
NOTICE

NOTICE is hereby given that the 25th Annual General Meeting of **NeoGrowth Credit Private Limited** will be held on Thursday 26th July 2018, at 04:00 p.m. at Peninsula Business Park, 802, Tower A, 08th Floor, Ganpatrao Kadam Marg, Lower Parel (West), Mumbai- 400013, Maharashtra, to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet of the Company as at March 31, 2018 and the Profit & Loss Account for the financial year ended on 31st March 2018 together with Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Dhruv Kumar Khaitan who retires by rotation and being eligible offers himself for re-appointment.
3. To ratify the appointment M/s S.R. Batliboi & Associates LLP Chartered Accountants, (ICAI Firm Registration No.101049W/E300004) as the Statutory Auditor of the Company for the FY 2018-19 and to authorize the Board of Directors or Audit Committee to fix the remuneration. The Companies Amendment Act, 2017 has removed this requirement of annual ratification once the auditors have been appointed for five years w.e.f. 7th May 2018. The provisions with respect to annual ratification has been removed from Companies (Audit and Auditors) Rules as well.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as a *Special Resolution*:

"**RESOLVED THAT** pursuant to the provisions of Section 42 and other applicable provisions, if any, of the Companies Act, 2013 (the "**Act**") read together with the Companies (Prospectus and Allotment of Securities) Rules, 2014, including any modification, amendment, substitution or re-enactment thereof, for the time being in force and the provisions of the memorandum of association and the articles of association of the Company, the approval and consent of the members of the Company, be and is hereby accorded to the Board of Directors of the Company (the "**Board**") to issue, and to make offer(s) and/or invitation(s) to eligible persons to subscribe to, non-convertible debentures ("**NCDs**")/bonds and other instruments, on private placement basis, in one or more tranches, for a period of one year from the date of passing of this resolution, provided that the outstanding amount at any time during the period shall not exceed INR 750 crores within the overall borrowing powers of Rs. 1,500 Crores of the Company."

"RESOLVED FURTHER THAT the Board and the Company Secretary (including any committee thereof) be and is hereby authorized and empowered to arrange, settle and determine the terms and conditions (including without limitation, interest, repayment, security or otherwise) as it may think fit of such NCDs/bonds/other instruments, and to do all such acts, deeds, and things, and to execute all such documents, instruments and writings as may be required to give effect to these resolutions."

By Order of the Board of Directors
For NeoGrowth Credit Private Limited

Sd/-

Place : Mumbai
Date : 15.06.2018

B. Ravikumar
Company Secretary

- NOTES : 1) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
- 2) THE INSTRUMENT APPOINTING A PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

EXPLANATORY STATEMENT

Item No.4

Private Placement of Debentures:

In terms of provisions of Section 42 of the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014 the Company offering or making an invitation to subscribe to non-convertible debentures (NCDs) / Bonds / other instruments on private placement basis, is required to obtain prior approval of Members of the Company by a Special Resolution, once in a year for all the offers or invitation during the year.

The Company intends to satisfy its financial resource requirements for business, by issue of debentures in one or more tranches. The basis or justification for the price shall be determined by the Board for each issue separately.

The Board recommends the proposed Resolution for approval of the Shareholders.

None of the Directors is in any way interested in this resolution.

PROXY FORM

I/We, _____ of _____ being a Member/Members of NeoGrowth Credit Private Limited, hereby appoint _____ of _____ or failing him _____ of _____ as my/our Proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on _____, the _____ and at any adjournment thereof.

(affix 1 rupee
Revenue stamp)

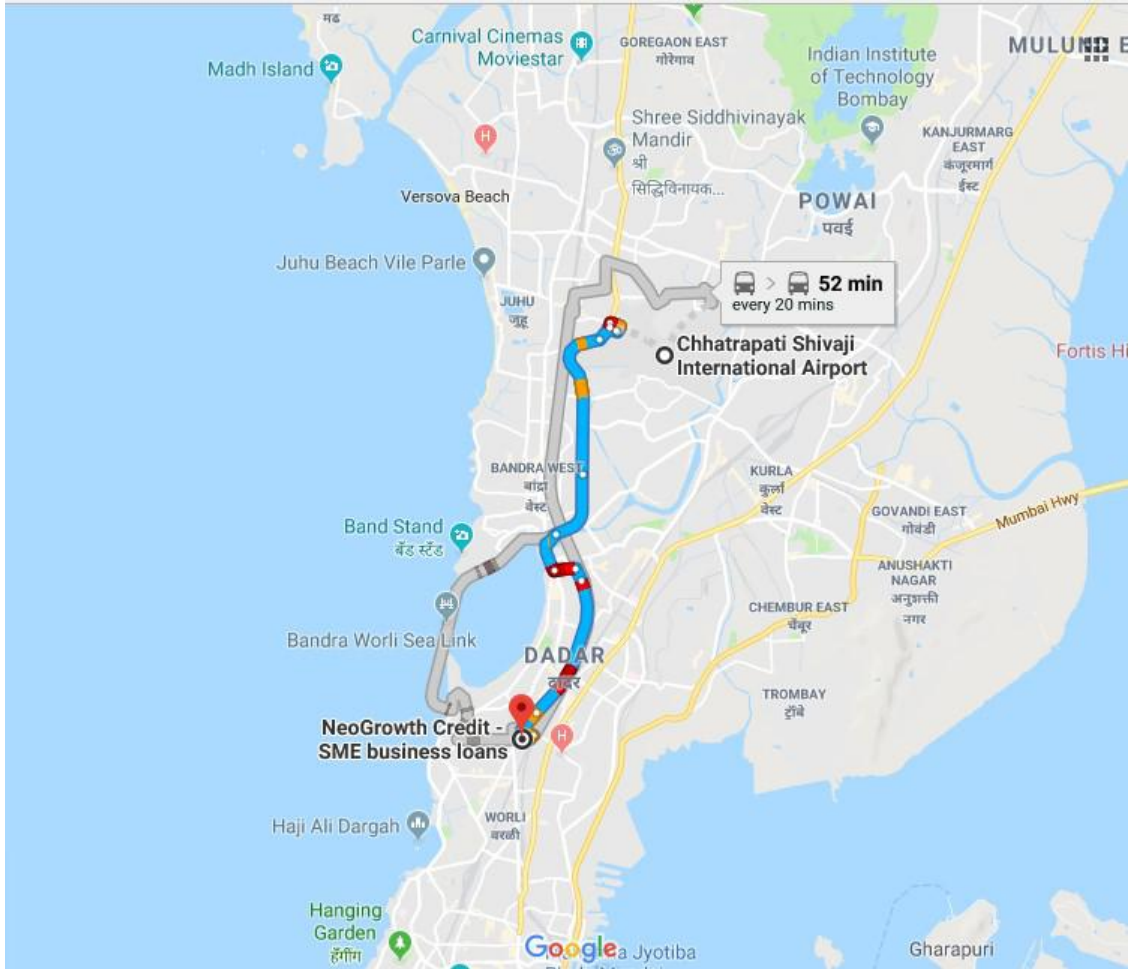
Signature

Folio No. _____

No. of shares _____

Note: This form of proxy in order to be effective should be completed and deposited at the Registered office of the Company not less than 48 hours before the commencement of the Meeting.

MAP



Corporate Information

Board of Director(s)

Mr. Dhruv Kumar Khaitan	Chairman
Mr. Piyush Kumar Khaitan	Managing Director
Ms. Smita Aggarwal	Non-Executive Director
Mr. Ganesh Rengaswamy	Non-Executive Director
Mr. Prashasta Seth	Non-Executive Director
Mr. Michael Fernandes	Non-Executive Director
Mr. Pranav Kumar	Non-Executive Director
Mr. B.S. Nagesh	Non-Executive Director

Committees of the Board

Audit Committee		Nomination and remuneration Committee	
Mr. Ganesh Rengaswamy	Chairman	Mr. Michael Fernandes	Chairman
Ms. Smita Aggarwal	Member	Ms. Smita Aggarwal	Member
Mr. Michael Fernandes	Member	Mr. Ganesh Rengaswamy	Member
Mr. B.S. Nagesh	Member	Mr. B.S. Nagesh	Member
Mr. Piyush Kumar Khaitan	Member	Mr. Piyush Kumar Khaitan	Member
Credit and risk management Committee		Borrowing and resources Committee	
Ms. Smita Aggarwal	Chairman	Mr. Dhruv Khaitan	Chairman
Mr. Prashasta Seth	Member	Mr. Piyush Kumar Khaitan	Member
Mr. Piyush Kumar Khaitan	Member	Ms. Smita Aggarwal	Member
Mr. Pranav Kumar	Member	Mr. Prashasta Seth	Member

Statutory Auditors

S R Batliboi & Co. LLP,
14th Floor, The Ruby, 29, Senapati Bapat Marg, Dadar (West), Mumbai - 400 028

Secretarial Auditors

Sachin Dedhia & Associates,
104, Sushila Apt, Devidas Lane, Borivali (W), Mumbai – 400103

Registrar and Share Transfer Agent

Karvy Computershare Pvt. Ltd.

