31, 2019 and the Auditor's Report thereon.

Economic Environment

The dynamic and vibrant MSME sector continues to be the target segment for this sector covering almost 60 million MSMEs across the country and a significant number of these MSMEs continue to remain underserved or unserved by the conventional and traditional banking sector.

These implementation complexities continued to create disruption in the MSME segment, and the customers underwent a phase of stress due to continued lag effect of demonetization coupled with GST implementation challenges.

The Indian Financial Services sector underwent turbulent times as some of the players in the Financial Service sector came under severe liquidity stress and defaulted on the debt repayments. This resulted in the lenders becoming risk averse and created a liquidity scare and assets liability mismatch in some of the major financial institutions.

It gives us great pleasure to share with you the Company's progress during the reporting period.

In the wider context of the Indian economy, the Government continued to take measures in making the GST laws and procedures more industry friendly, to bring in fundamental changes in the way the business is run to ensure formalization of the economy.

Your company made sure to adopt a cautiously optimistic and calibrated growth strategy to ensure the asset quality is maintained while focusing on growth.

Your company fortunately has no such asset-liability mismatches and due to its calibrated growth approach could manage growth as well as ensure sufficient liquidity. Your Company's daily collection model along with the practices followed for asset- liability management made sure your company was majorly insulated from the external shocks.

1. Operational Highlights

During the year 2018-19 your Company achieved disbursements of INR 1,518 crore, representing a year on year growth of over 12% which was in-line with the unsecured retail credit growth. Assets under management (AUM) grew by 22% year on year on year, aided by the longer tenor of the loans and growth in disbursals.

Your Company served the customers within the current geographical presence, by tapping more business from current customers as well as expanding the customer base within the present geographical locations. Your Company also offered new products within these established geographies to ensure deeper relationships.

DIRECTORS' REPORT

Particulars	For year ended March 31, 2019	For year ended March 31, 2018	Change (%)
No. of Active Customers	10,193	7,802	31
No. of Branches	31	26	19
Asset Under Management (AUM) (Rs. crores)	1,056	867	22
Total Disbursements (Rs. crores)	1,518	1,359	12
No. of employees	480	377	27

2. Financial Highlights

The summarized financial results of the Company for the year ended March 31, 2019 compared with the previous financial year are as below:

Particulars	FY2018-19 (INR In lakhs)	FY2017-18 (INR In lakhs)
Revenue from Operations	28,960	23,306
Other Income	1,361	998
Total Income	30,321	24,304
(Less) Finance costs	9,246	8,649
(Less) Operational Costs	14,746	11,976
(Less) Loan losses and provisions	5,680	5,792
(Less) Depreciation and amortization	217	248
Profit / (Loss) Before Tax	432	(2,361)
(Less) Provision for Tax	-	-
Net Profit / (Loss)	432	(2,361)

Particulars	As on March 31, 2019	As on March 31, 2018
Networth (Rs. Crore)	432.81	426.16
Debt / Equity Ratio (%)	1.79	1.64
Capital Adequacy Ratio (%)	35.83	52.25

DIRECTORS' REPORT

Change in Leadership Team

Commensurate with the stage of the business and our growth plans, this year we appointed a CEO as well as Collection and Risk Head. These internal events coupled with challenges in external environment for the financial services sector made the Company manage the growth cautiously balancing liquidity and asset quality. A comprehensive customer service and collections strategy was put in place during later part of the year to ensure maintaining the asset quality. The company continues to engage in proactive risk management practices. The credit policy of the company was reviewed in the light of external environment stress on the MSME economy and the credit score card mechanism was developed to enhance asset quality risk management framework suitably.

3. Amount carried to Statutory Reserves

Based on the financial results of the Company for the financial year 2018-19, the Board of Directors has transferred Rs. 86.45 Lakhs to Statutory reserves as required under Section 45-IC of the RBI Act, 1934.

4. Transfer to Reserves

As per the statutory requirement under Section 45-IC of the Reserve Bank of India Act, 1934 an amount
equivalent to 20% of the profit after tax, being INR 86.45 lakhs, has been transferred to Statutory Reserve

5. Dividend

The Board of Directors felt that it is prudent to plough back the profits for future growth of the company and decided not to recommend any payment of dividend for the reporting period.

6. Business from Insurance as Corporate Agent

Your Company has been offering insurance products to the borrowers on a cross-sell strategy as well as a risk mitigation action. Your Company has put in place a policy on Open Architecture for Retail Insurance Business in terms of the Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015. It lays down the manner of soliciting and servicing insurance products and addresses the manner of adopting the philosophy of open architecture and its implementation.

7. Change in Charter documents

There was no change in the charter documents of the Company during the period of review.

8. Share Capital

During the year under review there was no change in authorised and paid up share capital of the Company. As on 31st March 2019,

i) the authorised share capital is INR 67,00,00,000 divided into 2,10,00,000 Equity shares of INR 10 each and 4,60,00,000 0.01% CCPS of INR 10 and

ii) paid up share capital is INR 63,64,46,090 divided into 1,80,00,600 Equity shares of INR 10 each and 4,56,44,009 , 0.01% CCPS of INR 10 each.

9. Details of Subsidiaries/ Joint ventures/ Associate Companies

The Company has no subsidiaries, JVs or Associate companies. Also, during the financial year under review, your Company has not incorporated any subsidiary or joint venture or associate Company.

10. Capital Adequacy

The Capital adequacy ratio of the Company is healthy at 35.83% as on 31st March 2019 (52.25% on 31st March 2018) as against minimum capital adequacy requirement of 15% as mandated by RBI.

11. Asset-Liability Management and Financial Leverage

a) The Company has a well-defined ALM policy to address the risk of mismatch between assets and liabilities either due to liquidity or changes in interest rates. The Company's Asset-Liability Committee (ALCO), set up in line with the guidelines issued by the RBI, monitors asset-liability mismatches to ensure that there are no imbalances or excessive concentrations on either side of the Balance Sheet.

Your company has always maintained a conservative ALM policy and deployed longer tenor funds towards a relatively shorter maturity loan portfolio. As a result of this conservative practice, the company was un-impacted by the NBFC sector crisis of Sep'18-Jan'19, even when the liquidity in Indian debt markets shrank to negligible levels at the peak of the crisis period.

b) Your Company follows a conservative and prudent cash flow management policy. The Company borrows money for a longer tenor than the maturity of its assets, and supported by a conservative leverage ratio. The Company raised fresh borrowings of Rs. 222.0 crore during FY 2018-19 with an average maturity of 29 months, while the average maturity of fresh disbursements was at 14 months.

c) As a prudent practice and recognizing the risks of the business segment the Company operates in, the Company aims to operate with lower than market average levels of gearing (External Debt/Net worth) on an ongoing basis. Benefiting from the last round of capital raising, and cautious deployment of funds in FY 2018-19 in a turbulent market environment, the gearing levels were relatively stable at 1.8 times as on March 31, 2019 (1.6 times as on March 31, 2018).

12. Debt Sourcing and Credit Rating

Your Company was able to make breakthroughs in sourcing funds from domestic banks and will continue to look for avenues to increase participation of domestic lenders in the company's borrowings.

Particulars	Amount (INR Crores)
NCDs to Overseas Lenders	165
Term Loans from Banks & Financial Institutions	52
Short Term Working Capital line	5
Total fresh external debt	222

Your company's credit ratings were reaffirmed during the year by all the rating agencies on board as follows: ICRA (a Moody's associate Company) - "[ICRA] BBB/Stable", CARE Ratings - "CARE BBB+/Stable" and India Ratings "[Ind] BBB/Stable".

13. Classification as a Systematically Important NBFC

Under the RBI norms, the Company is classified as a Systemically Important Non-deposit taking NBFC (NBFC-ND-SI), with its asset size growing over Rs. 500 crore during FY 2018-19. This subjects your Company to enhanced regulatory oversight and reporting requirements, thereby creating a stronger culture of good governance within the Company.

14. RBI Guidelines, public deposits, and asset classification

Your Company, being a systemically important non-deposit taking NBFC, has complied with all applicable regulations of the Reserve Bank of India (RBI). As per Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, the Directors hereby report that the Company did not accept any public deposits during the year and did not have any public deposits outstanding at the end of the year.

15. Fair Practices Code

Your Company has in place a Fair Practice Code (FPC), which includes guidelines on the terms and conditions relating to receipt of loan applications from the prospective borrowers and processing thereof, sanction, monitoring and recovery of loans and other financial products being offered by it, the Grievances Redressal Mechanism in place. The said policy is available on the website of the company. URL: https://www.neogrowth.in/fair-practice-code

16. Company Policies

a) Policy on planning and raising of resources

This Policy on planning and raising of resources encompasses the funds required by the company to run its day to day operations. The funds may be by way of owned capital or borrowed capital.
The policy lays down the framework and guidelines under which such funds may be raised from time to time.
The policy was approved by the Board of Directors and made effective from January 2019.

b) Policy on investment of surplus funds

This Policy on Investment of Surplus Funds encompasses the management of the surplus cash flow by the Company. Only short-term investments are envisaged under this policy. Such investments shall be of residual maturity of upto 12 months and will qualify under current investments.

Any investments originated by the lending business (in listed / unlisted securities) do not fall within the scope of this Policy. Similarly, any investments / instruments in the form of credit substitutes extended to the existing borrowers would not fall within the scope of this policy, and, if done so, shall be governed by the framework laid down in the Credit and/or Risk Policy.

The policy was approved by the Board of Directors and made effective from January 2019.

c) Policy on Information Security

The Company implemented this policy to ensure appropriate network security policies to protect data and prevent service disruption. This policy is applicable to all networks in NeoGrowth both wired and wireless.
The policy was once again approved by the Board of Directors and made effective from January 2019.

d) Environmental, Social and Human Capital policy

The Company recognizes that its employees, customers, partners and the vendors that it deals with through its operations can have an impact on the environment and community, and therefore comprehends and endorses the need for adherence to environmental, social and human capital policies consistent with the core values of NeoGrowth by all parties associated with it.

It has therefore laid out a strong Environmental, Social and Human Capital (ESHC) Policy Statement which combined with its detailed Policy and Internal Framework will provide it with the necessary impetus to achieve its desired growth in a responsible, inclusive and sustainable manner.
The policy was approved by the Board of Directors and made effective from July 2018.

e) Policy on Outsourcing

Company in the ordinary course of business relies upon external service providers for certain functions. To ensure that such reliance on external service providers remains in the ambit of applicable regulations and Company is able to identify functions or activities that can be outsourced and once outsourced, adequately monitor and exercise control over such functions/activities, to have a policy framework for outsourcing of activities. Accordingly, a policy framework for outsourcing is being formulated.

The policy was approved by the Board of Directors and made effective from April 2018.

f) Corporate Social Responsibility policy

This Policy is formulated as required under the provisions of Section 135(3) of the Act. This Policy document is prepared to outline the approach to CSR, the method for selection of the projects to be supported, the manner of making contribution, the methodology for monitoring of the projects and reporting of the CSR initiatives of the Company.

The policy was approved by the Board of Directors and made effective from September 2018.

17. Human Capital

Your Company is continuously focused and seizing every possible opportunity in improving Processes and Productivity. People remain the most important asset as the driver of this. The employee strength of your Company increased from 377 at the end of March 2018 to 480 at the end of March 2019. In view of the same, there is a constant endeavor to ensure right set of talent acquisition takes place and capacity development is enabled so that right people and organization capabilities are in place. Furthermore, emphasis is given to adequate employee engagement. This collectively ensures a performance driven culture with a highly motivated manpower. During the FY18-19, your Company has taken multiple of initiatives to this end. Your Company follows a robust and fair performance assessment based on the Balance Score Card to align the Company's strategic objectives with individual goals.

Your company follows a robust and mandatory Compliance training rigor. While further strengthening its training infrastructure, your Company devised various training programs in the areas of behavioral training, functional skills and team bonding. It also introduced the LeMS (Learning Management System) to make training anytime, anywhere, user friendly. We are pleased to inform you that our Training and Development practice received the award of the Best Learning Strategy of the Year in the 3rd edition of Future of L&D Summit & Awards 2019.

Your company in line with organizations' fair and open communication philosophy, introduced several effective communication platforms and launched Quarterly webinar with CEO and Mini-townhall sessions with Top Management. It also introduced initiatives like New Joinee connect to communicate and help settle new employees. It also fostered HR connect programs at all location to keep a tab on employee pulse.

Your Company resounded that people remain the most important asset and that they're imperative and you genuinely care about them. Various employee delight programs were undertaken. Initiatives like Quarterly Team outings and employee picnics during monsoon were introduced. Separate recognition programs for mid management and individual contributors were launched along with Spot Awards for immediate recognition of high performers. A surprise cake delivery to all women employees on the eve of Women's Day which resonated very positively amongst the women colleagues.

Your Company has taken initiatives to promote employee health and safety. It has initiated a Walkathon contest to inculcate and promote the habit of walking. Initiatives like Chair Yoga "Get Fit while you sit" where promoted to reduce stress and create positivity at the work place. Health Checkup camps across locations and expert talk on Diet & Nutrition, Cancer Awareness etc. were introduced to promote healthy employee lifestyle and increase employee morale. We also got Cardio-Pulmonary Resuscitation - Automated External Defibrillator (CPR – AED) devices installed with suitable training to CPR marshals at both the Corporate Offices.

Your Company also have the following policies:

✧ **Maternity Leave Policy**

The policy is effective from 1st April, 2017, the maternity leave is available to female employees as per the provisions of Maternity Benefit Act, 1961. The Company provides 26 weeks as maternity and post-maternity leave which can be further extended by upto 24 weeks.

✧ **Paternity Leave and Bereavement leave**

The Company introduces Paternity Leave and Bereavement leave effective from 02 January 2019. These are of 3 days which can be availed over and above the Paid Leave.

DIRECTORS' REPORT

18. Corporate Social Responsibility

The Board on 3rd September 2018 approved the constitution of the Corporate Social Responsibility (CSR) Committee. CSR expenditure of not exceeding INR 10,00,000 was approved for FY 2018-19.

As a CSR initiative, the Company had organised a training on Cardio Pulmonary Resuscitation (CPR) in association with Dr. B.K.Goyal Heart Fondation to all the employees of the Company on 17th August 2018. Board granted financial assistance of INR 50,000 to Dr. B.K. Goyal Heart Foundation under the head 'promoting health care including preventive health care'

To contribute to the objective of Social Impact, CSR activities like Blood Donation drives and voluntary donation towards Kerala Flood Relief Fund were conducted by your Company. We also conducted Organ donation awareness sessions.

19. Customer Service/Retention Measures

Positive Customer experience continues to be a major focus area for the Company. The digital roadmap for operational process to improve the turnaround time for disbursal and pre and post disbursal customer facing processes are being digitalized and technology enabled to achieve the set goal of improving the customer experience.

The ability to retain two-thirds of our total customer base and the repeat loan disbursals to the customers indicate that your company has been able to achieve the benchmarked customer service measures. Your company benchmarked will continue to focus on improving these measures.

20. Material changes and commitments affecting the financial position of the Company

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

21. Risk Management Policy

The Company has adopted a Risk Management Policy to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The Company's internal control systems are continuously reviewed and upgraded to remain commensurate with the nature of its business and the size and complexity.

Your Company has initiated a review mechanism by an external agency to assess the Internal Financial Controls by assessing the processes across functions and the information security measures that are in place and testing the robustness of the existing control measures to further strengthen the processes and controls where it is wanting.

22. Details of Loans, Guarantees or Investments

The Company has not given any loan or made investment in other companies during the period under review and accordingly Section 186 of the Companies Act 2013 is not applicable to the Company.