Karvy Selenium Tower B, Plot 31 and 32, Gachibowli, Financial District, Hyderabad - 500 008

Debenture Trustee

Catalyst Trusteeship Ltd. (Formerly GDA Trusteeship Ltd.)

GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune – 411 038

Bankers

HDFC Bank Ltd

Yes Bank Ltd

RBL Bank Ltd

IDBI Bank Ltd

IndusInd Bank Ltd

Federal Bank Ltd

Registered Office

503, Tower 2B, One IndiaBulls Centre, 841 S. B. Marg,
Mumbai – 400013, Maharashtra

CIN: U51504MH1993PTC251544

Directors' Report

To

All Members,

Your Directors have pleasure in presenting the Sixth Annual Report of your Company with the Audited Financial Statements for the financial year ended March 31, 2018.

It gives me great pleasure to share with you the Company's progress thus far and the thoughts for the future.

1. Operational Highlights

Your Company added 11 branches during the fiscal year 2017-18, to take advantage of the increasing digitalization opportunities that came up in the aftermath of demonetization, taking the total to 26 branches as on March 31, 2018. These branches are spread across key Metropolitan Centers and Tier II towns.

During the year 2017-18 your Company achieved disbursements of Rs. 1,360 crore, across more than 7,500 loan accounts, representing a year on year growth of over 50%. This growth is lower than the previous year, considering a cautious approach adopted by the Company as the market faced headwinds from GST implementation. Assets under management (AUM) also grew by 50% year on year, in line with disbursement growth, given the shorter average tenor of the Company's loan product.

In line with geographic expansion, as well as strengthening of core teams, the headcount grew from 274 employees at the end of March 2017 to 377 employees at the end of March 2018. Further, the company piloted few new products, and during the course of FY 2018-19 will engage in Pan India launch and scale up of the same.

Particulars	For year ended March 31, 2018	For year ended March 31, 2017
No. of Active Customers	7802	4578
No. of Branches	26	12
Asset Under Management (AUM) (Rs. crores)	909.1	607.5
Total Disbursements (Rs. crores)	1358.8	895.6
No. of employees	377	274

2. Financial Highlights

The summarized financial results of the Company for the year ended March 31, 2018 compared with the previous financial year are as below:

Particulars	2017-18 (Rs. In lakhs)	2016-17 (Rs. In lakhs)
Revenue from Operations	24,286	13,742
Other Income	19	59
Total Income	24,305	13,801
(Less) Finance costs	8,649	4,399
(Less) Operational Costs	12,313	7,564
(Less) Loan losses and provisions	5,454	921
(Less) Depreciation and amortization	248	154
Profit / (Loss) Before Tax	(2,360)	639
(Less) Provision for Tax	-	66
Net Profit / (Loss)	(2,360)	573

Particulars	As on March 31, 2018	As on March 31, 2017
Networth (Rs. Crore)	426.16	156.27
Debt / Equity Ratio (%)	1.64	2.73
Capital Adequacy Ratio (%)	52.25	30.49

FY 2017-18 was marked by several external events impacting the business performance of the Company. These include roll-out of GST, lag effect of demonetisation. Total revenue grew 76 % year-on-year, and was helped by increased fee and investment income. However, the Company reported net loss of Rs. 23.6 crore for FY 2017-18 (profit of Rs. 5.7 crore for FY 2016-17), largely impacted by increase on loan losses and provisions in the aftermath of GST implementation, increased provisioning coverage, and increase in operating expense on account of investments in geographical expansion of branches and human capital.

The company transitioned to 90 days past due (dpd) basis recognition for NPA classification for year ended March 31, 2018 (120 dpd basis for year ended March 31, 2017). Further provisioning coverage ratio was augmented to 44% as on March 31, 2018 (22.3% as on March 31, 2017). A comprehensive customer service and collections strategy was put in place during later part of the year to combat the rising delinquencies, and early signs of the improvement in portfolio quality are visible. The company also engages in proactive risk management practices and is in the process of enhancing its risk scorecards and models for better credit decisioning and early warning signals.

3. Statutory Reserves

There was no transfer required to be made to the Statutory reserves as required under Section 45-IC of the RBI Act, 1934, as the Company did not make any profit.

4. Dividend

As the Company has not made any profit, no dividend can be declared.

5. Business from Insurance as Corporate Agent

Your Company has 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.

6. Change in Charter documents

In order to facilitate growth of assets and investments into human capital to augment skillsets and expand Company's area of business activities by more infusion of capital, the Authorized Share Capital of the Company was increased from Rs. 47 Crores to Rs. 67 Crores - divided into 2,10,00,000 Equity Shares of Rs.10/- each and 4,60,00,000 Preference Shares of Rs. 10/- each in November, 2017. The Authorized share capital clause of the MOA was amended on November 30, 2017.

The MOA of the Company was further amended to bring it in line with the provisions of the Companies Act, 2013 on December 29, 2017.

The AOA of the Company was amended on January 23, 2018 to accommodate the provisions of the Investment Agreement with shareholders.

7. Fresh Allotment of Shares

In the fourth quarter of FY 2017-18, the Company raised a fresh capital of Rs. 300 crore from Leapfrog Investments, Aspada and Quona capital. The capital was infused in two tranches of Rs. 170 crore and Rs. 130 crore respectively, post receiving requisite regulatory approvals.

On January 23, 2018, 100 equity shares and 1,06,60,312 preference shares were allotted on private placement basis.

Further on March 21, 2018, 81,52,005 preference shares were allotted on rights basis.

As a result of the above, present paid up share capital of the Company stands enhanced at Rs. 63.64 crore and the Share Premium Account at Rs.425.18 Cr as on March 31, 2018. The Net worth of your Company stands at Rs.426.16 crores as at the end of the reporting year.

8. Details of Subsidiaries/Joint ventures/ Associate Companies

During the financial year under review, your Company has not incorporated any subsidiary or joint venture or associate Company.

9. Capital Adequacy

The Company has maintained a healthy capital adequacy ratio, at well above the levels directed by the RBI. As of March 31, 2018, the overall capital adequacy ratio of the Company was 52.25% (30.49 % as on March 31, 2017). The Company aims to maintain adequate capital buffers over and above the regulatory requirements on an ongoing basis.

10. Asset - Liability Management and Financial Leverage

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 follows a conservative and prudent cash flow management policy. The Company borrows money for a longer tenor than the maturity of its assets matched by a conservative leverage ratio. The Company raised fresh borrowings of Rs. 405.73 crore during FY 2017-18 with an average maturity of 35 months, while the average maturity of fresh disbursements was at 14 months.

As the positive skewness in the ALM is currently too wide, your Company is planning to use varied financial instruments of short term tenure to both reduce the cost of borrowings as well as reduce the excess positive skewness in ALM. The average tenor for liabilities is targeted to be brought down to around 20 months whereas the asset side tenor is likely to hover around 14-16 months.

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 current round of capital raising, the gearing levels were significantly lower at 1.6 times as on March 31, 2018 (2.7 times as on March 31, 2017).

11. Debt Sourcing and Credit Rating

During the year, your Company raised fresh external debt of Rs.406 Crore from various Banks and financial institutions. Out of this, Rs.292 Crore was through issuances of Non-Convertible Debentures (NCDs) to various domestic and overseas lenders; Rs. 78 Crore through term loans from NBFCs & Banks and Rs. 36 Crore by way of short term commercial paper. The Company has a Cash credit facility of Rs. 10 Crore which was unutilized as on March 31, 2018. Repayments of loans of Rs. 127 Crore, were made during the year. The outstanding debt portfolio was at Rs.697 Crore as on March 31, 2018.

Your Company was able to make significant breakthroughs in sourcing funds from domestic banks, and continued issuance of commercial papers, thereby materially helping to lower the cost of borrowing.

You will be happy to note that, during the year, ICRA (a Moody's associate Company) upgraded the credit rating on the NeoGrowth's long-term borrowings from "[ICRA] BBB-/Stable" to "[ICRA] BBB/Stable", as also did CARE Ratings from "CARE BBB/Stable" to "CARE

BBB+/Stable”.