23. Details of contracts or arrangements with related parties referred to in Section 188

Details of the transactions as prescribed in Form AOC - 2 of the rules prescribed under Chapter IX relating to Accounts of Companies under the Companies Act, 2013 is attached as Annexure -1 and forms part of this Report.

24.A) Change in Directors

i) The Omidyar Network Nominee director Ms. Smita Aggarwal resigned from the Board w.e.f. 31st March 2019. The Board appreciates her excellent support and contribution to the growth of the Company, during her tenure.

ii) Mr. Mahesh Krishnamurthy representative of ON was appointed as Director w.e.f. 1st April 2019.

iii) Mr. BS Nagesh Non- Executive Director categorized as Independent Director resigned from the Board w.e.f. 19th April 2019. The Board appreciates his excellent support and contribution to the growth of the Company, during his tenure.

iv) Ms. Smita Aggarwal was appointed as Non-Executive Director categorized as Independent Director w.e.f. 7th May 2019.

The remuneration of Executive Director is 7.04 times to the median employees' remuneration.

24.B) Meeting of the Board

During the financial year 2018-19, the Board duly met 11 times on

26 April 2018	16 November 2018	24 January 2019
26 July 2018	22 November 2018	22 February 2019
25 October 2018	21 December 2018	26 March 2019
13 November 2018	28 December 2018	

25. Directors' Responsibility Statement

As required under Section 134 of the Companies Act, 2013, the Directors confirm that:

i) In the preparation of the annual accounts the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.

ii) The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.

iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing & detecting fraud and other irregularities;

iv) The Directors have prepared the annual accounts on a going concern basis.

v) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

vi) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

26. Conservation of Energy, Technology Absorption

Your Company is in the Service Industry wherein the cost of Energy in its operation is not substantial. However, all necessary steps are taken to conserve energy wherever possible. The Company continues its emphasis on innovation and technology improvement at all levels.

27. Foreign Exchange Earnings and Outgo

The Foreign Exchange earned in terms of actual inflows during the year was NIL and the Foreign Exchange outgo during the year in terms of actual outflows was Rs. 9.40 lakhs.

28. Details of Employees & Employees Stock Option Plan

The table containing the names and other particulars of employees in accordance with the provisions of Section 197 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this Report as Annexure-2.

The said stock option plan is in compliance with the provisions of Section 62(1)(b) of the Companies Act, 2013 and Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014. An Annexure disclosing the details of the ESOP is annexed herewith as Annexure -3.

DIRECTORS' REPORT

29. Disclosure under Sexual Harassment of Women At workplace (Prevention, Prohibition and Redressal) Act 2013.

Your Company strives to ensure that the work place is safe and harassment free for every women working in Company's premises through various interventions and practices.

A policy on prevention of sexual harassment at workplace is in place from February 2016 and Sexual Harassment Redressal Committee (SHRC) is formed under the policy to monitor and act on cases reported. This policy aims at preventing harassment and lays down the guidelines for identification, reporting and prevention of undesired behavior.

There were no cases reported during the year under review.

30. Statutory Auditors

M/s. S.R.Batliboi & Associates LLP, Chartered Accountants (ICAI Firm Registration no: 101049W/E300004) were appointed as the Statutory Auditors of the Company by the Members for 5 years commencing from the conclusion of 24th Annual General Meeting held on 18th August, 2017, until the conclusion of 29th Annual general meeting. (from FY 2017-18 to FY2021-22) subject to ratification and confirmation by the shareholders on an annual basis based on the recommendation received by the Board of Directors of the Company as prescribed under section 139 of the Companies Act 2013.

The Statutory Auditors Report on the financial statements for the financial year 2018-19 does not contain any qualification, reservation or adverse remark.

31. Extract of the annual return

The extract of Annual return in Form No. MGT – 9 is annexed herewith as Annexure-4 and forms part of this Report.

32. Secretarial Audit

M/s. Sachin Dedhia & Associates, Practicing Company Secretary was appointed to conduct the Secretarial audit of the Company for the FY 2018-19, as required under section 204 of the Companies Act 2013 and rules thereunder.

The Secretarial Audit Report as required u/s 204 of the Companies Act, 2013 is attached as **Annexure-5** and forms part of this Report.

33. Acknowledgment

Your directors would like to place on record their gratitude for the valuable guidance and support received from the valued customers, members, lenders and Bankers. The Directors also recorded their appreciations of all the employee of the Company for their continued commitment, dedication and delivering their responsibilities. We place on record our thanks to Regulatory authorities for their valuable guidance and support.

For and On Behalf of the Board of Directors

Dhruv Kumar Khaitan
Chairman

Place: Mumbai **Date:** May, 7th 2019

DIN: 00002584

Address: 503, Tower 2B, One Indiabulls Centre, 841, S. B. Marg, Mumbai 400013.

ANNEXURE - 1

Form No. AOC-2

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

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

1. **Details of contracts or arrangements or transactions not at arm's length basis - NIL**

2. **Details of material contracts or arrangement or transactions at arm's length basis**

Name(s) of the related party and nature of relationship	Dilta Services LLP
Nature of contracts/arrangements/ transactions	Shared Services
Duration of the contracts / arrangements/ transactions	Annually
Salient terms of the contracts or arrangements or transactions including the value, if any	INR 13,41,648 Shared services cost recovered from Dilta.
Date(s) of approval by the Board, if any	19th October 2015
Amount paid as advances, if any	-

ANNEXURE - 2

Information as per Section 197 of the Companies Act, 2013 read with Rule 5 (2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors Report for the year ended March 31, 2019

Employee name	Mr. B. Ravikumar	Mr. Sanjoy Shome	Mr. Arun Nayyar
Designation	CFO & Company Secretary	President & COO (upto 5th June 2018)	CEO (Effective 1st August, 2018)
Remuneration received	INR 11,129,996	INR 3,862,767	INR 19,158,264
Nature of employment, whether contractual or otherwise	On Payroll	On Payroll	On Payroll
Other terms and conditions	As per Company's hiring policy	As per Company's hiring policy	As per Company's hiring policy
Nature of duties of the Employee	Finance, Secretarial & Legal and Compliance	Overall business operations of the Co.	Overall business operations of the Co.
Qualifications and experience of the employee	MSc , ACMA, ACS Experience: 38 yrs	CA, MBA Experience: 18 yrs	CA Experience: 20 yrs
Date of commencement of employment	22nd Nov 2013	15th Jan 2014	1st August 2018
Age	63 years	49 years	42 years
Last employment held by such employee before joining the Company	Atos World line India Pvt. Ltd.	Fullerton India Credit Company Limited	Edelweiss Financial Services
Percentage of equity shares held by the employee in the Company within the meaning of sub-clause (iii) of clause (a) of sub-section (2A) of section 217 of the Act	NIL	NIL	NIL
Relationship with any of the Directors or Managers of the Company	No	No	No

Note: Remuneration shown above includes the amount spent by the Company on behalf of the employee for providing the perquisites.

ANNEXURE - 3

DETAILS OF EMPLOYMENT STOCK OPTION PLAN AS ON 31ST MARCH, 2019

Sr. No	Particulars	ESOP Scheme, 2018	ESOP Scheme, 2017
1	Date of shareholders approval	21 March 2018	30 November 2017
2	Total Number of Options approved	16,78,884 stock options are approved under ESOP 2018 Scheme.	4,21,000 stock options are approved under ESOP 2017 Scheme.
3	Vesting requirement	Options granted under ESOP 2018 vested in not less than one year from the date of grant.	Options granted under ESOP 2017 vested in not less than one year from the date of grant.
4	Exercise price or pricing formula	This price will be determined by the Board at the time of Grant of Options and detailed in the Letter of Grant.	This price will be determined by the Board at the time of Grant of Options and detailed in the Letter of Grant.
5	Maximum term of options granted	Expire at the end of five years from the date of vesting	Expire at the end of five years from the date of vesting
6	Variation in terms of ESOP	The words "or without cause" in sub-clause 13.1.3 shall be deleted and the words "or without clause" in sub-clause 13.1.4 shall be deleted. The words without cause shall be added in clause 13.1.14. The other clauses of the scheme shall remain same.	The words "or without cause" in sub-clause 13.1.3 shall be deleted and the words "or without clause" in sub- clause 13.1.4 shall be deleted. The words without cause shall be added in clause 13.1.14. The other clauses of the scheme shall remain same.

The movement of options during the year are as follows:

Sr. No	Particulars	ESOP Scheme, 2018	ESOP Scheme, 2017
1	Number of options outstanding at the beginning of the year	4,21,000	NIL
2	Number of options granted during the year	1,823,884	9,31,000
3	Number of options issued due to Bonus during the year	NIL	NIL
4	Number of options forfeited / lapsed during the year	1,45,000	5,10,000
5	Number of options Vested during the year	NIL	NIL
6	Number of options Exercised during the year	NIL	NIL
7	Number of shares arising as a result of exercise of options	NIL	NIL
8	Money realized by exercise of options	NIL	NIL
9	Loan Repaid to Trust	NIL	NIL
10	Number of options outstanding at the end of the year	2,099,884	4,21,000
11	Number of options exercisable at the end of the year	NIL	NIL

Employee-wise details of Options granted to

i) Key managerial personnel

Name of Employee	Designation	No of options granted during the year	Exercise price (in INR)
Arun Nayyar	CEO	13,16,884	159.47

ii) Employees who were granted, during any one year, Options amounting to 5% or more of the Options granted during the year

Name of Employee	Designation	No of options granted during the year	Exercise price (in INR)
NA	NA	NA	NA

iii) Identified employees who were granted Options, during any one year, equal or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant

Name of Employee	Designation	No of options granted during the year	Exercise price (in INR)
Arun Nayyar	CEO	13,16,884	159.47

ANNEXURE - 4

Form No. MGT – 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2019

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i)	CIN:	U51504MH1993PTC251544
ii)	Registration Date	17th May, 1993
iii)	Name of the Company	NeoGrowth Credit Private Limited
iv)	Category/Sub Category of the Company	Private Company/ Limited by shares
v)	Address of the Registered office and contact details	503, Tower 2B, One IndiaBulls Centre, 841, S. B. Marg, Mumbai 400013.
vi)	Whether listed company (Yes/No)	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot No 31 & 32 Gachibowli, Financial District, Nanakramguda, Serilingampally Hyderabad – 500 008.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10% or more of the total turnover of the Company shall be stated)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the
i)	Other financial service activities, except insurance and pension funding activities	K649	96%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN	Holding/Subsidiary/ Associate Company	% of shares held	Applicable Section
i)	-	-	-	-	-

DIRECTORS' REPORT

IV. SHARE HOLDING PATTERN

(Equity share Capital Breakup as percentage of total Equity)

i. Category-wise ShareHolding

Category of Shareholders	No.of Shares held at the beginning of the year				No. of Shares held at the end of the Year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	1,80,00,000	-	1,80,00,000	99.9967	1,80,00,000	-	1,80,00,000	99. 9967	NIL
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):-	**1,80,00,000**	**-**	**1,80,00,000**	**99.9967**	**1,80,00,000**	**-**	**1,80,00,000**	**99. 9967**	**NIL**
2) Foreign									
a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
b) Other- Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub total(A)(2):-	-	-	-	-	-	-	-	-	-

Total Promoters Shareholding (A)=(A)(1)+ (A)(2)	**1,80,00,000**	**-**	**1,80,00,000**	**99.9967**	**1,80,00,000**	**-**	**1,80,00,000**	**99. 9967**	**NIL**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(1)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2. Non Institutions									
a) Bodies Corp.									
i) Indian	100	-	100	0.0001	100	-	100	0.0005	
ii) Overseas	400	100	500	0.0006	400	100	500	0.0028	NIL

b) Individuals	-	-	-	-	-	-	-	-	-
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh									
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
c) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(2)	500	100	600	0.0033	500	100	600	0.0033	NIL
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**500**	**100**	**600**	**0.0033**	**500**	**100**	**600**	**0.0033**	**NIL**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**1,80,00,500**	**100**	**1,80,00,600**	**100**	**1,80,00,500**	**100**	**1,80,00,600**	**100**	**-**

ii. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the Year			
		No. of Shares	% of total Shares of the Company	% of Shares Pledged	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumber	% change in share Holding during the year
1.	Mr. Dhruv Kumar Khaitan	90,00,000	49.9983	-	90,00,000	49.9983	-	NIL
2.	Mr. Piyush Kumar Khaitan	90,00,000	49.9983	-	90,00,000	49.9983	-	NIL
	Total	**1,80,00,000**	**99.9967**	**-**	**1,80,00,000**	**99.9967**	**-**	**NIL**

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

Sr. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the	No. of Shares	% of total Shares of the
	At the beginning of the year	1,80,00,000	99.9967	1,80,00,000	99.9967
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	There is no change during the year.			
	At the End of the year	**1,80,00,000**	**99.9967**	**1,80,00,000**	**99.9967**

(iii) Shareholding Pattern of top ten Shareholders (other than Directors, promoters and Holders of GDRs and ADRs)

Sr. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders	No. of Shares	% of total Shares of the	No. of Shares	% of total Shares of the company
1.	**Name of the Shareholder - ON Mauritius**				
	At the beginning of the year	68	0.0003	68	0.0003
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer	There is no change in the shareholding pattern during the year.			
	At the End of the year (or on the date of separation, if separated during the year)	68	0.0003	68	0.0003
2.	**Name of the Shareholder - Aspada Investment Company**				
	At the beginning of the year	100	0.0006	100	0.0006
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus/ sweat equity	There is no change in the shareholding pattern during the year.			
	At the End of the year (or on the date of separation, if separated during the year)	100	0.0006	100	0.0006

Sr. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders	No. of Shares	% of total Shares of the	No. of Shares	% of total Shares of the company
3.	**Name of the Shareholder - Khosla Impact I Mauritius**				
	At the beginning of the year	100	0.0006	100	0.0006
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity equity)	There is no change in the shareholding pattern during the year.			
	At the End of the year (or on the date of separation, if separated during the year)	100	0.0006	100	0.0006
4.	**Name of the Shareholder - Accion Frontier Inclusion Mauritius**				
	At the beginning of the year	100	0.0006	100	0.0006
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus/ sweat equity	There is no change in the shareholding pattern during the year.			
	At the End of the year (or on the date of separation, if separated during the year)	100	0.0006	100	0.0006
5.	**Name of the Shareholder - IIFL Seed Ventures Fund I**				
	At the beginning of the year	100	0.0006	100	0.0006
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus/ sweat equity	There is no change in the shareholding pattern during the year.			
	At the End of the year (or on the date of separation, if separated during the year)	100	0.0006	100	0.0006

Sr. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders	No. of Shares	% of total Shares of the	No. of Shares	% of total Shares of the company
6.	**Name of the Shareholder - WestBridge Crossover Fund LLC**				
	At the beginning of the year	32	0.0002	32	0.0002
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity equity)	There is no change in the shareholding pattern during the year.			
	At the End of the year (or on the date of separation, if separated during the year)	32	0.0002	32	0.0002
7.	**Name of the Shareholder - Trinity Inclusion Limited**				
	At the beginning of the year	100	0.0006	100	0.0006
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus/ sweat equity	There is no change in the shareholding pattern during the year.			
	At the End of the year (or on the date of separation, if separated during the year)	100	0.0006	100	0.0006

(iv) Shareholding of Directors and Key Managerial Personnel

Sr. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Directors and KMP	No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	**Name of the Shareholder - Mr. Dhruv Kumar Khaitan**				
	At the beginning of the year	90,00,000	49.9983	90,00,000	49.9983
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus	There is no change in the shareholding pattern during the year.			
	At the End of the year (or on the date of separation, if separated during the year)	90,00,000	49.9983	90,00,000	49. 9983
2.	**Name of the Shareholder - Mr. Piyush Kumar Khaitan**				
	At the beginning of the year	90,00,000	49.9983	90,00,000	49. 9983
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus/ sweat equity etc):	There is no change in the shareholding pattern during the year.			
	At the End of the year (or on the date of separation, if separated during the year)	90,00,000	49.9983	90,00,000	49. 9983

DIRECTORS' REPORT

V. INDEBTEDNESS AS ON MARCH 31, 2019

	Loans excluding deposits	Loans		Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	6,32,10,84,300	65,00,00,000	-	6,97,10,84,300
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	11,94,10,675	1,99,29,690	-	13,93,40,365
Total (I + ii +iii)	**6,44,04,94,975**	**66,99,29,690**	**-**	**7,11,04,24,665**
Change in indebtedness during the financial year				
- Addition	2,22,00,00,000			2,22,00,00,000
- Reduction	1,46,17,45,890			1,46,17,45,890
Net Changes	**75,82,54,110**			**75,82,54,110**
Indebtedness at the end of the financial year				
i) Principal Amount	7,72,93,38,411	-	-	7,72,93,38,411
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	160,022,507	-	-	160,022,507
Total (i+ii+iii)	**7,88,93,60,918**			**7,88,93,60,918**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of the Director: Mr. Piyush Kumar Khaitan
1.	Gross Salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	44,18,400
	(b) Value of perquisite u/s 17(2) of the Income Tax Act, 1961	-
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission	-
	- As % of profit	-
	- Others, specify	-
5	Others, please specify	-
	Total (A)	**44,18,400**
	Ceiling as per the Act	-

B. Remuneration to other Directors

Sl. No.	Particulars of Remuneration	Fee for attending board/committee meetings	Commission	Others, Professional fees	Total Amount
1	Independent Director	-	-	-	-
	Total (1)	**-**	**-**	**-**	**-**
2	Other Non -				
	Executive Directors	-	-	18,00,000	18,00,000
	Total (2)	**-**	**-**	**18,00,000**	**18,00,000**
	Total (B) = (1+2)	**-**	**-**	**18,00,000**	**18,00,000**
	Total				
	Managerial Remuneration	**-**	**-**	**18,00,000**	**18,00,000**
	Overall Ceiling as per the Act	-	-	-	-

C. Remuneration to key managerial Personnel other than MD/Manager/Whole Time Director

Sl. No.	Particulars of Remuneration	Key managerial Personnel			
		Mr. B. Ravikumar CFO & CS	Mr. Arun Nayyar CEO	Mr. Sanjoy Shome President & COO (upto 5th June 2018)	Total
1	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	9,689,996	19,158,264	3,862,767	3,27,11,027
	(b) Value of perquisite u/s 17(2) of the Income Tax Act, 1961	39,600	0	0	39,600
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	0	0	0	0
2	Stock Option	200,000	1,316,884	0	1,516,884
3	Sweat Equity	0	0	0	0
4	Commission				
	- As % of profit	0	0	0	0
	- Others, specify	0	0	0	0
5	Others, please specify	0	0	0	0
	Total (in Rs.)	9,729,596	19,158,264	3,862,767	3,27,50,627

VII. PENALTIES / PUNISHMENT/COMPOUNDING OF OFFENCES

There were no penalties, punishment or compounding of offences during the year ended 31st March, 2019.

ANNEXURE - 4

to Director's Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 2018-19

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
NeoGrowth Credit Private Limited

We have conducted the secretarial audit of all applicable statutory provisions for the financial year 2018-19 of NeoGrowth Credit Private Limited (hereinafter called the company), incorporated on 17th May 1993 having CIN:U51504MH1993PTC251544 and Registered Office at 503, Tower 2B. One IndiaBulls Centre, 841, S. B. Marg, Mumbai - 400013. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon .

Based on our verification of books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit. We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 2019 complied with the statutory provisions listed hereunder and also that the company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter;

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2019 according to the applicable provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. TheSecurities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder wherever applicable;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and 2018;

c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

d) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

vi) Following other laws as may be applicable specifically to the Company
a) The Reserve Bank of India Act, 1934
b) Prevention of money Laundering Act, 2002
c) Information Technology Act, 2000
d) With respect to the Company's business activity of acting as Corporate Agent for sale of Life and General Insurance products, to the extent applicable, the following Acts / laws / Rules / Regulations:
i. The Insurance Act, 1938 and Rules framed thereunder, the Insurance Regulatory and Development Authority of India Act, 1999, the Insurance Laws (Amendment) Act, 1999 and the regulations, guidelines, notifications, circulars and directives issued thereunder and in force, from time to time, to the extent applicable to Corporate Agents.

ii. TRDA (Registration of Corporate Agents) Regulations, 2002 read with IRDAI (Registration of Corporate Agents) Regulations, 2015 and guidelines for the purpose,

I/we have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Debt Listing Agreements entered into by the Company with Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent as per the provisions of the Act, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions are taken unanimously. None of the members are interested. The same are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has transacted following material activities through the approval of Board/Members, wherever applicable:

1) Special Resolution dtd 26th July 2018 for approval of private placement of Debentures.

2) Allotment 600 senior, secured, rated, unlisted, taxable, redeemable, transferable, non convertible debentures of INR 10,00,000/- each on Private Placement basis on 16th November 2018 to Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N. V.

3) Allotment 525 senior, secured, rated, listed, taxable, transferable, redeemable, non-convertible debentures of INR 10,00,000/- each to BlueOrchard Microfinance Fund and 525 senior, secured, rated, listed, taxable, transferable, redeemable, non-convertible debentures of INR 10,00,000/- each to Microfinance Enhancement Facility, SA. SICAV-SIF (BlueOrchard Pool) on Private Placement basis on 15th February 2019.

Sachin Dedhia & Associates
Company Secretaries

Sachin Dedhia
Proprietor
MEM. No. A-20401, COP No. 9427

Date: May, 7th 2019
Place: Mumbai

ANNEXURE-A

SECRETARIAL AUDIT REPORT

To,
The Members,
NeoGrowth Credit Private Limited

Our Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of Financial Records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of procedures on random test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Sachin Dedhia & Associates
Company Secretaries

Sachin Dedhia
Proprietor
MEM. No. A-20401, COP No. 9427

Date: May, 7th 2019 Place: Mumbai

All Committee reports like NRC, Audit, Risk and others

NeoGrowth is committed to maintaining a high standard of corporate governance in letter and spirt, as mandated by the regulators i.e. RBI, SEBI and MCA. We endeavor to ensure complete transparency and accountability towards customers, shareholders, and all other stakeholders. We have strengthened our Corporate Governance philosophy by implementing the Code of Conduct applicable to our business and its employees. Here's our detailed report on the adoption of good Corporate Governance practices across the organization:

Board matters

The objective of our esteemed Board of Directors is to oversee the business affairs of the company and provide informed independent guidance. The Board participates in all major strategic decisions related to the Company, including but not limited to strategic plans and performance objectives, annual budget, major funding and investment proposals, key operational initiatives, financial performance reviews, and corporate governance practices.

Composition

We have consistently followed the requisite guidelines in the appointment of competent, qualified Directors.

Key features of the Board process

The company holds a minimum of one scheduled Board meeting each quarter. The dates for the Board and Committee meetings are scheduled a year in advance, after coordinating with each Director, to ensure maximum participation. The agenda of the meeting and material information is presented well in advance. The Board also monitors the actions and decisions it takes via monthly meetings with senior management.
During the F.Y 2018-19, the Board duly met 11 times and the gap between the two meetings did not exceed 120 days.

Remuneration to the Directors

The Directors' remuneration has been approved by the Nomination and Remuneration Committee. The remuneration is aligned with industry standards and regulatory requirements. The details of the remuneration are mentioned in the Directors' Report.

Delegation by the Board

The board has delegated some important functions to various Board committees, including the Audit Committee, Nomination and Remuneration Committee, Credit and Risk Management Committee, and the Management Committee. Each of these committees has its own terms of reference and are monitored by the Board.

Board committees

A. Audit Committee

The 5- member strong Audit Committee possesses strong accounting and financial management knowledge.

The terms of reference of this Committee are in line with the regulatory requirements mandated in the Companies Act, 2013 and Rules made thereunder as amended from time to time. The scope of the Committee includes discussion with the Auditors on periodical basis, the observations of the Auditors, recommendation for appointment, review and monitor the auditor's independence, performance and effectiveness of the audit process, remuneration and terms of appointment of auditors, evaluation of internal financial controls and risk management systems, examination of financial statements before submission to the Board, effective implementation of vigil mechanism of the Company and also oversee compliance of internal control systems.

During the FY 2018-19, the Audit Committee met 4 times, once in each quarter.

B. Nomination and Remuneration Committee

This 5-member committee adheres to guidelines in the Companies Act 2013 and has the following functions:

- An annual review of the remuneration policy
- Recommendations regarding Board appointments and removals
- Director performance evaluations
- Formulating criteria for determining remuneration (including stock options) paid to both Directors and employees.

During the FY 2018-19, the NRC met 4 times, once each quarter.

C. Credit and Risk Management Committee

The 4-member Credit and Risk Management Committee monitors the risk management strategy of the Company. Its functions include:

- Approving and monitoring the company's risk management policies
- Reviewing the company's operational risk, IT risk, and integrity risk
- Putting in place a progressive risk management system, policy, and strategy and updating the Board about the process

During the FY 2018-19, the Credit and Risk Committee met 5 times, at least once in each quarter.

D. Management Committee

The Management Committee comprises all Directors and representatives from the investors and meets every month to review the company's performance. The business heads make monthly presentations to the board on various facets of company performance and discuss upcoming opportunities and areas of improvement.

E. CSR Committee

The 4-member Corporate Social Responsibility (CSR) Committee was formed as per the provisions of Section 135 of the Companies Act, 2013.

This Committee recommends the CSR policy to the Board which in turn indicates the CSR activities that need to be undertaken by the company, the expenditure to be incurred, the monitoring mechanism for its implementation.

F. Asset Liability Management Committee

This 4-member committee has been formed to implement the Asset Liability Management System in accordance with the Reserve Bank of India's Guidelines on the ALM system.

The ALCO has the following functions:

- Reviewing and managing liquidity gaps and structural liquidity
- Reviewing and managing interest rate sensitivity
- Predicting interest rate movements and deciding on funding mixes accordingly

During the FY 2018-19, the ALCO met 8 times, at least once in each quarter.

Performance evaluation

According to the guidelines of the Companies Act 2013, the Board conducts an annual performance evaluation. It evaluates the performance of the Board as a whole, of the Directors in an individual capacity, and of its Committees. The evaluation criteria include strategy, business performance, growth, disclosures and legal performance.

Whistleblower policy/vigil mechanism

The Company's whistleblower policy has been constituted as per section 177(9) of the Companies Act, 2013. It enables directors and employees to report concerns regarding fraud, insider trading, unethical behavior, and code of conduct violations to the Management.

Nodal Officer / Grievance Redressal Officer

The Company has appointed a Nodal Officer to represent and furnish information to the RBI Ombudsman as per the Ombudsman Scheme for Non-Banking Financial Companies, 2018. The Company also has a Grievance Redressal Policy and has appointed a Grievance Redressal Officer to address customer queries and grievances.

Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company conducted the Prevention of Sexual Harassment (POSH) Awareness Session in its locations across the country. The session was conducted by Divya Momaya who is a practicing Company Secretary and has significant expertise in the area of sexual harassment. In addition, the company also conducted Self Defense workshops for its employees. No complaints were received by the Sexual Harassment Committee during the year.

Secretarial audit

Every year, the Company undergoes a secretarial audit by an independent practicing company secretary. For the year ended 31 March 2019, M/s. Sachin Dedhia & Associates, company secretaries, have conducted the secretarial audit.

ISO 9001:2015 certification

NeoGrowth has attained ISO 9001:2015 certification from Bureau Veritas Certification Holding SAS-UK. The certification validates NeoGrowth's efforts towards building and maintaining high-quality management systems.

ISO 27001:2013 certification

NeoGrowth has attained ISO 27001:2013 certification from Bureau Veritas Certification Holding SAS-UK. The certification validates NeoGrowth's efforts towards building and maintaining high standards of ISMS- Information Security Management System.

Related party transactions

During the financial year 2018-19, no transactions of material nature that may cause a conflict of interest have been entered by the Company.

Means of communication

Transparent and comprehensive communication with shareholders is a cornerstone of our corporate governance.

The audited financial results, as well as the quarterly and half-yearly results, are published in English (Financial Express) and Marathi (Navshakti newspapers).

The Company also submits half-yearly communication to the Stock Exchanges as per the requirements of the Uniform Listing Agreement and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Besides, Annual Reports are prominently displayed on the website of the Company.

IT Strategy report

This Committee is formed under the RBI's Master Direction on Information Technology Framework for the NBFC sector dated 8th June, 2017. Its functions are as follows:

- Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place.
- Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable.
- Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources.
- Ensuring proper balance of IT investments for sustaining NBFC's growth and becoming aware about exposure towards IT risks and controls.
- To ensure proper data security and confidentiality of data is maintained.
- To create Policies for IT Services Outsourcing and provide continuous monitoring and oversight.
- To ensure Business continuity preparedness and adoption of sound business continuity practices.

INDEPENDENT AUDITOR'S REPORT

To,
The **Members** of **NeoGrowth** Credit Private Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of NeoGrowth Credit Private Limited ("the Company"), which comprise the Balance sheet as at March 31, 2019, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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 financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matter described below to be the key audit matter to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial statements.

INDEPENDENT AUDITOR'S REPORT

Key audit matters	How our audit addressed the key audit matter
Identification and Provisioning of Non-performing assets (as described in note 2.1.n of the financial statements)	
Loans and advances constitute a major portion of the Company's assets and the quality of the Company's loan portfolio is measured in terms of the proportion of non-performing assets (NPAs) to the total loans and advances. As at March 31, 2019, the Company has reported total gross loans and advances of Rs. 1,04,925.84 lakhs (March 31, 2018: Rs. 81,715.29 lakhs), gross non- performing advances of Rs. 5,191.92 lakhs (March 31, 2018: Rs.5,056.88 lakhs) and a corresponding provision for non-performing advances of Rs. 2,256.74 lakhs (March 31, 2018: Rs. 2,254.46 lakhs). Identification and provisioning of NPAs is governed by the prudential norms prescribed by the Reserve Bank of India (RBI). These norms prescribe several criteria for a loan to be classified as a NPA including overdue aging. Given the volume of loans, judgement is involved in the application of RBI norms for classification of loans as NPA and in view of the significance of this area to the overall audit of financial statements, it has been considered as a key audit matter.	**Our key audit procedures included:** ✧ Assessing the design, implementation and operating effectiveness of key internal controls over monitoring process of loans, identification of NPA accounts, measurement of provision and assessing the reliability of management information, including overdue reports. ✧ Testing of management year end controls over identification of NPA's and measurement of provisions and disclosures in financial statements. ✧ Assessing appropriateness of accounting policies and validating completeness and accuracy of the data used in the identification of NPA's and measurement of provision amounts. ✧ Assessing arithmetical accuracy of calculation of NPA provision as at 31 March 2019 and assessing compliance with the minimum RBI guidelines and Company's accounting policy as described in note 2.1.n to the financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information which are included in the annual report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after that date.