12. Classification as a Systematically Important NBFC

Under the RBI norms, the Company is now classified as a Systematically Important Non-deposit taking NBFC (NBFC-ND-SI), with its asset size growing over Rs. 500 crore during FY 2017-18. This subjects your Company to enhanced regulatory oversight and reporting requirements, thereby creating a stronger culture of good governance within the Company.

13. 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 Non-Banking Finance Companies RBI Directions, 1998, 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.

Your Company has adopted the policy of recognizing assets as Non-Performing-Asset (NPA) on installment falling overdue for more than 90 days. The classification and provisioning based on Management’s estimates is more prudent than the classification and provision norms pursuant to Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, RBI/DNBR/2016-17/45, Master Direction DNBR. PD. 008/03.10.119/2016-17, dated September 01, 2016, (Updated as on February 23, 2018) issued by the RBI.

14. 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 etc. The said policy is available on the website of the Company at the URL: <https://www.neogrowth.in/fair-practice-code>.

15. Company Policies

a. Anti-bribery and Anti-Corruption Policy

Your Company is committed to the prevention, deterrence and detection of fraud, bribery and all other corrupt business practices. It is the Company’s policy to conduct all of its business activities with honesty, integrity and the highest possible ethical standards and vigorously enforce its business practice, wherever it operates, of not engaging in bribery or corruption. The Company will uphold all laws relevant to countering bribery and corruption in all the jurisdictions in which it operates.

This Anti-bribery and Anti-Corruption Policy is applicable to all individuals working at all levels and grades, including directors, senior executives, officers, employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, seconded staff, casual workers, volunteers, interns, agents, or any other person associated with the Company.

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

b. Know Your Customer (KYC) Guidelines & Anti-Money Laundering (AML) Policy

The Company in the ordinary course of its business grants loans to various borrowers which comes under the ambit of RBI. The Company is required to abide by the extant regulatory and statutory norms relating to Know Your Customer and Anti Money Laundering. KYC procedures enable the Company to know/understand the customers and their financial dealings better and manage the risks prudently.

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

c. Whistleblower Policy

Your Company has also implemented a Whistleblower Policy to have a vigil mechanism so that any unethical or improper activity at any level can be brought to the notice of the Audit Committee and the Board.

d. Sexual Harassment of Women at workplace (Prevention, Prohibition & redressal) Policy

The Sexual Harassment of Women at workplace (Prevention, Prohibition & redressal) policy was amended due to change in Committee Member, inclusion of a member from NGO and addition of office wise representatives.

The amended policy is effective from 1st April 2018.

Pursuant to the requirements of Section 22 of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013 read with Rules thereunder, the Company has not received any complaint of sexual harassment from its employees during the year under review.

16. 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 274 at the end of March 2017 to 377 at the end of March 2018. 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 FY17-18, 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.

To further strengthen its training infrastructure, your Company launched online training platform during the year. Equipping the employees with changing regulatory guidelines is one of the top most priorities that your Company takes into consideration and thus follows a robust and mandatory Compliance training rigor.

Your Company formed Gratuity Trust to promote a cause of social security and as a gratitude towards the long serving employees. In addition to Life, and Accident cover to employee and health cover to immediate family, we have extended Parents Mediclaim to employees with benefits of a Corporate plan at minimal rates.

Your Company has taken initiatives to promote gender diversity. It has initiated policies like Pink day to provide flexible work from home facility to female employees. Tie-up has been made to provide crèche facility for employees. The maternity benefit has been extended by 3 months additional work from home beyond the legislated norm of 6 months maternity leave. This is in line with your Organization's philosophy of Diversity Inclusion.

To celebrate birthday of employee, we undertake tree plantation with support of organization active in that space.

17. Corporate Social Responsibility

Your Company is committed to do the business with the purpose of creating a social impact amongst the targeted merchant community in the MSME segment. NeoGrowth evaluates the Social Impact caused by its lending activity by conducting customer surveys and interviews (conducted by an independent third party).

The latest (2017) survey report revealed a strong trend of improvement in CIBIL scores of participants, especially for those merchants who were exposed to repeat lending, thereby enhancing their creditworthiness and enabling them to access mainstream finance. Further, NeoGrowth's lending activity has enabled an increase in the capacity of businesses thereby promoting economic strength and stability. NeoGrowth continued to show that it believes in the power of women to change their lives, through entrepreneurship, exhibiting and increasing number of women entrepreneurs in its loan portfolio versus prior years.

18. Customer Service/Retention Measures

A rejuvenated approach to customer service was the new mantra. We focused on resolving issues through relationships building, supported by customer experience tools that are being continuously enhanced to seamlessly manage as a continuous process. The process aimed at rendering a long-term solution, encompassing process, people & technology as the key contributors to the next level of success.

We have launched the Net Promoter Score (NPS) – an overall company feedback tool, to gauge the pulse of the customer on instant basis and take measures to enhance the customer experience. Currently we are trending towards a positive score and are tracking various aspects of customer touchpoints – viz onboarding, customer complaint and portfolio management.

We have also piloted a Service bucket model for the portfolio management wherein the customer in the early phase of the loan life cycle are treated with utmost care and empathy and thereby ensuring that they get retained in the 0 and 1 to 10 DPD buckets for a major part of the loan cycle. This pool is being targeted to contribute to 80 % of the AUM with an overall resolution / retention ratio of 95 %.

19. 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.

20. 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.

21. Details of Loans, Guarantees or Investments

Details of Loans, Guarantees and Investments are given in the notes to the Financial Statements.

22. 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.

23. A) Directors

On January 23, 2018 Mr. Michael Fernandes, Partner, Leapfrog Investments was appointed as a Director of the Company.

Further on March 21, 2018 Mr. Pranav Kumar, Associate Director, Leapfrog Investments was appointed as a Director of the Company.

Mr. Thomas Hyland and Mr. Mark Straub resigned from the Board in November, 2017 and December, 2017 respectively. The Board appreciates their excellent support and contribution to the growth of the Company.

Mr. Piyush Kumar Khaitan was reappointed as Managing Director of the Company for a period of 5 years.

Mr. Dhruv Kumar Khaitan is liable to retire by rotation at the ensuing Annual General Meeting and has offered himself for re-appointment. The Board recommends his re-appointment.

The remuneration of Executive Director is 9.81 times to the median employees' remuneration.

B) Meeting of the Board

During the financial year 2017-18, the Board duly met 18 times on:

11/04/2017,	11/05/2017,	25/05/2017,	12/06/2017,	30/06/2017,	20/07/2017,
17/08/2017,	13/09/2017,	20/09/2017,	26/09/2017,	09/10/2017,	10/11/2017,
29/12/2017,	18/01/2018,	23/01/2018,	22/02/2018,	21/03/2018,	22/03/2018

C) Sub - Committees of the Board

Pursuant to RBI Master Directions dated 1st September, 2016 and further updated as of 6th July 2017, the roles of the following committees of the Company were enhanced and renamed:

Credit Committee - Credit and risk management committee

Compensation Committee - Nomination and remuneration Committee

D) Reconstitution of Audit Committee, Credit and Risk Management Committee & Nomination and Remuneration Committee

Your Company reconstituted its Audit Committee, Credit and risk management committee & Nomination and remuneration Committee in February 2018 to further strengthen and build a robust governance structure.

E) Constitution of IT Committees

Your Company is into lending business and thus for the enhancement, security and safety in the lending processes of the Company, following committees were constituted in September 2017 pursuant to RBI Master Direction - Information Technology Framework for the NBFC Sector ("Directions") vide its notification number Master Direction DNBS.PPD.No.04/66.15.001/ 2016-17 dated 8 June 2017:

- i) IT Strategy Committee
- ii) IT Steering Committee
- iii) IS Audit Committee

24. Directors' Responsibility Statement

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

- a) in the preparation of the annual accounts the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

- b) 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 ;
- c) 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 and detecting fraud and other irregularities ;
- d) the Directors have prepared the annual accounts on a going concern basis;
- e) 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
- f) 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.

25. 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.

26. 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 Nil.

27. 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 available with the Company and has been made available to the shareholders.

Post Equity infusion there was a need to change the terms of the liquidity event in the ESOP plan and thus ESOP, 2017 had to be short-closed with the consent of the members on March 21, 2018. Following which a new ESOP Scheme designated as ESOP 2018 was formulated and approved by the members on 21st March, 2018 for granting options to any eligible employees as determined by the Nomination and remuneration committee.

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.

28. Statutory Auditors

M/s. S.R.Batliloi & 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.

The notes to the accounts referred to in Auditors Report are self-explanatory and do not call for any further comments. The Statutory Auditors Report on the financial statements for the financial year 2017-18 does not contain any qualification, reservation or adverse remark.

29. Extract of the annual return

The extract of Annual return in Form No. MGT – 9 is annexed herewith as **Annexure-2** and forms part of this Report.

30. Secretarial Audit Report

The Secretarial Audit Report as required u/s 204 of the Companies Act, 2013 is attached as **Annexure-3** and forms part of this Report.

31. Appreciation

We are grateful to the Government of India, the State Government, the Reserve Bank of India, the Securities and Exchange Board of India, the Insurance Regulatory Development Authority of India and other Regulatory authorities for their valuable guidance and support and wish to express our sincere appreciation for their continued cooperation and assistance.

We wish to thank our Bankers, Investors, Lenders, customers, business associates for their continued support and trust reposed on us.

Your directors acknowledge with gratitude the encouragement and support extended by our valued shareholders and by the employees at all levels.

For and On Behalf of the Board of Directors

Sd/-

Place: Mumbai
Date: April 26, 2018

Dhruv Kumar Khaitan
Chairman

DIN: 00002584

Address: 503, Tower 2B, One Indiabulls Centre, 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	Rs. 13,41,648 Shared services recovered from Dilta.
Date(s) of approval by the Board, if any	19 th October 2015
Amount paid as advances, if any	-

ANNEXURE - 2

Form No. MGT – 9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March 2018

[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	17 th 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	100%

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)	-	-	-	-	-

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	99.9972	1,80,00,000	-	1,80,00,000	99.9967	0.0005
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	99.9972	1,80,00,000	-	1,80,00,000	99.9967	0.0005
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	99.9972	1,80,00,000	-	1,80,00,000	99.9967	0.0005
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) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(1)	-	-	-	-	-	-	-	-	-

2. Non Institutions									
a) Bodies Corp.									
i) Indian	100	-	100	0.0006	100	-	100	0.0005	0.0001
ii) Overseas	100	300	400	0.0022	100	400	500	0.0028	0.0006
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)	200	300	500	0.0028	200	400	600	0.0033	0.0007
Total Public Shareholding (B)=(B)(1)+(B)(2)	200	300	500	0.0028	200	400	600	0.0033	0.0007

C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	1,80,00,200	300	1,80,00,500	100	1,80,00,200	400	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			% change in share Holding during 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	
1.	Mr. Dhruv Kumar Khaitan	90,00,000	49.998	-	90,00,000	49.9983	-	0.0003
2.	Mr. Piyush Kumar Khaitan	90,00,000	49.9986	-	90,00,000	49.9983	-	0.0003
	Total	1,80,00,000	99.9972	-	1,80,00,00	99.9966	-	0.0006

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	99.9972	1,80,00,000	99.9972

	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):	Allotment of 100 Equity Shares to Trinity Inclusion Ltd on 23 rd January, 2018			
	At the End of the year	1,80,00,000	99.9966	1,80,00,000	99.9966

(iv) 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	
		No. of shares	% of total shares of the	No. of shares	% of total shares of the company
	For Each of the Top 10 Shareholders				
1	Name of the Shareholder – ON Mauritius				
	At the beginning of the year	68	0.0004	68	0.0004
	Date-wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease(e.g. allotment/ transfer/	Allotment of 100 Equity Shares to Trinity Inclusion Ltd on 23 rd January, 2018			
	At the End of the year (or on the date of separation, if separated during	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 Shareholding during the year specifying the reasons for increase/ decrease(e.g. allotment/ transfer/ bonus/sweat equity)	Allotment of 100 Equity Shares to Trinity Inclusion Ltd on 23 rd January, 2018			
	At the End of the year(or on the date of separation, if separated during the year)	100	0.0005	100	0.0005
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 Shareholding during the year specifying the reasons for increase/ decrease(e.g. allotment/ transfer/ bonus/sweat equity)	Allotment of 100 Equity Shares to Trinity Inclusion Ltd on 23 rd January, 2018			

	At the End of the year (or on the date of separation, if separated during the year)	100	0.0005	100	0.0005
	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 Shareholding during the year specifying the reasons for increase/ decrease(e.g. allotment/ transfer/ bonus/sweat equity)	Allotment of 100 Equity Shares to Trinity Inclusion Ltd on 23 rd January, 2018			
	At the End of the year (or on the date of separation, if separated during the year)	100	0.0005	100	0.0005

	Name of the Shareholder – IIFL Seed Ventures Fund I				
5	At the beginning of the year	100	0.0006	100	0.0006

	Date-wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease(e.g. allotment/ transfer/ bonus/sweat equity)	Allotment of 100 Equity Shares to Trinity Inclusion Ltd on 23 rd January, 2018			
	At the End of the year (or on the date of separation, if separated during the year)	100	0.0005	100	0.0005

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 Shareholding during the year specifying the reasons for increase/ decrease(e.g. allotment/ transfer/ bonus/sweat equity)	Allotment of 100 Equity Shares to Trinity Inclusion Ltd on 23 rd January, 2018			

	At the End of the year (or on the date of separation, if separated during the year)	32	0.0001	32	0.0001
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	Name of the Shareholder – Trinity Inclusion Limited				
7	At the beginning of the year	-	-	-	-
	Date-wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat)	Allotment of 100 Equity Shares to Trinity Inclusion Ltd on 23 rd January, 2018			
	At the End of the year (or on the date of separation, if separated during the year)	100	0.0006	100	0.0006

(v) Shareholding of Directors and Key Managerial Personnel: -

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company

1.	Name of the Director: Mr. Dhruv Kumar Khaitan				
	At the beginning of the year	90,00,000	49.9986	90,00,000	49.9986
	Date-wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/	Allotment of 100 Equity Shares to Trinity Inclusion Ltd on 23 rd January, 2018			
	At the End of the year	90,00,000	49.9983	90,00,000	49.9983
2.	Name of the Director: Mr. Piyush Kumar Khaitan				
	At the beginning of the year	90,00,000	49.9986	90,00,000	49.9986
	Date-wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/ sweat Equity etc):	Allotment of 100 Equity Shares to Trinity Inclusion Ltd on 23 rd January, 2018			
	At the End of the year	90,00,000	49.9983	90,00,000	49.9983

V. INDEBTEDNESS AS ON MARCH 31, 2018:

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	4,17,86,08,489	9,02,93,400	-	4,26,89,01,889
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	5,92,16,001	24,99,782	-	6,17,15,783
Total (I + ii +iii)	4,23,78,24,490	9,27,93,182	-	4,33,06,17,672
Change in indebtedness during the financial year				
- Addition	3,696,000,000	362,412,400	-	4058412400
- Reduction	1,265,936,590	90293400	-	1,356,229,990
Net Changes	2,430,063,410	272,119,000	-	2,702,182,410
Indebtedness at the end of the financial year				
i) Principal Amount	6,608,671,899	362,412,400	-	6,971,084,299
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)	6,728,082,574	382,342,090	-	7,110,424,664

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	42,18,000
	(b) Value of perquisite u/s 17(2) of the Income Tax Act, 1961	2,68,155

	(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)	44,86,155
	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	Total
1	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	94,73,108	94,73,108

	(b) Value of perquisite u/s 17(2) of the Income Tax Act, 1961	13,00,670	13,00,670
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	0	0
2	Stock Option	2,00,000	2,00,000
3	Sweat Equity	0	0
4	Commission		
	- As % of profit	0	0
	- Others, specify	0	0
5	Others, please specify	0	0
	Total (in Rs.)	1,07,73,778	1,07,73,778

VII. PENALTIES / PUNISHMENT/COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended 31st March, 2018.

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 2017-18

[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 2017-18 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 2018 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 2018 according to the applicable provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder 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;
 - (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. IRDA (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 decision is carried through while the dissenting members' views 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 18th May 2017 for change of Main object clause by addition of Insurance related business activities;
- 2) Allotment 2,500 secured, rated, listed, redeemable, non-convertible debentures of Rs. 1,00,000/- each on Private Placement basis on 29th May 2017 to A. K. Capital Services Ltd.;
- 3) Allotment 860 secured, rated, unlisted, taxable, senior, redeemable, transferable, non-convertible debentures of Rs. 10,00,000/- each on Private Placement basis on 11th July 2017 to AAV Sarl;
- 4) Allotment 506 secured, rated, listed, redeemable, non-convertible debentures of Rs. 1,00,000/- each on Private Placement basis on 7th August 2017 to BlueOrchard Microfinance Fund;
- 5) Allotment 650 secured, rated, listed, redeemable, non-convertible debentures of Rs. 10,00,000/- each on Private Placement basis on 28th August 2017 to UTI International Wealth Creator 4;
- 6) Allotment 650 secured, rated, unlisted, taxable, senior, redeemable, transferable, non-convertible debentures of Rs. 10,00,000/- each on Private Placement basis on 26th October 2017 to Nederlandse Financierings- Maatschappij Voor Ontwikkelingslanden N.V;
- 7) Allotment of 100 equity shares of Rs. 10/- each and 1,06,60,312 preference shares of Rs. 10/- each both at a premium of Rs. 149.47/- per share on Private Placement basis on 23rd January 2018;
- 8) Allotment of 81,52,005 preference shares of Rs. 10/- each both at a premium of Rs. 149.47/- per share on 21st March 2018;
- 9) Special Resolution dtd 30th November 2017 and 23rd January 2018 for Alteration of Articles of Association of the Company.