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

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

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

Responsibility of Management of the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

INDEPENDENT AUDITOR'S REPORT

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **"Annexure 1"** a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid financial statements comply with the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014 as amended.

(e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in **"Annexure 2"** to this report.

(g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2019.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial positions.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

Annexure 1 referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: NeoGrowth Credit Private Limited ('the Company')

(i)

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets except for the serial number tagging of the fixed assets.

(b) All fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, there are no immovable properties, included in fixed assets of the Company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.

(ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.

(iii)

(a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.

(vii)

(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been delay in a few cases. As explained to us the Company did not have any dues on account of sales-tax, duty of custom, duty of excise and value added tax.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. As explained to us the Company did not have any dues on account of sales-tax, duty of custom, duty of excise and value added tax.

(c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, goods and service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute except as follows:

Name of the statute	Nature of the dues	Amount** (Rs)	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994 (Service Tax)	Recovery of Cenvat Credit	Rs. 1,45,29,963	FY 2013-16	Commissioner (Appeals) of CGST & Central Excise

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution and banks or dues to debenture holders. The Company has not taken any loan from government.

(ix) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not raised any money by way of initial public offer or further public offer, hence not commented upon.

Further, monies raised by the Company by way of debt instruments and term loans were applied for the purpose for which those were raised, though idle/surplus funds which were not required for immediate utilization were gainfully invested in liquid investments payable on demand.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the Company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, we report that the Company has registered as required, under Section 45-IA of the Reserve Bank of India Act, 1934.

ANNEXURE - 2

to Director's Report

Independent's Report of even date on the Financial Statements of NeoGrowth Credit Private Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

To,
The **Members** of **NeoGrowth** Credit Private Limited

We have audited the internal financial controls over financial reporting of NeoGrowth Credit Private Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements 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") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 with reference to these financial statements 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 over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting with reference to these Financial Statements

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these 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 with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements 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, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

BALANCE SHEET

as at March 31, 2019

Amount in INR

PARTICULARS	Note No.	March 31, 2019	March 31, 2018
EQUITY AND LIABILITIES			
Shareholders' funds			
a) Share capital	3	636,446,090	636,446,090
b) Reserves and surplus	4	3,691,680,630	3,625,166,677
		4,328,126,720	**4,261,612,767**
Non -current liabilities			
a) Long-term borrowings	5	4,757,085,019	5,599,338,409
b) Long-term provisions	6	30,040,290	24,488,769
		4,787,125,309	**5,623,827,178**
Current liabilities			
a) Short-term borrowings	7	199,999,999	437,412,400
b) Trade payables	8		
i) Creditors Other than Micro and Small Enterprises		16,553,569	20,940,785
ii) Micro and Small Enterprises		-	-
c) Other current liabilities	9	2,994,094,002	1,150,627,712
d) Short-term provisions	10	186,474,387	159,585,652
		3,397,121,957	**1,768,566,549**
TOTAL		**12,512,373,986**	**11,654,006,494**
ASSETS			
Non-current assets			
a) Fixed assets			
i) Tangible assets	11	19,779,039	25,821,249
ii) Intangible assets	11	9,227,974	7,074,398
iii) Capital work-in-progress		3,949,891	-
b) Long-term loans and advances	12	2,480,318,615	449,753,173
c) Other non-current assets	13	11,214,877	17,808,814
		2,524,490,396	**500,457,634**

BALANCE SHEET

as at March 31, 2019

Amount in INR

PARTICULARS	Note No.	March 31, 2019	March 31, 2018
Current assets			
a) Current investment	14	1,543,500,000	2,929,059,389
b) Trade receivables	15	1,235,353	5,927,666
c) Cash and cash equivalents	16	387,773,633	544,474,776
d) Short-term loans and advances	17	7,978,067,181	7,626,497,290
e) Other current assets	18	77,307,423	47,589,739
		9,987,883,590	**11,153,548,860**
Total		**12,512,373,986**	**11,654,006,494**

As per our report of even date

For **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration No: **101049W/E300004**

per Sarvesh Warty
Partner
Membership No. **121411**

Mumbai
7th May 2019

For and on behalf of the Board of Directors
NeoGrowth

Dhruv Khaitan
Chairman
(DIN 00002584)

Piyush Khaitan
Managing Director
(DIN 00002579)

B. Ravi Kumar
CFO & CS
(M. No 11172)

Arun Nayyar
CEO

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2019

Amount in INR

PARTICULARS	Note No.	March 31, 2019	March 31, 2018
INCOME			
Revenue from operations (net)	19	2,896,018,984	2,330,625,976
Other income	20	136,080,834	99,846,406
Total		**3,032,099,818**	**2,430,472,382**
EXPENSES			
Employee benefits expense	21	642,483,344	480,111,617
Finance costs	22	924,613,029	864,900,741
Depreciation and amortization expense	23	21,679,942	24,786,364
Other expenses	24	832,076,393	717,469,756
Provision and write offs	25	568,019,888	579,158,892
Total		**2,988,872,596**	**2,666,427,370**
Profit/(Loss) before tax & exceptional items		43,227,222	(235,954,988)
Exceptional items			-
Profit/(Loss) before tax		**43,227,222**	**(235,954,988)**
Tax expenses			
Current tax			-
Deferred tax			-
Profit/(Loss) for the year (after tax)		**43,227,222**	**(235,954,988)**
Earnings per equity share (face value of INR 10 each)	26		
Basic earning per share (INR)		2.40	(13.11)
Diluted earning per share (INR)		0.66	(13.11)

As per our report of even date

For **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration No: **101049W/E300004**

per Sarvesh Warty
Partner
Membership No. **121411**

Mumbai
7th May 2019

For and on behalf of the Board of Directors
NeoGrowth

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Chairman
(DIN 00002584)

Piyush Khaitan
Managing Director
(DIN 00002579)

B. Ravi Kumar
CFO & CS
(M. No 11172)

Arun Nayyar
CEO

CASH FLOW STATEMENT

for the year ended March 31, 2019

Amount in INR

	For the year ended March 31, 2019	For the year ended March 31, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extraordinary items	43,227,222	(235,954,988)
Adjustment for:		
Depreciation and amortization expense	21,679,942	24,786,365
Provision for employee benefits	(650,405)	8,288,631
Profit on sale of investments	(131,742,969)	(98,438,592)
Provision for standard assets	9,230,790	19,062,613
Provision for doubtful loans and advances	227,835	189,991,740
Advances written off	558,561,263	370,104,539
Employee compensation expenses account	24,802,087	(28,267,827)
Operating profit before working capital changes	**525,335,765**	**249,572,481**
Movement in working capital :		
(Increase) in loans and advances	(2,899,486,494)	(3,673,895,133)
(Increase) / Decrease in other current assets	(1,431,325)	(145,328)
Decrease / (Increase) in trade receivables	4,692,313	3,070,920
(Decrease) / Increase in trade payables	(4,387,216)	(2,749,037)
Increase in other current liabilities & provisions	27,890,902	73,384,661
Cash used in operations	**(2,347,386,055)**	**(3,350,761,436)**
Direct taxes paid (net of refund)	**(41,437,937)**	**(43,110,775)**
Net cash used in operating activities (A)	**(2,388,823,992)**	**(3,393,872,211)**
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of fixed assets (including capital advances)	(23,502,249)	(26,741,167)
Purchase of investments	(42,285,657,588)	(38,897,978,259)
Proceeds from sale of investments	43,802,959,947	36,067,357,462
Net cash (used in) / from investing activities (B)	**1,493,800,110**	**(2,857,361,964)**

CASH FLOW STATEMENT

for the year ended March 31, 2019

Amount in INR

	For the year ended March 31, 2019	For the year ended March 31, 2018
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	188,124,170
Proceeds from security premium on issue of share capital	-	2,811,891,969
Payment of security issue expenses	-	(74,652,351)
Proceeds from borrowings	2,220,000,000	19,300,516,459
Repayment of borrowings	(1,461,745,890)	(16,598,334,071)
Net cash from financing activities (C)	**758,254,110**	**5,627,546,176**
Net (Decrease) / Increase in cash and cash equivalents (A + B + C)	(136,769,772)	(623,687,999)
Cash and cash equivalents at the beginning of the year	506,509,298	1,130,197,297
Cash and cash equivalents at the end of the year	**369,739,526**	**506,509,298**

As per our report of even date

For **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration No: **101049W/E300004**

per Sarvesh Warty
Partner
Membership No. **121411**

Mumbai
7th May 2019

For and on behalf of the Board of Directors
NeoGrowth

Dhruv Khaitan
Chairman
(DIN 00002584)

Piyush Khaitan
Managing Director
(DIN 00002579)

B. Ravi Kumar
CFO & CS
(M. No 11172)

Arun Nayyar
CEO

NOTES TO FINANCIAL STATEMENTS

for the Year Ended March 31, 2019

Amount in INR

	As at March 31, 2019	As at March 31, 2018
3. Share capital		
Authorized Share Capital		
2,10,00,000 (Previous year 2,10,00,000) Equity Shares of INR 10/- each	210,000,000	210,000,000
4,60,00,000 (Previous year 4,60,00,000) Preference Shares of INR 10/- each	460,000,000	460,000,000
	670,000,000	**670,000,000**
Issued, Subscribed and Fully paid-up Share Capital		
1,80,00,600 (Previous year 1,80,00,500) Equity Shares of INR 10/- each fully paid up	180,006,000	180,006,000
4,56,44,009 (Previous year 4,56,44,009) 0 01% Compulsory Cumulative Convertible Preference Shares (CCCPS) of INR 10/- each fully paid up	456,440,090	456,440,090
Total	**636,446,090**	**636,446,090**

a. Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

	March 31, 2019 (Nos.)	Amount (INR)	March 31, 2018 (Nos.)	Amount (INR)
Outstanding at the beginning of the year	18,000,600	180,006,000	18,000,500	180,005,000
Shares allotted during the year	-	-	100	1,000
Outstanding at the end of the year	**18,000,600**	**180,006,000**	**18,000,600**	**180,006,000**

Reconciliation of Preference Shares outstanding at the beginning and at the end of the reporting year:

	March 31, 2019 (Nos.)	Amount (INR)	March 31, 2018 (Nos.)	Amount (INR)
Outstanding at the beginning of the year	45,644,009	456,440,090	26,831,692	268,316,920
Shares allotted during the year			18,812,317	188,123,170
Outstanding at the end of the year	**45,644,009**	**456,440,090**	**45,644,009**	**456,440,090**

b. Rights. preferences and restrictions attached to Equity Shares

The Company has a single class of equity shares having a par value of INR 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend During the year ended March 31, 2019, the amount of per share dividend recognized as distributions to equity shareholders was Nil (March 31, 2018: Nil). In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Rights preferences and restrictions attached to Preference Shares(CCCPS)

Each holder of CCCPS is entitled to one vote per share only on resolutions placed before the Company which directly affect the rights attached to CCCPS. Each share of the series A, B & C CCCPS shall be converted into one equity share of face value of Rs. 10 each subject to any adjustments required for any possible corporate action, es share split, issue of bonus shares, etc The Series A, B & C CCCPS shall be compulsorily convertible at the end of 20 (twenty) years from the date of issuance of each Series CCCPS. The conversion can be done by investors on any date, provided 30 days advance written notice is given to the Company by **the respective investor,** The Series A, B & C CCCPS shall carry a cumulative coupon rate of 0.01% per annum. The Company declares and pays dividends in Indian rupees The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting

c. Details of shareholders holding more than 5% equity shares in the Company as on reporting date

	March 31, 2019			March 31, 2018		
	(Nos.)	(% holding in the class)	% holding in all classes	(Nos.)	(% holding in the class)	% holding in all classes
i. Dhruv Kumar Khaitan	9,000,000	49.998%	14.14%	9,000,000	49.998%	14.14%
ii. Piyush Kumar Khaitan	9,000,000	49.998%	14.14%	9,000,000	49.998%	14.14%

Details of shareholders holding more than 5% preference shares in the Company as on reporting date

	March 31, 2019			March 31, 2018		
	(Nos.)	(% holding in the class)	% holding in all classes	(Nos.)	(% holding in the class)	% holding in all classes
i. Aspada Investment Company	5,380,758	11.79%	8.45%	5,380,758	11.79%	8.45%
ii. ON Mauritius	6,965,181	15.26%	10.94%	6,965,181	15.26%	10.94%
iii. Khosla Impact I Mauritius	3,251,470	7.12%	5.11%	3,251,470	7.12%	5.11%
IV. Accion Frontier Inclusion Mauritius	6,280,638	13.76%	9.87%	6,280,638	13.76%	9.87%
v. IIFL Seed Ventures Fund I	4,859,845	10.65%	7.64%	4,859,845	10.65%	7.64%
vi. West Bridge Crossover Fund LLC	2,689,900	5.89%	4.23%	2,689,900	5.89%	4.23%
vii. Trinity Inclusion Ltd	16,216,217	35.53%	25.48%	16,216,217	35.53%	25.48%

As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

d. Aggregate number of shares issued for a consideration other than cash during the year of five years immediately preceding the reporting date

March 31, 2019	March 31, 2018
NIL	NIL

e. Terms of any securities convertible into equity / preference shares issued along with the earliest date of conversion in descending order starting from the farthest such date

7,462,587 shares - 0.01% fully Compulsory convertible cumulative preference shares of INR 10/- each are convertible into equity share in the ratio of 1 equity share for every 1 preference shares held at the end of twenty years from the date of allotment (May 22, 2013) or earlier at the option of the preference shareholder. The conversion can be done by investors on any date , provided 30 days advance written notice is given to the Company by the respective investor. Ten days prior to the proposed filing of draft red herring prospectus by the Company in pursuance of Qualified Institutional Placement Offer ('QIPO')

1,697,479 shares - 0.01% fully Compulsory convertible cumulative preference shares of INR 10/- each are convertible into equity share in the ratio of 1 equity share for every 1 preference shares held at the end of twenty years from the date of allotment (March 25, 2014) or earlier at the option of the preference shareholder. The conversion can be done by investors on any date , provided 30 days advance written notice is given to the Company by the respective investor. Ten days prior to the proposed filing of draft red herring prospectus by the Company in pursuance of QIPO.

1,131,720 shares - 0.01% fully Compulsory convertible cumulative preference shares of INR 10/- each are convertible into equity share in the ratio of 1 equity share for every 1 preference shares held at the end of twenty years from the date of allotment (June 19, 2014) or earlier at the option of the preference shareholder. The conversion can be done by investors on any date , provided 30 days advance written notice is given to the Company by the respective investor. Ten days prior to the proposed filing of draft red herring prospectus by the Company in pursuance of QIPO.

4,680,752 shames - 0.01% fully Compulsory convertible cumulative preference shares of INR 10/- each ale convertible into equity shale in the iatio of l equity share for every 1 eference shat es held at the end of twenty years from the date of allotment (March 31, 2015) or earlier at the option of the preference shareholder. The conversion can be done by investors on any date , provided 30 days advance written notice is given to the Company by the respective investor Ten days prior to the proposed filing of draft red herring prospectus by the Company in pursuance of QIPO

13,232 shares - 0.01% fully Compulsory convertible cumulative preference shares of INR 10/- each are convertible into equity sham in the ratio of 1 equity share for every 1 preference shams held at the end of twenty years from the date of allotment (April 6, 2015) or earlier at the option of the preference shareholder. The conversion can be done by investors on any date , provided 30 days advance written notice is given to the Company by the respective investor. Ten days prior to the proposed filing of draft red herring prospectus by the Company in pursuance of QIPO,

2.357,650 shares - 0.01% fully Compulsory convertible cumulative preference shares of INR 10/- each are convertible into equity share in the ratio of I equity share for every 1 preference shares held at the end of twenty years from tire date of allotment (July 29, 2015) or earlier at the option of the preference shareholder. The conversion can be done by investors on any date , provided 30 days advance written notice is given to the Company by the respective investor. Ten days prior to the proposed filing of draft red herring prospectus by the Company in pursuance of QIPO.