Date: April 26, 2018

Mumbai

For, Sachin Dedhia & Associates
Company Secretaries

Sd/-

Sachin Dedhia
Proprietor
Mem No: A-20401, COP No - 9427

ANNEXURE-A TO THE 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.

Date: April 26, 2018

Mumbai

For, Sachin Dedhia & Associates
Company Secretaries

Sd/-

Sachin Dedhia
Proprietor
Mem No: A-20401, COP No - 9427

INDEPENDENT AUDITOR'S REPORT

To the Members of NeoGrowth Credit Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of NeoGrowth Credit Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("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 accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016 ("the Rules"). 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 control 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by 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, 2018, its loss, and its cash flows for the year ended on that date.

Other Matter

The financial statements of the Company for the year ended March 31, 2017, included in these financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion with Emphasis of Matter on those financial statements on May 11, 2017.

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 purpose 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, Statement of Profit and Loss, and 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 and the Companies (Accounting Standards) Amendment Rules 2016 ;
- (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) 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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 38 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

Sd/-

per Sarvesh Warty

Partner

Membership No:121411

Place: Mumbai

Date: April 26,2018

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.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified 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, service tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight 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, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.
- (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 assets 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 by the management, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of the private placement of shares and fully convertible debentures during the year. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised. As explained, the Company has not made any preferential allotment of shares
- (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 as required, under Section 45-IA of the Reserve Bank of India Act, 1934.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

Sd/-

per Sarvesh Warty

Partner

Membership No:121411

Place: Mumbai

Date: April 26,2018

ANNEXURE 2 to the 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, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 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 was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

Sd/-

per Sarvesh Warty

Partner

Membership No:121411

Place: Mumbai

Date: April 26,2018

NeoGrowth Credit Private Limited

Balance Sheet as at March 31, 2018

(Amount in Rs)

PARTICULARS	Note No.	March 31, 2018	March 31, 2017
<u>EQUITY AND LIABILITIES</u>			
Shareholders' funds			
a). Share capital	3	63,64,46,090	44,83,21,920
b). Reserves and surplus	4	3,62,51,66,677	1,11,43,43,202
		4,26,16,12,767	1,56,26,65,122
Non-current liabilities			
a). Long-term borrowings	5	5,59,93,38,409	3,21,05,88,658
b). Other Long term liabilities	6	-	11,38,236
c). Long-term provisions	7	2,44,88,769	5,95,43,407
		5,62,38,27,178	3,27,12,70,301
Current liabilities			
a). Short-term borrowings	8	43,74,12,400	22,57,94,995
b). Trade payables	9	2,29,40,785	2,56,89,822
c). Other current liabilities	10	1,15,06,27,712	1,00,35,19,094
d). Short-term provisions	11	15,75,85,652	10,37,56,929
		1,76,85,66,549	1,35,87,60,840
TOTAL		11,65,40,06,494	6,19,26,96,263
<u>ASSETS</u>			
Non-current assets			
a). Fixed assets			
i). Tangible assets	12	2,58,21,249	1,95,07,240
ii). Intangible assets	12	70,74,398	98,25,565
iii). Capital work-in-progress		-	16,08,039
b). Long-term loans and advances	13	44,97,53,173	20,82,73,131
c). Other non-current assets	14	1,78,08,814	1,82,94,873
		50,04,57,634	25,75,08,848
Current assets			
a). Current investment	15	2,92,90,59,389	-
b). Trade receivables	16	59,27,666	89,98,586
c). Cash and cash equivalents	17	54,44,74,776	1,17,84,84,143
d). Short-term loans and advances	18	7,62,97,20,653	4,71,42,91,067
e). Other current assets	19	4,43,66,376	3,34,13,619
		11,15,35,48,860	5,93,51,87,415
TOTAL		11,65,40,06,494	6,19,26,96,263

Summary of significant accounting policies 2.1

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration No: 101049W/E300004

Sd/-

per Sarvesh Warty
Partner

Membership No. 121411

Place: Mumbai

Date: April 26, 2018

For and on behalf of the Board of Directors

Sd/-

Dhruv Khaitan
Chairman

(DIN 00002584)

Sd/-

Piyush Khaitan
CEO & Managing
Director

(DIN 00002579)

Sd/-

B. Ravi Kumar
CFO & CS

(M.No 11172)

NeoGrowth Credit Private Limited

Statement of Profit and Loss for the year ended March 31, 2018

(Amount in Rs)

Particulars	Note No.	March 31, 2018	March 31, 2017
INCOME			
Revenue from operations (net)	20	2,42,85,87,609	1,37,41,97,476
Other income	21	18,84,772	58,98,559
Total		2,43,04,72,381	1,38,00,96,035
EXPENSES			
Employee benefits expense	22	47,87,35,568	36,12,32,402
Finance costs	23	86,49,00,741	43,98,52,420
Depreciation and amortization expense	24	2,47,86,365	1,53,88,746
Other expenses	25	75,26,49,348	39,50,94,170
Provision and write offs	26	54,53,55,347	9,21,26,032
Total		2,66,64,27,369	1,30,36,93,770
Profit/(Loss) before tax & exceptional items		(23,59,54,988)	7,64,02,265
Exceptional items	27	-	1,25,00,000
Profit/(Loss) before tax		(23,59,54,988)	6,39,02,265
Tax expenses			
Current tax		-	65,98,462
Deferred tax		-	-
Profit/(Loss) for the year (after tax)		(23,59,54,988)	5,73,03,803
Earnings per equity share (face value of Rs.10 each)	28		
Basic earning per share (Rs.)		(13.11)	3.18
Diluted earning per share (Rs.)		(13.11)	1.71

Summary of significant accounting policies 2.1
The accompanying notes are an integral part of the Financial Statements

As per our report of even date

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

Sd/-

per Sarvesh Warty
Partner

Membership No. 121411
Place: Mumbai
Date: April 26, 2018

For and on behalf of the Board of Directors

Sd/-

Dhruv Khaitan
Chairman
(DIN 00002584)

Sd/-

Piyush Khaitan
CEO & Managing
Director
(DIN 00002579)

Sd/-

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

NeoGrowth Credit Private Limited

Cash Flow Statement for the year ended March 31, 2018

NeoGrowth Credit Private Limited

(Amount in Rs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extraordinary items	(23,59,54,988)	6,39,02,265
Adjustment for:		
Depreciation and amortization expense	2,47,86,365	1,53,88,746
Provision for employee benefits	82,88,631	25,04,933
Contingency fund utilization	-	(22,50,026)
Profit on sale of investments	(9,84,38,592)	(3,66,16,792)
Provision for standard assets	1,90,62,613	57,56,375
Provision for doubtful loans and advances	18,99,91,740	8,53,01,537
Advances written off	33,63,00,994	9,57,09,766
Sundry balances written off	-	13,53,527
Liability no longer required	-	(41,31,006)
Employee compensation expenses account	(2,82,67,827)	3,22,14,136
Operating profit before working capital changes	21,57,68,936	25,91,33,461
Movement in working capital :		
(Increase) in loans and advances	(3,64,00,91,588)	(2,63,50,89,673)
(Increase) / Decrease in other current assets	(1,45,328)	3,49,02,632
Decrease / (Increase) in trade receivables	30,70,920	(86,81,110)
(Decrease) / Increase in trade payables	(27,49,037)	1,64,50,289
Increase in other current liabilities & provisions	7,33,84,661	13,46,94,836
Cash used in operations	(3,35,07,61,436)	(2,19,85,89,565)
Direct taxes paid (net of refund)	(4,31,10,775)	(1,24,75,286)
Net cash used in operating activities (A)	(3,39,38,72,211)	(2,21,10,64,851)
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of fixed assets	(2,67,41,167)	(1,34,27,930)
Purchase of investments	(38,89,79,78,259)	(12,36,66,00,000)
Proceeds from sale of investments	36,06,73,57,462	12,40,32,16,792
Net cash (used in) / from investing activities (B)	(2,85,73,61,964)	2,31,88,862
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	18,81,24,170	9,48,83,720
Proceeds from security premium on issue of share capital	2,81,18,91,969	97,89,15,339
Payment of security issue expenses	(7,46,52,351)	(70,86,188)
Proceeds from borrowings	19,30,05,16,459	3,44,07,60,400
Repayment of borrowings	(16,59,83,34,071)	(1,27,53,70,097)
Net cash from financing activities (C)	5,62,75,46,176	3,23,21,03,174
Net (Decrease) / Increase in cash and cash equivalents (A + B + C)	(62,36,87,999)	1,04,42,27,185
Cash and cash equivalents at the beginning of the year	1,13,01,97,297	8,59,70,112
Cash and cash equivalents at the end of the year	50,65,09,298	1,13,01,97,297

Notes:

1 The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS) - 3 on "Cash Flow Statement" notified 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.