94,88,272 shares - 0.01% fully Compulsory convertible cumulative preference shares of INR 10/- each are convertible into equity share in the ratio of 1 equity share for every 1 preference shares held at the end of twenty years from the date of allotment (June 21, 2016) or earlier at the option of the preference shareholder The conversion can be done by investors on any date , provided 30 days advance written notice is given to the Company by the respective investor Ten days prior to the proposed filing of di aft red herring prospectus by the Company in pursuance of QIPO.

10,660,312 shares - 0.01% furry Compulsory convertible cumulative preference shares of INR 10/- each arc convertible into equity share in the ratio of 1 equity share for every 1 preference shares held at the end of twenty years from the date of allotment (January 23, 2018) or earlier at the option of the preference shareholder The conversion can be done by investors on any date , provided 30 days advance written notice is given to the Company by the respective investor. Ten days prior to the proposed filing of draft red herring prospectus by the Company in pursuance of QIPO.

8,152,005 shares - 0.01% fully Compulsory convertible cumulative preference shares of INR 10/- each issued by way of right issue are convertible into equity share in the ratio of 1 equity share for every 1 preference shares held at the end of twenty years from the date of allotment (March 21, 2018) or earlier at the option of the preference shareholder. The conversion can be done by Investors on any date, provided 30 days advance written notice is given to the Company by the respective investor, Ten days prior to the proposed filing of draft red herring prospectus by the Company in pursuance of QIPO Right issue of shares to existing shareholders

f. Shares reserved for issue under options

	March 31, 2019	March 31, 2018
Shares reserved for Issue under Employee Stock Option Scheme (Refer note 34)	20,99,884	4,21,000
	20,99,884	**4,21,000**

4 Reserves and surplus

	March 31, 2019	March 31, 2018
Statutory Reserve		
(As required u/s 45 IC of Reserve Bank of India Act, 1934)		
Balance as at the beginning of the year	1,15,99,532	1,15,99,532
Add' Transferred from profit during the year	86,45,444	
Balance as at the end of the year	2,02,44,976	1,15,99,532
Securities Premium Account		
Balance as at the beginning of the year	4,25,18,24,383	1,51,45,84,765
Add: Premium on issue of Equity Shares		14,947
Add: Premium on issue of Preference Shares		2.81,18,77,022
Less Share Issue Expense		(7,46,52,351)
Balance as at the end of the year	**4,25,18,24,383**	**4,25,18,24,383**
Deficit in the Statement of Profit & Loss		
Balance as at the beginning of the year	(64,78,25,294)	(41,18..41,095)
Add: Profit/(Loss) for the year	4,32,27,222	(23.59,54,9881)
Less: Transferred to Statutory Reserve u/s 45 IC of Reserve Bank of India Act, 1934	(86,45,444)	
Less: Dividend on CCCPS - (a)	(45,646)	(29,211)
Balance as at the end of the year	**(61,32,89,162)**	**(64,78.25,294)**
Employee deferred expenses charge		
Balance as at the beginning of the year	95,68,056	
Add Charge for the year	2,11,32.377	93;651,056
Balance as at the end of the year	3,29,00,433	95,68,056
Total	**3,69,16,80,630**	**3,62,51,66,677**

(a) In compliance with the provisions, the Management has provided for dividend on Series A, B and C of Compulsory Cumulative Convertible Preference Shares at the rate of 0.01% on a prorate basis

5 Long-term borrowings	Non - Current Portion		Current Maturities	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Secured				
Redeemable Non Convertible - Debentures	4,316,000,000	4,496,467,000	2,480,467,000	516,666,667
Term Loan				
- from Banks	321,085,000	321,085,000		
- from Others	120,000,019	131,786,409	291,786,393	417,666,824
Unsecured				
Redeemable Non Convertible - Debentures		650,000,000		
	4,757,085,019	**5,599,338,409**	**2,772,253,393**	**934,333,491**

*Current maturities of Long-term borrowings are disclosed under the head "Other Current Liabilities" Note 9.
Classified from unsecured to secured as per the terms set out in the debenture trust deed.

a. Particulars or Redeemable Non Convertible Debentures

Redemption Date	Put/Call option date	Repayment details	Foce Value	Amount March 31, 2019	Amount March 31, 2018
August 28, 2023	August 28, 2020	Bullet	1,000,000	650,000,000	
February 15, 2023	February 15, 2021	Bullet	1,000,000	1,050,000,000	
February 07, 2023	February 7, 2020	Bullet	1,000,000	350,000,000	350,000,000
November 16, 2022	-	Bullet	1,000,000	600,000,000	
August 07, 2022	August 7, 2020	Bullet	1,000,000	506,000,000	506,000,000
November 22, 2021	November 22, 2019	Bullet	1,000,000	400,000,000	400,000,000
October 26, 2021	-	Bullet	1,000,000	650,000,000	650,000,000
September 29, 2021	September 29, 2019	Bullet	1,000,000	400,000,000	400,000,000
July 17, 2020	-	Bullet	1,000,000	860,000,000	860,000,000
March 16, 2020	-	Bullet	1,000,000	325,000,000	325,000,000
August 17, 2019	-	Bullet	1,000,000	403,000,000	403,000,000
June 27, 2019	-	Bullet	1,000,000	400,000,000	400,000,000
May 28, 2019	-	Bullet	1,000	202,467,000	202,467,000
January 22, 2019	-	Bullet	1,000,000		300,000,000
November 29, 2018	-	Periodic	53,333		133,333,334
September 29, 2018	-	Periodic	33,333		83,333,333
Total				**6,796,467,000**	**5,013,133,667**

Interest rates range from 12.33% p.a to 14.30% p.a as at March 31, 2019.

b. Security details for Non Convertible Debentures ('NCDs')

The NCDs are fully secured by first pari passu charge over the loan to merchants of the Company The total asset cover has been maintained as per the terms and condition stated in the respective debenture trust deeds

C.

Redemption Dote	PubColi VOID date	Repayment dclaili	Fare Value	March 31, 2019 Amount	March 31, 2018 Amount
August 28, 2023	August 28, 2020	Bullet	1,000,000		650,000,000
Total					658,01111.01111

Classified from unsecured to secured as per the terms set out in the debenture trust deed

d. Terms of repayment - Term loan from Banks & Others - Secured

	As on March 31, 2019		
Particulars	**Repayment Details**	**Current Portion**	**Non-Current Portion**
48 months		-	-
36 months - upto 48 months	Three instalments of Bullet Repayment	-	321,085,000
24 months - upto 36 months		-	-
12 months - upto 24 months	Monthly & quarterly	159,999,984	120,000,019
Upto 12 months	Monthly & quarterly	131,786,409	
Total		**291,786,393**	**441,085,019**

	As on March 31, 2018		
Particulars	**Repayment Details**	**Current Portion**	**Non-Current Portion**
48 months	Three instalments of Bullet Repayment	-	321,085,000
36 months - upto 48 months		-	-
24 months - upto 36 months	Monthly & quarterly	85,404,564	68,344,348
12 months - upto 24 months	Monthly & quarterly	139,207,502	63,442,061
Upto 12 months	Monthly & quarterly	193,054,758	-
Total		**417,666,824**	**452,871,409**

Interest rates range from 10.03% p.a to 14.45% p.a. as at March 31, 2019.

The loan is backed by third parts guarantee till maturity of the loan

e. Security details for Term loan from Banks and Others
Term loans are secured by way of first pan pasu charge on receivables against loans to merchants

6 Long-term provisions

	March 31, 2019	March 31, 2018
Provision for Employee Benefits	1,346,579	3,202,824
Gratuity (Refer note 29)	1520,038	3,645,671
Leave availment	17,489,647	16,019,937
Provision of SARs A/c (net off) (Refer note 28)	9,684,026	1,620,337
Provision against Standard Assets	**30,040,290**	**24,488,769**

7 Short-term borrowings

	March 31, 2019	March 31, 2018
Secured		
Loan from Bank (a)	199,999,999	75,000,000
Commercial Papers (b)		362,412,400
	199,999,999	**437,412,400**

				Outstanding Amount	
Particulars	**Rate of Interest**	**Repayment Details**	**Date of settlement**	**March 31, 2019**	**March 31, 2018**
a) Loan from Bank	Fixed	Monthly Repayment	29-Sep-18		75,000,000
a) Loan from Bank	Floating	Monthly Repayment	30-Apr-19	50,000,000	-
a) Loan from Bank	Floating	Monthly Repayment	05-Dec-19	149,999,999	-
b) Commercial Paper	Fixed	Bullet Repayment	18-Sep-18		362,412,400
Total				**199,999,999**	**437,412,400**

Interest rates range from 10.18% p.a to 13.00% p.a as at March 31, 2019

8 Trade payables

	March 31, 2019	March 31, 2018
Micro, Small and Medium Enterprises Others	NIL	NIL
	16,553,569	20,940,785
	16,553,569	**20,940,785**

*** Disclosure under Micro, Small and Medium Enterprises Development Act, 2006**

There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2019 The information as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 (Act) has been determined to the extent such parties have been identified by the Company

9 Other current liabilities

	March 31, 2019	March 31, 2018
Current Maturities of Long-Term Debts (Refer note 5)	2,772,253,393	934,333,491
Interest accrued but not due on borrowings		
Loan from Financial Institution	4,653,653	2,080,631
Commercial Papers (Amortized Discount)		19,929,690
Redeemable Non Convertible- Debentures	155,368,854	117,330,043
Statutory dues payable		
TDS Payable	14,725,038	19,053,998
Employee Related	1,939,486	1,395,437
GST Payable	2,064,808	4,340,792
Merchants Balances	41,371,089	44,698,056
Other payables		
Employee	1,126,393	4,929,205
Others	591,288	2,536,369
	2,994,094,002	**1,150,627,712**

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10 Short-term provisions

	March 31, 2019	March 31, 2018
Provision for Employees Benefits		
Gratuity (Refer note 29)	652,981	923,090
Leave availment	1,218,697	829,737
Others	29,409,905	26,197,282
Provision against Standard Assets	30,372,542	29,205,441
Other Provisions	124,820,262	102.430,102
	186,474,387	**159,585,652**

11 Fixed Assets

As at March 31, 2019

	Original Cost				Depreciation				Net Block	
Particulars	**Gross Block as at April 1, 2018**	**Additions during the period**	**Deletions/Adjustments during the period**	**Gross Block as at March 31, 2019**	**Accumulated depreciation as at April 1, 2018**	**Depreciation during the**	**Deductions / Adjustments**	**Gross Block as at March 31, 2019**	**As at March 31, 2018**	**As at March 31, 2017**
Tangible Assets										
Computers & Servers	51,761,241	6,504,467	-	58,265,708	36,038,615	12,600,131		48,638,746	9,626,962	15,722,626
Office Equipment's	6,862,205	3,379,763		10,241,968	4,457,351	1,852,672	-	6,310,023	3,931,945	2,404,854
Furniture & Fixture	7,348,617	585,000		7,933,617	1,820,378	1.523,824	-	3,344,202	4,589,415	5,528,239
Leasehold Property Improvement Work	13,886,193	1,872,363		15,758,556	11,720,663	2.407,176	-	14,127,839	1,630,717	2,165,530
Sub-total	79,858,256	12,341,593	-	92,199,849	54,037,007	18,383,803	-	72,420,810	19,779,039	25,821,249
Intangible Assets										
Computer Software	19,258,172	5,449,715	-	24,707,887	12,183,774	3,296,139		15,479,913	9,227,974	7,074,398
Total	**99,116,428**	**17,791,308**	**-**	**116,907,736**	**66,220,781**	**21,679,942**	**-**	**87,900,723**	**29,007,013**	**32,895,647**

As at March 31, 2018

	Original Cost				Depreciation				Net Block	
Particulars	**Gross Block as at April 1, 2017**	**Additions during the year**	**Deletions/Adjustments during the year**	**Gross Block as at March 31, 2018**	**Accumulated depreciation as at April 1, 2017**	**Depreciation during the year**	**Deductions / Adjustments**	**Gross Block as at March 31, 2018**	**As at March 31, 2018**	**As at March 31, 2017**
Tangible Assets										
Computers & Servers	31,276,079	20,485,162		51,761,241	19,278,406	16.760.209		36,038,615	15,722,626	11,997,673
Office Equipment's	4,242,537	2,619,668		6,862,205	3,413,262	1,044,089	-	4,457,351	2,404,854	829,275
Furniture & Fixture	2,104,240	5,244,377	-	7,348,617	1,053,208	767,170	-	1,820,378	5,528,239	1,051,032
Leasehold Property Improvement Work	13,886,193	-	-	13,886,193	8,256,933	3,463,730	..	11,720,663	2,165,530	5,629,260
Sub-total	**51,509,049**	**28,349,207**	**-**	**79,858,256**	**32,001,809**	**22,035,198**	**-**	**54,037,007**	**25,821,249**	**19,507,240**
Intangible Assets		1								
Computer Software	19,258,172	-	-	19,258,172	9,432,607	2,751,167	-	12,183,774	7,074,398	9,825,565
Total	**70,767,221**	**28,349,207**	**-**	**99,116,428**	**41,434,416**	**24,786,365**	**-**	**66,220,781**	**32,895,647**	**29,332,805**

12 Long-term loans and advances:

	March 31, 2019	March 31, 2018
Loan to Merchants		
Secured Considered Good	2,421,010,488	405,084,273
Secured, Considered Doubtful	16,019,141	4,984,716
Less: Provision For substandard asset	(4,069,002)	(1,725,683)
Less: Provision For doubtful asset	(683,037)	(536,622)
Security Deposits	48,041,025	41,946,489
	2,480,318,615	449,753,173

13 Other non-current asset:

	March 31, 2019	March 31, 2018
Deposit with Banks	3,295,941	5,100,000
Unamortized Finance Cost	7,653,866	12,581,254
Prepaid Expenses	265,070	127,560
	11,214,877	17,808,814

14 Current investments:
(at Cost or Fair Value, whichever is lower)

	As at		As at	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Investment in Mutual Fund Units	**Quantity**	**Amount**	**Quantity**	**Amount**
Axis Liquid Fund Direct Growth	33,799.6980	70,000,000	103,937.6950	200,000,000
Aditya Birla Sun Life Liquid Fund - Growth-Direct Plan	266,569.4580	80,000,000	-	-
Aditya Birla Sun Life Overnight Fund - Growth-Direct Plan	116,993.8430	120,000,000	-	-
Aditya Birla Sun life Floating Rate Fund Short Term Plan - Growth - Direct	-	-	647,886.8740	150,000,000
BNP Paribas Overnight Fund - Growth - Direct	-	-	18,758 9650	50,000,000
DSP Black Rock Liquidity Fund Direct Plan Growth	-	-	40,300.7600	100,000,000
Franklin India Liquid Fund - Direct Growth (Erstwhile Franklin India Treasury Management Account)	10,732.7720	30,000,000	14,989.4340	38,900,000
HDFC Overnight Fund - Direct Plan - Growth Option	22,510.3380	63,500,000	-	-
HSBC Cash Fund - Growth Direct Plan	-	-	17,355.8730	30,000,000
ICICI Prudential Liquid Fund - Direct Plan - Growth	181,075.7710	50,000,000	-	-
ICICI Prudential Overnight Fund Direct Plan Growth	1,368,251.1010	140,000,000	-	-.
ICICI Prudential Money Market Fund Direct Growth	-	-	541,506.2450	130,000,000
IDFC Cash Fund Direct Plan Growth	57,419.4620	130,000,000	23,738.2640	50,010,229
Invesco India Liquid Fund -Direct Plan -Growth (LF-D I)	-	-	125,608.1410	300,032,064