2 Cash and cash equivalents in the balance sheet comprises of Cash in hand & Cash at bank.

As per our report of even date

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

For and on behalf of the Board of Directors

Sd/-
per Sarvesh Warty
Partner

Dhruv Khaitan
Chairman

Piyush Khaitan
CEO & Managing
Director

B.Ravi Kumar
CFO & CS

Membership No. 121411
Place: Mumbai
Date: April 26, 2018

(DIN 00002584)

(DIN 00002579)

(M.No 11172)

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, the guidelines issued by the Reserve Bank of India ('RBI') as applicable to a Non-Banking Finance Company ('NBFC'). The financial statements have been prepared under the historical cost convention 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 Regulation.

2.1 Summary of Significant Accounting Policies

(a) Change in Accounting Policy

Classification of Non - Performing Assets (NPA)

During the year, pursuant to Reserve Bank India ('RBI') master directions DNBR. PD. 008/03.10.119/2016-17, the Company has revised its recognition norms of Non-Performing Assets ('NPA') from 120 days to 90 days. This has resulted in increase in gross non-performing assets by Rs. 75,306,660 and increase in provision and write off by Rs.7,530,666 for year ended March 31, 2018.

(b) 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.

(c) 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.

(d) Change in estimates

i)Provisioning for Merchant Loans

During the year, the Company has changed its estimates related to provisioning for merchant loans , consequent to the change in such estimates, provision and write off for the year ended 31 March, 2018 is higher by Rs 82,168,124.

ii)Provisioning on standard assets

During the year, the Company has become Systemically Important Non-Deposit taking Company as per the Reserve Bank of India ('RBI') master directions DNBR. PD. 008/03.10.119/2016-17, pursuant to which the Company has made an incremental standard asset provision of Rs. 11,519,583 being 0.15% (Current year 2017-18; 0.40%, Previous year 2016-17: 0.25%) of Standard Assets as of March 31, 2018.

(e) 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 method
Lease Hold Improvements	As per Lease Period	SLM
Office Equipment's	2	WDV
Computers	3	WDV
Server	6	WDV
Software:		
Advance Suite	7	SLM
Furniture & Fixture	10	WDV

- i) Depreciation has been provided as prescribed under Part C of Schedule II 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.

(f) 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.

(g) Loans

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

(h) 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.

(i) Investments

Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are 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 fair value determined on an individual investment basis. Unquoted investments in units of mutual funds are stated at net asset value.

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.

(j) 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.

ii) 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.

(k) 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.

Interest income in case of lending business is recognised on accrual basis except in case of non-performing assets, wherein it is accounted on realisation as per RBI guidelines. Income from

b) Fee income

Fee income including syndication fees, processing 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 policies 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.

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.

f) Other income

Other Income is mainly accounted on accrual basis, except in case of significant uncertainties.

(l) 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.

(m) 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.

(n) 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.

(o) 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. 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.

(p) 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

Asset Classification Norms and Provisioning Requirements :- NeoPay Later Product family

Provision on Standard Assets is 0.4% 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%
Doubtful, Loss Assets	Advance past due for more than 150 days	100%
	Any asset which has remained Substandard for a period exceeding 12 months	

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 NeoGrowth, will result classifying the standard assets (if any) under the same customer Id as substandard and will attract NPA provisioning requirement 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

(q) 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.

(r) 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.

(s) 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.

(t) 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.

(u) 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.

(v) Cash and Cash Equivalents

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

3 Share capital:

NeoGrowth Credit Private Limited

Authorized Share Capital

2,10,00,000 (Previous year 1,90,00,000) Equity Shares of Rs. 10/- each
4,60,00,000 (Previous year 2,80,00,000) Preference Shares of Rs. 10/- each

Issued, Subscribed and Fully paid-up Share Capital

1,80,00,600 (Previous year 1,80,00,500) Equity Shares of Rs. 10/- each fully paid up
4,56,44,009 (Previous year 2,68,31,692) 0.01% Compulsory Cumulative Convertible Preference Shares (CCCPS) of Rs. 10/- each fully paid up

Total

As at		
	March 31, 2018	March 31, 2017
	21,00,00,000	19,00,00,000
	46,00,00,000	28,00,00,000
	67,00,00,000	47,00,00,000
	18,00,06,000	18,00,05,000
	45,64,40,090	26,83,16,920
	63,64,46,090	44,83,21,920

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

Outstanding at the beginning of the year
Shares allotted during the year
Outstanding at the end of the year

March 31, 2018		March 31, 2017	
(Nos.)	Amount (Rs.)	(Nos.)	Amount (Rs.)
1,80,00,500	18,00,05,000	1,80,00,400	18,00,04,000
100	1,000	100	1,000
1,80,00,600	18,00,06,000	1,80,00,500	18,00,05,000

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

Outstanding at the beginning of the year
Shares allotted during the year
Outstanding at the end of the year

March 31, 2018		March 31, 2017	
(Nos.)	Amount (Rs.)	(Nos.)	Amount (Rs.)
2,68,31,692	26,83,16,920	1,73,43,420	17,34,34,200
1,88,12,317	18,81,23,170	94,88,272	9,48,82,720
4,56,44,009	45,64,40,090	2,68,31,692	26,83,16,920

b. Rights, preferences and restrictions attached to Equity Shares:

During the year, the Company issued and allotted 100 equity shares of Rs. 10/- each at premium of Rs. 149.47/- per share through private placement. Consequently the paid-up equity share capital has increased by Rs. 1,000/- and Securities Premium by Rs. 14,947/-, vide resolution dated January 23, 2018.

The Company has a single class of equity shares having a par value of Rs.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, 2018, the amount of per share dividend recognized as distributions to equity shareholders was Nil (March 31, 2017: 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):

During the year, the Company issued and allotted 18,812,317 preference shares of 10/- each at a premium of 149.47 per share, through private placement and through right issue paid up preference shares capital has increased by Rs. 188,123,170 & Securities Premium by Rs. 2,811,877,022/-, vide resolution dated January 23, 2018 & March 21, 2018 respectively. The Company has a single class of preference shares, Compulsory Cumulative Convertible Preference Shares (CCCPS), having a par value of Rs. 10/- per share. During the year ended March 31, 2018, the Company issued 18,812,317 CCCPS of Rs.10/- each fully paid-up at a premium of Rs. 149.47 per share. CCCPS carry cumulative dividend @ 0.01% p.a. 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. 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, e.g. 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.

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

	March 31, 2018			March 31, 2017		
	(Nos.)	(% holding in the class)	% holding in all classes	(Nos.)	(% holding in the class)	% holding in all classes
i. Dhruv Kumar Khaitan	90,00,000	49.998%	14.14%	90,00,000	49.999%	20.07%
ii. Piyush Kumar Khaitan	90,00,000	49.998%	14.14%	90,00,000	49.999%	20.07%

Details of shareholders holding more than 5% Preference Shares in the Company as on reporting date:

	March 31, 2018			March 31, 2017		
	(Nos.)	(% holding in the class)	% holding in all classes	(Nos.)	(% holding in the class)	% holding in all classes
i. Aspada Investment Company	53,80,758	11.79%	8.45%	41,89,311	15.61%	9.34%
ii. ON Mauritius	69,65,181	15.26%	10.94%	78,61,825	29.30%	17.54%
iii. Khosla Impact I Mauritius	32,51,470	7.12%	5.11%	32,51,470	12.12%	7.25%
iv. Accion Frontier Inclusion Mauritius	62,80,638	13.76%	9.87%	48,75,985	18.17%	10.88%
v. IIFL Seed Ventures Fund I	48,59,845	10.65%	7.64%	48,59,845	18.11%	10.84%
vi. West Bridge Crossover Fund LLC	26,89,900	5.89%	4.23%	17,93,256	6.68%	4.00%
vii. Trinity Inclusion Ltd	1,62,16,217	35.53%	25.48%	-	0.00%	0.00%

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

As at		
	March 31, 2018	March 31, 2017
	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 Rs. 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 QIPO.

1,697,479 shares - 0.01% fully Compulsory convertible cumulative preference shares of Rs. 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 Rs. 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 shares - 0.01% fully Compulsory convertible cumulative preference shares of Rs. 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 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 Rs. 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 (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 Rs. 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 (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 Rs. 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 draft red herring prospectus by the company in pursuance of QIPO.

10,660,312 shares - 0.01% fully Compulsory convertible cumulative preference shares of Rs. 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 (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 Rs. 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 share to existing shareholders.

f. Shares reserved for issue under options

Shares reserved for issue under Employee Stock Option Scheme (Refer note : 36)

As at	
March 31, 2018	March 31, 2017
4,21,000	-
4,21,000	-

4 Reserves and surplus:

Statutory Reserve

(As required u/s 45 IC of Reserve Bank of India Act, 1934)

Balance as at the beginning of the year
Add: Transferred from profit during the year
Balance as at the end of the year

As at	
March 31, 2018	March 31, 2017
1,15,99,532	1,38,771
-	1,14,60,761
1,15,99,532	1,15,99,532

Securities Premium Account

Balance as at the beginning of the year
Add: Premium on issue of Equity Shares
Add: Premium on issue of Preference Shares
Less: Share Issue Expense
Balance as at the end of the year

1,51,45,84,765	54,27,55,614
14,947	10,317
2,81,18,77,022	97,89,05,022
(7,46,52,351)	(70,86,188)
4,25,18,24,383	1,51,45,84,765

Deficit in the Statement of Profit & Loss

Balance as at the beginning of the year
Add: Profit/(Loss) for the year
Less: Transferred to Statutory Reserve u/s 45 IC of Reserve Bank of India Act, 1934
Less: Dividend on CCCPS - (a)
Balance as at the end of the year

(41,18,41,095)	(45,76,59,437)
(23,59,54,988)	5,73,03,803
-	(1,14,60,761)
(29,211)	(24,700)
(64,78,25,294)	(41,18,41,095)

Employee deferred expenses charge

Balance as at the beginning of the year
Add: Charge for the year
Balance as at the end of the year

-	-
95,68,056	-
95,68,056	-

Total

3,62,51,66,677	1,11,43,43,202
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(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 prorata basis.

5 Long-term borrowings:

	Non - Current Portion		Current Maturities *	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Secured:				
Redeemable Non Convertible- Debentures	4,49,64,67,000	2,86,38,00,333	51,66,66,666	16,66,66,667
Term Loan				
- from Banks	32,10,85,000	-	-	-
- from Others	13,17,86,409	34,67,88,325	41,76,66,824	66,58,51,568
Unsecured				
Redeemable Non Convertible- Debentures	65,00,00,000	-	-	-
Total	5,59,93,38,409	3,21,05,88,658	93,43,33,490	83,25,18,235

*Current maturities of Long-term borrowings are disclosed under the head "Other Current Liabilities" Note 10.

a. Particulars of Redeemable Non Convertible Debentures:

Secured:	Date of Allotment	Redemption Date	Units	Face Value	March 31, 2018	March 31, 2017
					Amount	Amount
13.45% Redeemable Non - Convertible Debentures	22-Jan-16	22-Jan-19	300	10,00,000	30,00,00,000	30,00,00,000
13.25% Redeemable Non - Convertible Debentures	26-May-16	28-May-19	202,467	1,000	20,24,67,000	20,24,67,000
13.43% Redeemable Non - Convertible Debentures*	29-Sep-16	29-Sep-19	400	10,00,000	40,00,00,000	40,00,00,000
13.34% Redeemable Non - Convertible Debentures*	22-Nov-16	22-Nov-19	400	10,00,000	40,00,00,000	40,00,00,000
14.30% Redeemable Non - Convertible Debentures	16-Aug-16	17-Aug-19	403	10,00,000	40,30,00,000	40,30,00,000
13.43% Redeemable Non - Convertible Debentures	27-Jun-16	27-Jun-19	400	10,00,000	40,00,00,000	40,00,00,000
14.20% Redeemable Non - Convertible Debentures*	07-Feb-17	07-Feb-20	350	10,00,000	35,00,00,000	35,00,00,000
13.55% Redeemable Non - Convertible Debentures	16-Mar-17	16-Mar-20	325	10,00,000	32,50,00,000	32,50,00,000
13.35% Redeemable Non - Convertible Debentures#	29-Mar-17	29-Sep-18	2,500	33,333	8,33,33,333	25,00,00,000
12.70% Redeemable Non - Convertible Debentures#	29-May-17	29-Nov-18	2,500	53,333	13,33,33,333	-
11.92% Redeemable Non - Convertible Debentures*	07-Aug-17	07-Aug-20	506	10,00,000	50,60,00,000	-
12.33% Redeemable Non - Convertible Debentures	26-Oct-17	26-Oct-21	650	10,00,000	65,00,00,000	-
12.60% Redeemable Non - Convertible Debentures	11-Jul-17	17-Jul-20	860	10,00,000	86,00,00,000	-
Total					5,01,31,33,666	3,03,04,67,000

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

The secured non-convertible debentures issued by the Company are fully secured by first pari passu charge over the current assets, book debts, receivables and such other assets of the Company. The total asset cover has been maintained as per the terms and condition stated in the respective debenture trust deeds.

These NCDs are subject to periodic principal repayments and other NCDs are subject to bullet repayments at the maturity.

Unsecured:	Date of Allotment	Redemption Date	Units	Face Value	March 31, 2018	March 31, 2017
					Amount	Amount
13.15% Redeemable Non - Convertible Debentures#*	28-Aug-17	28-Aug-20	650	10,00,000	65,00,00,000	-
Total					65,00,00,000	-

Interest to be reset to 12.80% at the end of first year of issue date.

Details of Call and Put Options for the NCDs

*A Call option gives the investor the right to call the NCD at the end of option period, while a Put Option gives the Issuer the right to repay the NCD at the end of the option period. The mentioned NCDs as per the enclosed file have both Put/Call options at the end of 3 years from the date of issuance. The details of which are as follows:

Particulars	Type	Issue Dt	Put/Call Option	Option Maturity	Original Maturity	Amount
13.43% Redeemable Non - Convertible Debentures	NCD	29-Sep-16	Put & Call	29-Sep-19	29-Sep-21	40,00,00,000
13.34% Redeemable Non - Convertible Debentures	NCD	22-Nov-16	Put & Call	22-Nov-19	22-Nov-21	40,00,00,000
14.20% Redeemable Non - Convertible Debentures	NCD	07-Feb-17	Put & Call	07-Feb-20	07-Feb-23	35,00,00,000
11.92% Redeemable Non - Convertible Debentures	NCD	07-Aug-17	Put & Call	07-Aug-20	07-Aug-22	50,60,00,000
13.15% Redeemable Non - Convertible Debentures	NCD	28-Aug-17	Put & Call	28-Aug-20	28-Aug-23	65,00,00,000

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

Particulars	As at March 31, 2018			
	Repayment Details	Interest Rate Range	Current Portion	Non-Current Portion
48 months \$	Three instalments of Bullet Repayment	10.00%	-	32,10,85,000
36 months - upto 48 months	-	-	-	-
24 months - upto 36 months	Monthly & quarterly	13.75%-13.80%	8,54,04,564	6,83,44,348
12 months - upto 24 months	Monthly & quarterly	11.0%-13.0%	13,92,07,502	6,34,42,061
Upto 12 months	Monthly & quarterly	13.0%-15.0%	19,30,54,758	-
Total			41,76,66,824	45,28,71,409

Particulars	As at March 31, 2017			
	Repayment Details	Interest Rate Range	Current Portion	Non-Current Portion
48 months	-	-	-	-
36 months - upto 48 months	Monthly & quarterly	13.0%- 14.0%	-	-
24 months - upto 36 months	Monthly & quarterly	13.75%-13.80%	8,30,25,791	15,37,33,567
12 months - upto 24 months	Monthly & quarterly	13.0%-15.5%	32,51,26,074	19,30,54,758
Upto 12 months	Monthly & quarterly	13.0%-16.0%	25,76,99,703	-
Total			66,58,51,568	34,67,88,325

e. Security details for Term loan from Banks & Others

The repayment of the secured obligations is inter alia secured by way of first and exclusive charge ranking pari passu with the security created thereunder by way of hypothecation on all the book debts/ receivables of the Company.

\$ The loan is backed by Third Party Guarantee till maturity of the loan.