JM Liquid Fund - Direct- Growth Option (Erstwhile JM High Liquidity Fund)	-	-	421,065.9280	20,000,000
Kotak Liquid Fund Direct Plan Growth	15,867.9790	60,000,000	14,226,7942	50,019,513
Kotak Overnight Fund Direct - Growth	138,287.5030	140,000,000	-	-
LIC MF Liquid Fund Direct - Growth	44,307,8750	150,000,000	-	
L&T Liquid Fund - Direct Plan -Growth	-	-	147,109.3820	350,040,258
Mahindra Liquid Fund -Direct- Growth	41,325.8420	50,000,000	89,001.6080	100,000,000
Mirae Asset Cash Management Fund - Direct Plan -Growth	15,232,4610	30,000,000	32,770.9100	60,000,000
Essel Liquid Fund Direct Plan Growth	-	-	78,454.6570	150,000,000
Principal Cash Management Fund - Direct Plan -Growth	-	-	59,151.3220	100,012,499
Reliance Liquid Fund Cash Plan Direct Growth	-	-	71,362.8060	200,000,000
Reliance Liquid Fund Treasury Plan - Direct - Growth	-	-	38,267.8410	100,000,000
SBI Liquid Fund Direct Growth	17,094.6350	50,000,000	-	-
SBI Overnight Fund Direct Growth	48,534.8340	150,000,000	-	-
SBI Magnum Insta Cash Fund - Direct - Growth	-	-	26,069.6280	100,000,000
Sundaram Money Fund -Direct Plan - Growth	-	-	6,835,785.3360	250,044,826
Tata Liquid Fund - Direct Plan - Growth	67,978.0150	200,000,000	-	-
Tata Money Market Fund Direct Plan -Growth	-	-	36,576.6334	100,000,000
UTI Liquid Cash Plan - Direct Growth Plan	9,813.4130	30,000,000	-	-
UTI Money Market Fund Direct Plan -Growth	-	-	154,100,5620	300,000,000
		1,543,500,000		**2,929,059,389**

Additional information:

Aggregate value of quoted investments		
Aggregate value of unquoted investments	1,543,500,000	2,929,059,389
Market value of quoted investments	1,544,788,854	2,933,495,189

15 Trade receivables:

	March 31, 2019	March 31, 2018
Outstanding For a year exceeding six months from the date they are due for payment Unsecured, Considered Good		
Outstanding For a period less than six months from the date they are due for payment Unsecured, Considered Good	1,235,353	5,927,666
	1,235,353	**5,927,666**

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16 Cash & cash equivalent:

	March 31, 2019	March 31, 2018
Cash & cash equivalent constitutes of		
Cash on hand	4,768,214	2,975,800
Balances with banks:		
Current Accounts	363,744,894	503,533,498
Cheques, drafts on hand	1,226,418	
	369,739,526	**506,509,298**
Other Balances		
Balance With Banks:		
Fixed Deposits (Maturity between 3-12 months)*	18,034,107	37,965,478
	387,773,633	**544,474,776**

* From above fixed deposit Rs 11,363,308 are marked as lien against credit facility

17 Short-term loans and advances:

	March 31, 2019	March 31, 2018
Loan to Merchants		
Secured, Considered Good	7,552,380,931	7,260,756,373
Secured, Considered Doubtful	503,173,293	500,703,642
Less : Provision For substandard asset	(157,954,477)	(174,768,535)
Less : Provision For doubtful asset	(62,967,682)	(48,415,523)
	7,834,632,065	**7,538,275,957**
Advances recoverable in cash or in kind		
Unsecured, Considered Good		
From Employee	1,733,396	25,443
Others	96,021	4,028,646
Other Advances & Balances		
(Unsecured, Considered Good, unless otherwise stated)		
Balance with Government Authorities		
Tax Deducted at Source (Net of provision for taxes)	96,989,776	55,551,839
GST Receivable	301,458	
GST Input Credt	29,194,185	21,486,416
Payment against service tax appeal	1,089,748	
Security Deposits	4,931,039	4,558,325
Others advances	9,099,493	2,570,664
Doubtful advances		996,156
Less: Provision for doubtful advances		(996,156)
	7,978,067,181	**7,626,497,290**

18 Other current assets:

	March 31, 2019	March 31, 2018
Deposits with Financial Institution*		312,500
Interest Accrued & Receivable		
Loan receivables	40,754,300	20,150,905
Fixed Deposit	1,869,207	3,373,951
Prepaid Expenses	9,065,898	6,020,394
Unamortized Finance Cost	12,940,456	13,915,216
Other Receivables	12,677,562	3,816,773
	77,307,423	**47,589,739**

*Above deposit includes Rs Nil (March 31, 2018 Rs 312,500) kept as cash collateral against term loan.

19 Revenue from operations:

	March 31, 2019	March 31, 2018
Interest income		
On Loan from Merchant (a)	2,479,427,673	1,91,68,04,965
Excess Interest Spread on Secuntization		3,15,14,039
On fixed deposit	1,16,64,409	58,56,264
Other financial Services		
Processing Fees	28,84,90,380	23,40,54,109
Insurance commission	15,08,054	32,33,236
Mom chant Service Fees	5,30,76,422	5,96,22,017
Service Fees on Syndication	2,95,64,285	5,94,90,936
Petro Incentive		1,01,515
Bad debts recovery	3,03,96,534	1,63,12,869
Cheque bounce charges	18,91,227	36,36,026
	2,896,018,984	**2,330,625,976**

(a) Interest Income from loan to merchants is net of Rs 83,313,986 (Merelt 31, 2018: Rs 32,89 1,400) towards the rebate given to merchants on account of renewal, recovery etc

20 Other income:

	March 31, 2019	March 31, 2018
Profit on sale of Investments	13,17,42,969	98,418,592
Interest income on income tax refund	9,285	35,740
Income from other Services	13,41,648	13 41 648
Miscellaneous Income	29,86,932	30,426
	13,60,80,834	**9,98,46,406**

21 Employee benefit expenses:

	March 31, 2019	March 31, 2018
Salaries & Wages	58,17,53,721	46.95,24,875
Contribution to Provident and other funds	1,25,11,387	1,11,00,151
Staff welfare expenses	2,34,16,149	2,23,89,578
Employee Compensation Expenses Account (Refer note 28 and 34)	2,48,02,087	(2,29,02,987)
	64,24,83,344	**48,01.11,617**

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22 Finance costs,

	March 31, 2019	March 31, 2018
Interest Expenses	89,31.25,393	82,58,71,559
Other Borrowings cost	3,14,87,636	3,90,69,182
	92,46,13,029	**86,49,00,741**

23 Depreciation and amortisation expense:

	March 31, 2019	March 31, 2018
Deprecation (Refer note I I)	1,83,83,803	2,10,35,197
Amortisation of intangible assets (Refer note II)	32,96,139	27,51,167
	2,16,79,942	**2,47,86,364**

24 Other expenses:

	March 31, 2019	March 31, 2018
Marketing Expenses	2,18,35,980	2,51,36,635
Professional & Legal Fees	6,01,37,140	5 23,26,851
Rent	9,42,32,190	7,16,67,867
Commission & Brokerage	27,27,98,791	26,66,79,130
Travelling & Lodging Expenses	1,72,68,938	1,54,89,5,11
It Services Expenses	2,36 52,671	2,23,10,774
Fee & Stamp Charges	5,06,26,678	4,45,70,819
Terminal Deployment Charge:	6,14,09,601	5,76,13,381
Service Tax & GST Expensed Out	6.68,59,115	4,69,55,871
Rates & Taxes	7,48,554	7,06,199
Auditor's Remuneration (a)	20,40,994	17,20,5,10
Insurance Expenses	79,65,853	52,02,900
Office and Maintenance Expenses	1,87,14,871	1,42,62,814
Power and Fuel Charges	1,06,55,977	68,34,858
Telephone & Internet Charges	1,25,98,524	1,03,31,716
Verification and Rating Charges	2,23,32,439	1,27,66,736
Bank Charges	42,99,567	48,85,270
Outsource Agency Cost	7,67,49,275	4,69,17,196
Miscellaneous Expenses	71,49,235	91.20,650
	83,20,76,393	**71,74,69,756**
a) Auditors Remuneration		
Statutory Audit Fee	18,50 000	13,50,000
Other Certification Fee	1,50,006	3,00,000
Out Of Pocket Expenses	40,994	70,540
	20,40,994	**17,20,540**

25 Provisions and write offs

	March 31, 2019	March 31, 2018
i) Provision for Standard Assets	9,230,790	19,062,613
ii) Provision for Doubtful & Loss Assets	2,27,835	189,991,740
iii) Advances written off	558,561,263	370,104,539
	568,019,888	**579,158,892**

26 Earning Per Share (EPS):

	March 31, 2019	March 31, 2018
Profit/ (Loss) for the period after tax expense	43,227,222	(235,954,988)
Less: Dividend payable to preference share holders	(45,645)	(29,211)
Profit available to equity shareholders	**43,181,577**	**(235,984,199)**
Weighted average number of shares used in the calculation of EPS:		
Weighted average number of equity shares outstanding during the year	18,000,600	18,000,519
Dilutive impact of weighted average number of Compulsory Cumulative Convertible Preference Shares	45,644,009	29,063,400
Dilutive impact of weighted average number of ESOP	1,519,660	130,773
Weighted average number of diluted shares outstanding during the year	65,164,269	47,194,691
Face value of per share	10	10
Basic EPS	2.40	(13.11)
Diluted EPS*	0.66	(13.11)

* Since diluted EPS are anti-dilutive hence, the disclosure is restricted to basis EPS for previous year

27 Contingent Liabilities

	March 31, 2019	March 31, 2018
a. Contingent Liabilities Service Tax	14,529,963	Nil
b. Capital commitments	Nil	Nil
c. Other commitments (open limits)	41,130,816	Nil
d. Guarantee given by banks	500,000	Nil

The Company's contingent liability comprise of claims against the Company primarily by the proceedings pending with Service Tax authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company has received favourable order in the above matter from Commissioner (Appeals) of GST & Central Excise subsequent to balance sheet date via order dated 25th April, 2019

There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28th February, 2019. As a matter of caution, the company has made a provision on a prospective basis from the date of the SC order. The company will update its provision, on receiving further clarity on the subject.

28 Stock Appreciation Rights (SAR PLAN 2015)

SAR grants was cancelled by the shareholders at their Extra Ordinary General Meeting held on November 30, 2017 The SAR's already granted to continuing employees as on March 31, 2018 is replaced by the Employee Stock Options under the ESOP 2017 scheme at the Special resolution passed by the members on November 30, 2017 The vesting schedule of each employee under ESOP scheme is aligned to the vesting schedule as per the original SAR scheme except the first vesting shall happen only after completion of 12 months from the date of the grant of option under ESOP scheme 2017.

Details of activity under SARs is summarized below:	As at	
Particulars	**March 31, 2019**	**March 31, 2018**
SARs Outstanding at the beginning of the year	156,400	913,900
Rights Vested during the year	13,000	335,000
Exercised during the year		
Expired/Lapsed/Transferred during the year		(1,092,500)
Outstanding at the end of the year	169,400	156,400
Total Liability of SAR	**17,489,647**	**16,019,937**

:ffecl of the SARs plan on the statement of nrofil andls and on its financial:

Particulars	March 31, 2019	March 31, 2018
Total Liability of SAR exist as on 31 March 2019	17,489,647	16,019,937
Total erripionn COM perimilion MIS peria mins to SAREi for the year as per the terms ur Ve5ilng	1,469,710	(37,835,883)
Opening balance of provision for SARs	16,019,937	53,855,820
Closnitt balente of provision au' SAILS (Nei(Nei urn	**17,489,647**	**16.019.937**

29 Post employment benefit Plans

The Company has defined benefit gratuity plan Every employee who has completed five years or more of service get a gratuity plan on departure at 15 days salary (last drawn) for each completed years of service. Gratuity expense has been included in 'Contribution to provident fund & other funds' under employee benefit expenses

	Gratuity Funded Scheme Year ended	
	March 31, 2019	**March 31, 2018**
(a) Change in Present value of obligation		
Present value of Defined Benefit Obligations at the beginning of the year	8,120,135	5,672,567
Current Service Cost	5,175,434	4,321,143
Past Service Cost		658,572
Interest Cost	616,692	425,140
Actuarial (Gain) or Loss on obligation	(3,974,576)	(2,957,287)
Benefits Paid	(1,070,518)	
Present value of Defined Benefit Obligations at the end of the year	**8,867,167**	**8,120,135**

	Year ended	
	March 31, 2019	March 31, 2018
(b) Change in Plan Assets (Reconciliation of opening and closing balances)		
Fair value of Plan Assets at the beginning of the year	3,994,221	
Expected return on Plan Assets	303,345	94,966
Actuarial Gain or (Loss)	(350,865)	(100,745)
Contributions	3,991,424	4,000,000
Benefits paid	(1,070,518)	
Fair value of Plan Assets at the end of the year	6,867,607	3,994,221

	Year ended	
	March 31, 2019	March 31, 2018
(c) Reconciliation of Balance Sheet		
Present value of Defined Benefit Obligations at the end of the year	8,867,167	8,120,135
Less:- Fair value of Plan Assets at the end of the year	(6,867,607)	(3,994,221)
Amount recognized in Balance Sheet	1,999,560	4,125,914

	Year ended	
	March 31, 2019	March 31, 2018
(d) Amount recognised in Statement of Profit and Loss		
Current Service Cost	5,175,434	4,321,143
Past Service Cost	-	658,572
Interest Cost	616,692	425,140
Actuarial (Gain) or Loss	(3,623,711)	(2,856,542)
Expected return on Plan Assets	(303,345)	(94,966)
Total expense recognised in the current year	1,865,070	2,453,347

(e) Experience adjustments on Present Value of Benefit Obligation and Plan Assets

Particulars	For the period ending				
	March 31, 2015	March 31, 2016	March 31, 2017	March 31, 2018	March 31.2019
(Gain) / Loss on Plan Liabilities	-	185,194	(712,936)	(1,569,728)	(896,194)
% of Opening Plan Liabilities	-	12.50%	-22.50%	-27.70%	-11.00%
(Gain) / Loss on Plan Assets	-	-	-	(100,745)	(343,689)
% of Opening Plan Assets	-	-	-	-	-8.60%

The principal assumptions used in determining obligations for the Company's plan are as shown below

Particulars	March 31, 2019	March 31, 2018
Discount rate (per annum) Attrition / Withdrawal rate, based on category / age (per annum)	6.55%	7.60%
Customer Acquisition Manager ('CAMS')	70.00%	Age upto 44 years - 15% Age above 44 years - 2%
Other than CAMS	35.00%	Age upto 44 years - 15% Age above 44 years - 2%
Increase in compensation cost	8.00%	7.00%

30 Operating Lease:

The Company's significant leasing arrangements are in respect of operating leases are for premises which are renewable on mutual consent at agreed terms Certain agreements provide for cancellation by either party or certain agreements contains clause for escalation and renewal of agreements The non-cancellable operating lease agreements are ranging for a period upto 36 months

The aggregate lease rentals payable are charged to the Statement of Profit and Loss

Particulars	March 31, 2019	March 31, 2018
Lease payments recognized in the Statement of Profit and Loss	94,232,190	71,667,867

The total of future minimum lease payment commitments under operating lease agreement are as under:

Particulars	March 31, 2019	March 31, 2018
Not later than one year	75,658,311	58,473,384
Later than one year and not later than five years	26,110,597	82,287,862
Later than five years	-	-

31 Deferred Tax Liability (Net):

Major components of Deferred Tax arising on account of temporary timing differences are given below.

	As at	
Deferred Tax Liabilities (DTL)	March 31, 2019	March 31, 2018
Unamortized Finance Cost	-	8,187,409
Leave Encashment	505,719	
	505,719	8,187,409
Less: Deferred Tax Assets (DTA)		
Depreciation and Amortization Expenses	5,136,455	3,295,714
Gratuity disallowances	2,095,068	2,509,122
Leave Encashment	-	1,382,901
Accumulated Losses & Unabsorbed Depreciation	109,344,921	55,494,497
Provisions disallowed in Current Year, allowable in future	16,459,909	68,962,078
Unamortized Finance Cost	5,997,066	
	139,033,419	131,644,312
Net Deferred Tax Asset	138,527,700	123,456,903
Amount recognized in the books	Nil	Nil
Deferred Tax Asset has been recognized to the extent of Deferred Tax Liability Rs Nil (Previous Year: Rs Nil)		

The Company has reviewed the position of deferred tax asset & liability as on March 31, 2019 and having regards to condition specified AS-22 "Accounting for Taxes On Income" and conservative approach, has not recognized DTA arising on account of accumulated losses, disallowances and reversal of DTL.

32 Related Party Disclosures:

A List of Related Parties:

Enterprise where Key Managerial Personnel has significant influence or control
InnoWorth Technologies Private Limited
Dilta Services LLP

Key Managerial Personnel

Mr. Piyush Kumar Khaitan	Managing Director
Mr. B Ravi Kumar	Chief Finance Officer (CFO) & Company Secretary (CS)
Mr. Sanjoy Shome (upto June 5, 2018)	Chief Operating Officer (COO)
Mr. Arun Nayyar (from August 1, 2018)	Chief Executive Officer (CEO)

Directors

Mr. Dhruv Kumar Khaitan	Chairman
Mr BS Nagesh	Director

B Disclosure of transactions between the Company and Related Parties during the year in the ordinary course of business and status of outstanding balances at year end:

Current Year

Name	Nature of Transaction	Amount of Transaction	Outstanding as on March 31, 2019 Receivable/(Payable)
Dilta Services LLP	For infrastructure maintenance charges recovered	1,341,648	-
Mr. Piyush Kumar Khaitan	Managerial Remuneration	4,731,750	-
Mr. BS Nagesh	Professional fees	1,800,000	-
Mr. B Ravi Kumar	Remuneration	11,129,996	-
Mr. B Ravi Kumar	Deposit for accomodation	-	700,000
Mr. Sanjay Shome	Remuneration	3,862,767	-
Mr. Arun Nayyar	Remuneration	19,158,264	-

Previous Year

Name	Nature of Transaction	Amount of Transaction	Outstanding as on March 31, 2019 Receivable/(Payable)
Dilta Services LLP	Pur infroslrouture maintenance charges recovered	1,341,648	120,747
Mr. Piyush Kumar Khaitan	Managerial Remuneration	4,218,000	-
Mr. BS Nagesh	Professional fees	1,800,000	-
Mr. B Ravi Kumar	Remuneration	10,773,778	-
Mr, B Ravi Kumar	Deposit for accomodation	-	700,000
Mr, B Ravi Kumar	Advance against Salary	300,000	-
Mr. B Ravi Kumar	Advance salary repayment received	800,000	-
Mr. Sanjoy Shome	Remuneration	14,128,544	-

33 Expenditure in foreign currency during the year:

	As at	
	March 31, 2019	March 31, 2018
Professional and consultation fees	940,455	1,228,051
Due Diligence Fees	-	4,410,327

34 Employee Stock Options Scheme (ESOS)

ESOP Scheme 2018

The Employee Stock Options Scheme (ESOP Scheme) 2018 was approved by the shareholders at their Extra Ordinary General Meeting held on March 21, 2018. The Scheme has been formulated in accordance with the provisions of the Companies Act, 2013, as amended read with applicable provisions of the Companies Rules, 2014 The Company has granted stock options to the eligible employees as per ESOP scheme 2018 All the options are exercisable on liquidity event or Initial Public Offer (IPo), whichever is earlier The Employee Stock Option Scheme 2018 is being administered and monitored by the Nomination and Remuneration Committee of the Company set up by the Board The Company is authorised to issue 21,99,589 (Twenty One Lakhs Ninety Nine Thousand Five Hundred and Eighty Nine) number of equity shares of the Company having face value of 1NR Rs 10, under the ESOP Scheme 2018 to the eligible employees upon meeting of such vesting criteria as may be fixed or determined by the Board

ESOP Scheme 2017

No further options were granted during the year under this scheme All the options are exercisable on liquidity event or Initial Public Offer (IPO), whichever is earlier In previous year, the Board at its meeting held on March 21, 2018 approved for short closing the ESOP 2017 and approved revised ESOP 2018 scheme
The details of the ESOP scheme is as under

Particulars	ESOP 2018 Marlasere	ESOP 2017 Disclosure
Date of Share Holders Approval	March 21, 2018	November 30, 2017
Vesting Requirements	The options had a employee specific graded vesting schedule and vest over a period of 5 years. The vesting is subject to vesting conditions mentioned in "NeoGrowth Employee Stock Option Plan 2018"	The options had a employee specific graded vesting schedule and vest over a period of 5 years The vesting is subject to vesting conditions mentioned in "NeoGrowth Employee Stock Option Plan 2017"
Maximum Term of options granted	5 years	5 years
Variations in terms of options	The Board at its meeting held on March 21, 2018 approved for short closing the ESOP 2017	The Board at its meeting held on March 21, 2018 approved for short closing the ESOP 2017

Particulars of Options	ESOP 2018	ESOP 2017
Outstanding as at the beginning of the Year	-	421,000
Granted during the year	1,823,884	-
Forfeited(Cm-welled/Lapsed during the year	145,000	-
Exercised/ Allotted during the year	-	-
Outstanding as at the end of the year	1,678,884	421,000
Exercisable at the end of the year	-	-
Fair Value of Options granted Rs	159.47	159.47
Details of vesting condition	Continued service	Continued service
Exercise price range	Rs 159.47	Rs. 10 to Rs.113.17

Particulars of Options	March 31, 2019	March 31.2018
Outstanding as at the beginning of the Year	421,000	-
Granted during the year	1,823,884	931,000
Forfeited/ Cancelled/Lapsed during the year	145,000	510.000
Exercised/ Allotted during the year	-	-
Outstanding as at the end of the year	2,099,884	421.000

The fair value of the stock options granted during the year have been calculated using Black Scholes Options Pricing Model and the significant assumptions made in this regard are as follows:

Particulars of Options	ESOP 2018	ESOP 2017
Exercise Price	EROS 2018 - 12,68,589 options with excercise price of Rs. 159.47	ESOS 2017 - 931,000 option with exercise price range of Rs. 10 to Rs. 113.17
Historical Volatility	21.80% **Vesting schedule:** ESOS 2018- 20% each year from the end of 1, 2. 3, 4 and 5 years of the date of grant respectively. **Exercise Period:** ESOS 2018- Within 5 years from the date of grant.	21.08% to 27.85% **Vesting schedule:** ESOS 2017- 20% each year from the end of 1, 2, 3, 4 and 5 years of the date of grant respectively. Date of grant is in line with SAR scheme 2015. **Exercise Period:** ESOS 2017- Within 5 years from the date of grant.
Dividend Yield	0.00%	0.00%

Particulars of Options	March 31, 2019	March 31.2018
Average Risk-Free interest rate	7.34% 10 year G-sec par yield	7.42% 10 year G-sec par yield

Impact of fair value method on net profit/(loss) and earning per share

Had compensation cost for the stock option plans outstanding been determined based on the fair value approach, the net profit and earnings per share would have been as per the pro-forma amounts indicated below:

Particulars	March 31, 2019	March 31, 2018
Net profit (as reported)	43,227,222	(235,954,988)
Add: Stock based employee compensation expense included in net income	23,332,377	9,568,056
Less: Stock based compensation expense determined under fair value based method (pro-forma)	33,106,262	10,028,346
Net Profit (pro-forma)	33,453,337	(236,415,278)
Basic earnings per share (as reported)	2.40	(13.11)
Basic earnings per share (pro-forma)	1.86	(13.13)
Diluted earnings per share (as reported)	0.66	(13.11)
Diluted earnings per share (pro-forma)	0.51	(13.13)

35 Since the Company has only one reportable business segment i.e. financing, as primary segment which has similar risk and the Company operates in single geographical segment i.e. Domestic, no disclosure is required to be given as per AS-17 on "Segment Reporting" specified u/s 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standards) Amendment Rules, 2016.

36 The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

37 The Company does not have any pending litigations on its financial position as at Balance Sheet date except mentioned in contingent liabilities above.

38 Additional information as per guidelines issued by the Reserve Bank of India in respect of Non Banking Financial (Non-Deposit accepting or holding) Systemically Important (NBFC-ND-SI) is given in Annexure 1.

39 Previous year figures have been reclassified / regrouped to confirm to this year's classification, wherever necessary.

As per our report of even date

For **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration No: **101049W/E300004**

per Sarvesh Warty
Partner
Membership No. **121411**

Mumbai
7th May 2019

For and on behalf of the Board of Directors
NeoGrowth

Dhruv Khaitan
Chairman
(DIN 00002584)

Piyush Khaitan
Managing Director
(DIN 00002579)

B. Ravi Kumar
CFO & CS
(M. No 11172)

Arun Nayyar
CEO

SIGNIFICANT ACCOUNTING POLICIES

1. Corporate Information

Neogrowth Credit Private Limited (the 'Company' or 'NeoGrowth') is a Private Limited Company domiciled in India and incorporated on May 17, 1993 under the provisions of Companies Act, 1956.
The Company has received a Certificate of Registration from the Reserve Bank of India ('RBI') under Section 45 - IA of the Reserve Bank India Act, 1934 on September 13, 2001 to commence / carry on the business of Non-Banking Financial Institution ('NBFC') without accepting public deposits. Presently the Company is engaged in providing business loans to small and medium enterprise.

2. Basis of Preparation

The financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) to comply in all material respects with the notified Accounting Standards ('AS') under section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules 2014 and the Companies (Accounting Standard) Amendment Rules 2016, and the Master Direction-Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Master Directions') issued by RBI. The financial statements have been prepared under the historical cost convention and on an accrual basis, The notified Accounting Standards (AS) are followed by the Company insofar as they are not inconsistent with the NBFC Regulation, The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year except for the change in accounting policy explained below. The Financial statements are presented in Indian rupees, unless stated otherwise.
The notified Accounting Standards (AS) are followed by the Company insofar as they are not inconsistent with the NBFC Master Directions.

2.1 Summary of Significant Accounting Policies

(a) Current/Non-current classification of assets and liabilities

As required by Schedule III, the Company has classified assets and liabilities into current and non-current based on the operating cycle. An operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Since in case of non-banking financial Company normal operating cycle is not readily determinable, the operating cycle has been considered as 12 months.

(b) Use of Estimates

The preparation of financial statements in conformity with Indian Generally Accepted Accounting Principles ("IGAAP") requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future years.

(c) Fixed Assets and depreciation / amortisation
Tangible assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.
Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the year during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Cost includes any directly attributable expenditure on making the asset ready for its intended use. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization year is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS-5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Depreciation on tangible asset / Amortisation of intangible asset

Depreciation on fixed assets is calculated on the Written Down Value (WDV) method and Straight Line Method (SLM) as per the remaining useful life of assets estimated by the management. The Company has used the following rates to provide depreciation on its fixed assets.

Assets	Useful life	Depreciation
Lease Hold Improvements	As per Lease Period	SLM
Office Equipment's	5	WDV
Computers	3	WDV
Server	6	WDV
Software:		
Advance Suite	7	SLM
Paylater Software	5	SLM
Furniture & Fixture	10	WDV

i) Depreciation has been provided as prescribed under Part C of Schedule 11 of the Companies Act 2013.

ii) All capital assets with individual value less than Rs. 5000/- are depreciated fully in the month in which they are purchased.

iii) No salvage value has been estimated in case of license property improvement work and advance suite.

(d) Impairment of tangible and intangible assets
The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors
An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount and is recognized in the statement of profit and loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.
A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

(e) Loans

Loans are stated at the amount advanced, as reduced by the amounts received up to the balance sheet date.

(f) Operating Leases

Where the company is lessee
Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases.

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight line basis over the tenure of the lease.

(g) Investments

Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments arc made, are classified as current investments. All other investments are classified as long-term investments. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

Quoted current investments are carried in the financial statements at lower of cost or fair value determined on an individual investment basis. Unquoted investments in units of mutual funds are stated at lower of net asset value or cost.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

(h) Foreign Currency Transactions

i) Initial Recognition
Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction

ii) Conversion
Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

iii) Exchange Differences
Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

(i) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

a) Interest income
Interest income on loans is accounted based on applying Internal Rate of Return ('IRR'). In case of non-performing assets interest income is recognised on receipts basis as per NBFC prudential norms.
Income from securitized assets is recognized at spread between accrued interest on the securitized assets and interest payable to lender.

b) Fee income / Charges
Processing fees in respect of loans given is recognised on disbursement basis as per the terms of the contract. Fee income including syndication fees and other fees is accounted for on an accrual basis in accordance with the terms and contracts entered into between the Company and the counterparty.
Delayed payment charges, terminal fees and other fee based income are accounted on realisation basis.

c) Dividend income
Dividend income is recognised when the shareholders' right to receive payment is established by the balance sheet date.
Dividend from the units of mutual funds is recognized on receipt basis in accordance with the NBFC Regulation.

d) Commission income
Commission income on insurance polices sold is recognised when the Company under its agency code sells the insurance policies and when the same is accepted by the principal insurance company.

e) Profit/ Loss on sale of investments
Profit/ loss earned on sale of investments is recognised on trade date basis. Profit or loss on sale of investments is determined on the basis of weighted average cost method.

f) Other income
Other Income is mainly accounted on accrual basis.

(j) Share Issue expenses

Security issue expenses related to issuance of equity and debt are debited against securities premium account in accordance with the provisions of Section 52 of the Companies Act, 2013.

(k) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated year mentioned under 'The Payment of Gratuity Act, 1972'. The Company accounts for liability of future gratuity benefits based on an external actuarial valuation on projected unit credit method carried out for assessing liability as at the reporting date. The Company makes annual contribution to the gratuity scheme administered by the Life Insurance Corporation of India ('LIC'). The Company recognises the net obligation of the gratuity plan in the Balance Sheet as an asset or liability, respectively in accordance with AS-15 'Employee Benefits'.

Actuarial gains and losses arising from experience adjustments and change in actuarial assumptions are recognised in the statement of profit and loss in the year in which they arise.

Leave Availment

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

(l) Borrowing Cost

Borrowing costs consists of interest, processing fees and other ancillary costs that an entity incurs in connection with borrowing of funds. Interest cost and other ancillary costs are recognised as expense in the year in which these are incurred. Processing fees incurred in connection with borrowings are amortised over the tenor of borrowings.

(m) Taxation

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

SCHEDULES

Deferred income tax relating to items recognized directly in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences, Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognized deferred tax assets_ It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets and Deferred tax liabilities are offset, if a legally enforceable right exists to set-off deferred tax assets against deferred tax liabilities

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified year, i,e., the year for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified year.

(n) Provisioning / write-off on assets

Provision for non-performing assets is based on the management's assessment of the degree of impairment of the loan asset and the level of provisioning required as per the prudential norms prescribed by RBI. Provisions against standard assets are made on the basis of prudential norms prescribed by RBI.

Provision for standard assets

Provision on standard assets has been made at 0.40% in accordance with the Reserve Bank of India ('RBI') guidelines.

a) The following is the Company's policy for classification of assets and provisioning thereon:

Asset Classification	Days Past Dues (DPD)	Provision %
Sub Standard Asset	Advance past due for more than 90 days but less than 180 days	25%
	Advance past due for more than 180 days but less than 270 days	50%
Doubt full Asset	Advance past due for more than 270 days but less than 300 days	100%
Loss Asset	Advance past due for more than 300 days	100%

b) Based on percentage of expectations (latency criteria)

If the repayment from the merchant, in between the period of 30 days from date of disbursal but upto 90 days, is not upto 30% of the expected payment, then account will be classified as Sub-standard and 10% provision will be provided.

c) Specific Provision - Any account based on portfolio behaviour are recommended for provisioning at 100% of principal outstanding

d) A Non - Performing Account will be regularized and classified as Standard, once the DPD attains less than 90 days DPD in case (a) & less than 30 days DPD in case (b).

e) Any account will trigger for write-off, if any of the condition meets:

i) 90 days from the date when specific provision (business closure, portfolio behaviour signalling a wilful default are few examples for taking specific provision) is made;

ii) Merchant accounts with DPD' greater than 300 days

iii) Fraud

SCHEDULES

Asset Classification Norms and Provisioning Requirements NeoPay Later Product family
Provision on Standard Assets is OA% in accordance with the RBI guidelines.

The following is the Company's policy for classification of assets and provisioning thereon:

1. DPD: Days past due on a given date will be number of days from the due date (1st time defaulted) for an account which has paid less than the minimum amount due as on the due date.

Asset Classification	Days Past Dues (DPD)	Provision %
Sub Standard	Advance past due for more than 90 days but less than 150 days	50%
Doubt full Asset	Advance past due for more than 150 days Any asset which has remained Substandard for a period exceeding 12 months	100%

2. Specific provision: Any account based on behaviour are recommended for provisioning at 100% of principal outstanding

3. Any customer having one or more accounts as non-performing in Company, will result classifying the standard assets (if any) under the same customer Id as substandard and will attract NPA provisioning rerpnrotnent as below-

Assets at customer level	Standard asset will be classified as NPA and will attract the below provision
Standard in PayLater and NPA in NeoCash	50 %
NPA in PayLater and Standard in NeoCash	10 %
Standard in PayLater and NPA in PayLater	50 %

4. Write off : Any account will have to be written off, if any of the following:

i. 30 days from the date when Specific provision (business closure, portfolio behaviour signalling a wilful default are few examples for taking specific provision) is made

ii. Accounts with DPD greater than 150 days

iii. Fraud

(o) Employee Stock Option Scheme ('ESOS')

Employees (including senior executives) of the Company also receives remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

In accordance with the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the Intrinsic value method. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting year has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the statement of profit and loss for a year represents the movement in cumulative expense recognized as at the beginning and end of that year and is recognized in employee benefits expense.

(p) Stock appreciation rights (SARs)

The cost of cash settled transactions (stock appreciation rights) is measured initially using fair value method at the grant date taking into account the terms and conditions upon which instruments are granted. The fair value is amortized on a straight line basis over the vesting period with a recognition of corresponding liability. This liability is remeasured at each balance sheet date up to and including the settlement date with changes in Fair value recognized in statement of profit and loss in employee benefit expenses.

SCHEDULES

(q) Earning per share

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(r) Provisions

A provision is recognised when the Company has a present obligation as a result of past event; it is probable that outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

(s) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements,

(t) Cash and Cash Equivalents

Cash and Cash Equivalents for the purpose of cash flow statement comprise cash in hand, cheques and drafts on hand and fixed deposit with original maturity period of three months and short term highly liquid investments with an original the or less.

SCHEDULES

Annexure 1 to Note No 38 to the financial statement for the year ended March 31, 2019

SAR grants was cancelled by the shareholders at their Extra Ordinary General Meeting held on November 30, 2017 The SAR's already granted to continuing employees as on March 31, 2018 is replaced by the Employee Stock Options under the ESOP 2017 scheme at the Special resolution passed by the members on November 30, 2017 The vesting schedule of each employee under ESOP scheme is aligned to the vesting schedule as per the original SAR scheme except the first vesting shall happen only after completion of 12 months from the date of the grant of option under ESOP scheme 2017.

Particulars	March 31, 2019	March 31, 2018
1) CRAR (%)	35 83%	52 26%
ii) CRAR - Tier I Capital (%)	35.49%	51.88%
iii) CRAR - Tier II Capital (%)	0.33%	0,38%
iv) Amount of subordinated debt raised as Tier-II capital	-	-
v) Amount raised by issue of Perpetual Debt Instruments	-	-

3.2 Investments

Particulars	March 31, 2019	March 31, 2018
(1) Value of Investments		
(i) Gross Value of Investments		
(a) In India		
(b) Outside India	1,543,500,000	2,929,059,389
	-	-
(ii) Provisions for Depreciation		
(a) In India		
(b) Outside India		
	-	
(iii) Net Value of Investments		
(a) In India		
(b) Outside India	1,543,500,000	2,929,059,389
		-
a		
(i) Opening balance	-	-
(ii) Add Provisions made during the year	-	-
(iii) Less : Write-off / write-back of		
excess provisions during the year	-	-
(iv) Closing Balance	**1,543,500,000**	**2,929,059,389**

3.3 Derivatives

The Company has no transactions/exposure in derivative during March 31, 2019 and March 31, 2018,

The Company has no unhedged foreign currency exposure as on March 31, 2019 (March 31, 2018: Nil)

3.4 Disclosures relating to Securitisation

i) The Company has not entered into Securitisation transactions during March 31, 2019 and March 31, 2018.

ii) Details of financial assets sold to Securitisation/Reconstruction Company for Asset Reconstruction:

The Company has not sold any financial assets to Securitisation/Reconstruction Company for Asset Reconstruction in the March 31, 2019 and March 31, 2018.

iii) Details of assignment transactions

The Company has not assigned any financial assets during the year March 31, 2019 and March 31, 2018.

vi) a) Details of non-performing financial assets purchased

Particulars	March 31, 2019
1	
(a) No. of accounts purchased during the year	1
(b) Aggregate outstanding	3,325,283
2	
(a) Of these. number of accounts restructured during the year	Nil
(b) Aggregate outstanding	Nil

b) Details of non-performing financial assets sold

The Company has not sold any non-performing financial asset during the year March 31, 2019 and March 31, 2018.

Annexure 1 to Note No 38 to the financial statement for the year ended March 31, 2019
il% Management Maturity attcrn of certain items of Assets and Liabilities

Particulars	Up to 30/31 days	Over 1 month upto 2 Month	Over 2 months upto 3 months	Over 3 month & up to 6 month	Over 6 Month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances	1,837,817,924	708,134,453	677,540,053	1,739,766,062	2,589,122,439	2,421,010,488	293,518,236	-	10,266,909,655
Investments	1,543,500,000	-	-	-	-	-	-		1,543,500,000
Borrowings	88,238,928	255,335,701	453,346,373	930,074,733	1,245,257,657	3,964,434,019	792,651,000	-	7,729,338,411
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-

SCHEDULES

Annexure 1 to Note No 38 to the financial statement for the year ended March 31, 2019

3.6 Exposures

i) The Company has no exposure to real estate sector during the March 31, 2019 and March 31, 2018,

ii) The Company has no exposure to capital market during the March 31, 2019 and March 31, 2018.

iii) Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC During the year, the Company has not exceeded SGL & GBL limits as prescribed under NBFC Regulation.

iv) Unsecured Advances

During the year, the Company has not given any advance against collateral of rights,licenses, authority, etc,

4 - Miscellaneous

4.1 - Registration obtained from other financial sector regulators

4.3 - Related Party Transaction

Refer note no. 32 for transactions with related party,

4.4 - Ratings IlMa ned by credit ratinh enrie4 and migration of ratings during the year

Instruments	Credit Rating Agency	March 31, 2019	March 31, 2018
Long Term Bank	ICRA	[ICRA] BBB (Stable)	11CRAI BBB (Stable)
Non-Convertible Debenture	[CAA	LICRA] BBB (Stable)	IICRA1 BBB (Stable)
Non-Convertible Debenture	India Ratings & Research	IND BBB (Stable)	IND BBB (Stable)
Non-Convertible Debenture	CARE	CARE BBB+ (Stable)	CARE BBB+ (Stable)
Commercial Paper	[CAA	[ICRA] A2	[ICRA] A2
Cash Credit	ICRA	[ICRA] BBB (Stable)	[ICRA] BBB (Stable)
Working Capital Demand Loan	ICRA	JICRA] BBB (Stable)	[ICRA] BBB (Stable)

4.5 - Remuneration of Directors

No Remuneration or Sitting fees paid or provided to non-executive directors during the year ended March 31, 2019

5.1 - Provisions and contin encics

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	March 31, 2019	March 31, 2018
Provisions for depreciation on Investment	-	-
Provision towards NP	227,8351	89,991,740
Provision made towards Income tax		-
Other Provision and Contingencies (wish details)		-
Provision for Standard Assets	9,230,790	19,062,613

5.2 Draw Down from Reserves

During the year, the Company has not drawn down any amount from Reserves.

5.3 Concentration of Advances, Expenses & NPAs

5.3.2 Concentration of Advances

	(Amount in Rs.)
Total Advances to twenty largest borrowers	**145,096,756**
Percentage of Advances to twenty largest borrowers to Total Advances of the applicable NBFC	1.38%

5.3.3 Concentration of **Exposures**

	(Amount in Rs.)
Total Exposure to twenty largest borrowers /customers	**156,979.344**
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the applicable NBFC on borrowers / customers	1.50%

5.3.4 Concentration of NPAs

	(Amount in Rs.)
Total Exposure to top four NPA accounts	**28,455,850**

Annexure 1 to Note No 38 to the financial statement for the year ended March 31, 2019

5.3.5 Sector-wise NPAs

Sector	Percentage of NPAs to Total Advances in that sector
Agriculture & allied activities	-
All SME	4.95%
Corporate borrowers	-
Services	-
Unsecured personal loans	-
Auto loans	-
Other personal loans	-

SCHEDULES

5.4 Movement of NPAs

Particulars	March 31, 2019	March 31, 2018
Net NPAs to Net Advances (%)	2.86%	3.50%
Movement of NPAs (Gross)		
Opening balance	505,688,358	153,640,819
Additions during the year	768,562,452	504,295,374
Reductions during the year	755,058,376	152,247,835
Closing balance	519,192,434	505,688,358
Movement of Net NPAs		
Opening balance	280,241,995	119,314,107
Additions during the year	491,521,173	279,092,918
Reductions during the year	478,244,932	118,165,030
Closing balance	293,518,236	280,241,995
Movement of provisions for NPAs (excluding provisions on standard assets)		
Opening balance	225,446,363	34,326,712
Provisions made during the year	277,041,279	225,202,456
Write-off / write-back of excessprovisions	276,813,444	34,082,805
Closing balance	**225,674,198**	**225,446,363**

5.5 Overseas Assets (for those with Joint Ventures and Subsidiaries abroad

Name of the Joint Venture/ Subsidiary	Other Partner in the JV	Country	Total Assets
The company does not have any joint venture or subsidiary abroad, hence, not applicable.	NA	NA	NA

5.6 Off-balance Sheet SPVs sponsored

The company does not have any off balance sheet SPV sponsored.

6. Disclosure of Complaints

6.1 Customer Complaints (As certified by management and relied by Auditors)	Numbers
No. of complaints pending at thebeginning of the year	6
No. of complaints received during the year	1,566
No. of complaints redressed duringthe year	1,565
No. of complaints pending at the end of the year	7

SCHEDULES

Schedule to the Balance Sheet of a of a non-deposit taking Non-Banking Financial Company (as required in terms of paragraph 18 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

LIABILITIES SIDE:		
1. Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:	**Amount Outstanding**	**Amount Overdue**
a. Debentures (other than falling within the meaning of public deposits*)		
- Secured	6,796,467,000	
- Unsecured	-	
b. Deferred Credits	-	
c. Term Loans	732,871,412	
d. Inter-corporate loans and borrowings	-	-
e. Commercial Paper	-	-
f. Other Loans - Demand loans	199,999,999	-
* Please see Note 1 below		-

ASSET SIDE:	Amount Outstanding
2. Break-up of Loans and Advances including bills receivables 'other than those included in(4) below]: **a. Secured** **b. Unsecured**	10,492,583,853

3. Break up of Leased Assets and stocks on hire and other assets counting towards AFC activities	Amount Outstanding
i. Lease Assets including lease rentals under sundry-debtors:	
a. Finance Lease	
b. Operating Lease	
ii. Stocks on hire including hire charges under sundry debtors:	
a. Assets on hire	
b. Repossessed Assets	-
iii. Other Loans counting towards AFC activities:	-
a. Loans where assets have been repossessed	-
b. Loans other than (a) above	

SCHEDULES

4. Break up of Investments:

Current Investments	
I. Quoted	-
i, Shares: a_ Equity	-
b. Preference	-
ii. Debentures and Bonds	-
iii. Units of mutual funds	1,543,500,000
iv. Government Securities	-
v. Others	-
2. Unquoted	-
i' Shares: a_ Equity	-
b. Preference	-
ii, Debentures and Bonds iii. Units of mutual funds iv,	-
Government Securities v. Others	-
Long Term Investments	-
1. Quoted	-
Shares - Equity	-
- Preference	-
ii. Debentures and Bonds	-
iii. Units of mutual funds	-
iv. Government Securities	-
v. Others	-
2. Unquoted	-
i, Shares - Equity	-
- Preference	-
ii. Debentures and Bonds	-
iii. Units of mutual	-

SCHEDULES

5. Borrower group-wise classification of assets financed as in (2) and (3) above :
Please see Note 2 below

Category	Amount net of provision		
	Secured	Unsecured	Total
I Related Parties**			
a. Subsidiaries	-	-	-
b. Companies in the same group	-	-	-
c. Other related parties	-		-
2 Other than related parties	10,266,909,655	-	-
Total	**10,266,909,655**	**-**	**-**

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

Category	Market Value/ Break up of fair value or NAV	Book Value (Net of Provisions)
I Related Parties**		
a. Subsidiaries		
b. Companies in the same group		
c. Other related parties		
2 Other than related parties		
Total		

Please see note 3 below
** As per Accounting Standard of ICAI (Please see Note 3)

7. Other information

Particulars	
i, Gross Non-Performing Assets	
a. Related Parties	
b. Other than related parties	-
ii. Net Non-Performing Assets	519,192,434
a. Related Parties	-
b. Other than related parties	293,518,236
iii. Assets acquired in satisfaction of debt	-

SCHEDULES

Notes:

1 'As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.

2 Provisioning norms shall be applicable as prescribed in the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016,

3 All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debts. However, market value in respect of quoted investments and break up/ fair value/ NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in category (4) above.