		As at	
		March 31, 2018	March 31, 2017
6	Other Long term liabilities:		
	Liability for capital expenditure	-	11,38,236
		-	11,38,236
7	Long-term provisions:		
	Provision for Employee Benefits (Refer note 31)	32,02,824	52,12,710
	Provision for leave availment	36,45,671	-
	Provision of SARs A/c (net off) (Refer note 30)	1,60,19,937	5,38,55,820
	Provision against Standard Assets (Refer note 2.1.d. ii)	16,20,337	4,74,877
		2,44,88,769	5,95,43,407
8	Short-term borrowings:		
	Secured:		
	Loan from Bank (a)	7,50,00,000	5,00,00,000
	Cash Credit Facility (d)	-	8,55,01,595
	Commercial Papers (b & c)	36,24,12,400	9,02,93,400
		43,74,12,400	22,57,94,995

	Particulars	Rate of Interest	Repayment Details	Date of loan taken	Date of settlement	Outstanding Amount	
						March 31, 2018	March 31, 2017
a)	Loan from Bank	Fixed	Monthly Repayment	29-Sep-17	29-Sep-18	7,50,00,000	5,00,00,000
b)	Commercial Paper	Fixed	Bullet Repayment	28-Dec-16	27-Dec-17	-	9,02,93,400
c)	Commercial Paper	Fixed	Bullet Repayment	19-Sep-17	18-Sep-18	36,24,12,400	-
	Total					43,74,12,400	14,02,93,400

d) Represented by Cash credit facility amounting to Rs. Nil (March 31, 2017: Rs.100,000,000) Secured by way of charge over receivables from merchant loans and fixed deposit.

		As at	
		March 31, 2018	March 31, 2017
9	Trade payables:		
	Micro, Small and Medium Enterprises *	-	-
	Others	2,29,40,785	2,56,89,822
		2,29,40,785	2,56,89,822

*** 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, 2018. 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.

		As at	
		March 31, 2018	March 31, 2017
10	Other current liabilities:		
	Current Maturities of Long-Term Debts (Refer note 5)	93,43,33,490	83,25,18,235
	Interest accrued but not due on borrowings		
	Loan from Financial Institution	20,80,631	38,18,601
	Commercial Papers (Amortized Discount)	1,99,29,690	24,99,782
	Redeemable Non Convertible- Debentures	11,73,30,044	5,53,97,400
	Statutory dues payable		
	TDS Payable	1,90,53,998	1,33,93,474
	Employee Related	13,95,437	8,84,851
	GST Payable	43,40,792	2,54,534
	Payable towards Securitization Transaction	-	7,76,03,896
	Merchants Balances	4,46,98,056	1,43,77,958
	Other payables		
	Employee	49,29,205	27,70,363
	Others	25,36,369	-
		1,15,06,27,712	1,00,35,19,094
11	Short-term provisions:		
	Provision for Employees Benefits		
	Gratuity (Refer note 31)	9,23,090	4,59,857
	Leave availment	8,29,737	-
	Others	2,45,06,382	1,91,46,506
	Provision against Standard Assets (Refer note 2.1.d. ii)	2,92,05,441	1,12,88,288
	Provision for Current Tax (Net of advance taxes)	-	65,98,462
	Other Provisions	10,21,21,002	6,62,63,816
		15,75,85,652	10,37,56,929

		As at	
		March 31, 2018	March 31, 2017
13	Long-term loans and advances:		
	Loan to Merchants		
	Secured Considered Good	40,50,84,273	18,22,93,747
	Secured, Considered Doubtful (Refer note 2.1.a)	49,84,716	76,57,034
	Less : Provision For substandard asset (Refer note 2.1.d. i)	(17,25,683)	(14,75,100)
	Less : Provision For doubtful asset (Refer note 2.1.d. i)	(5,36,622)	(1,000)
	(Unsecured, Considered Good unless otherwise stated)		
	Security Deposits	4,19,46,489	1,97,98,450
		44,97,53,173	20,82,73,131

		As at	
		March 31, 2018	March 31, 2017
14	Other non-current asset:		
	Deposit with Banks*	51,00,000	1,37,00,008
	Unamortized Finance Cost	1,25,81,254	43,09,732
	Prepaid Expenses	1,27,560	2,85,133
		1,78,08,814	1,82,94,873

*Above fixed deposit includes Rs. Nil (March 31, 2017: Rs.6,000,000) kept as cash collateral against term loan and cash credit facility.

		As at		As at	
		March 31, 2018	March 31, 2018	March 31, 2017	March 31, 2017
15	Current investments:				
	(at Cost or Fair Value, whichever is lower)				
	Investment in Mutual Fund Units				
	Axis Liquid Fund Direct Growth	1,03,937.6950	20,00,00,000	-	-
	Aditya Birla Sun life Floating Rate Fund Short Term Plan - Growth - Direct	6,47,886.8740	15,00,00,000	-	-
	BNP Paribas Overnight Fund - Growth - Direct	18,758.9650	5,00,00,000	-	-
	DSP Black Rock Liquidity Fund Direct Plan Growth	40,300.7600	10,00,00,000	-	-
	Franklin India TMA - Growth - Direct	14,989.4340	3,89,00,000	-	-
	HSBC Cash Fund -Direct Growth Plan	17,355.8730	3,00,00,000	-	-
	ICICI Prudential Money Market Fund Direct Growth	5,41,506.2450	13,00,00,000	-	-
	IDFC Cash Fund Direct Plan Growth	23,738.2640	5,00,10,229	-	-
	Invesco India Liquid Fund -Direct Plan -Growth (LF-D1)	1,25,608.1410	30,00,32,064	-	-
	JM High Liquidity Fund -Direct Plan -Growth	4,21,065.9280	2,00,00,000	-	-
	Kotak Liquid Fund Direct Plan Growth	14,226.7942	5,00,19,513	-	-
	L&T Liquid Fund - Direct Plan -Growth	1,47,109.3820	35,00,40,258	-	-
	Mahindra Liquid Fund -Direct- Growth	89,001.6080	10,00,00,000	-	-
	Mirae Asset Cash Management Fund - Direct Plan -Growth	32,770.9100	6,00,00,000	-	-
	Essel Liquid Fund Direct Plan Growth	78,454.6570	15,00,00,000	-	-
	Principal Cash Management Fund - Direct Plan -Growth	59,151.3220	10,00,12,499	-	-
	Reliance Liquid Fund Cash Plan Direct Growth	71,362.8060	20,00,00,000	-	-
	Reliance Liquid Fund Treasury Plan - Direct - Growth	38,267.8410	10,00,00,000	-	-
	SBI Magnum Insta Cash Fund - Direct - Growth	26,069.6280	10,00,00,000	-	-
	Sundaram Money Fund -Direct Plan -Growth	68,35,785.3360	25,00,44,826	-	-
	Tata Money Market Fund Direct Plan -Growth	36,576.6334	10,00,00,000	-	-
	UTI Money Market Fund Direct Plan -Growth	1,54,100.5620	30,00,00,000	-	-
		2,92,90,59,389			
	Additional information:				
	Aggregate value of quoted investments		2,92,90,59,389		-
	Aggregate value of unquoted investments		-		-
	Market value of quoted investments		2,93,34,95,189		-

		As at	
		March 31, 2018	March 31, 2017
16	Trade receivables:		
	Outstanding For a period less than six months from the date they are due for payment		
	Unsecured, Considered Good	59,27,666	89,98,586
		59,27,666	89,98,586

		As at	
		March 31, 2018	March 31, 2017
17	Cash & cash equivalent:		
	Cash & cash equivalent constitutes of		
	Cash on hand	29,75,800	5,26,724
	Balances with banks:		
	Current Accounts	50,35,33,498	1,12,96,70,573
	Other Balances		
	Fixed Deposits (Maturity between 3-12 months)*	3,79,65,478	4,82,86,846
		54,44,74,776	1,17,84,84,143

* From above fixed deposit Rs. Nil (March 31, 2017: Rs.35,365,478) has been kept as cash collateral against Securitization and balance Rs. 35,677,978 (March 31, 2017: Rs. 35,313,316) kept as cash collateral towards borrowings.

		As at	
		March 31, 2018	March 31, 2017
18	Short-term loans and advances:		
	Loan to Merchants		
	Secured, Considered Good	7,26,07,56,373	4,52,19,27,441
	Secured, Considered Doubtful (Refer note 2.1.a)	50,07,03,642	14,59,83,785
	Less : Provision For substandard asset (Refer note 2.1.d. i)	(17,47,68,535)	(2,00,52,460)
	Less : Provision For doubtful asset (Refer note 2.1.d. i)	(4,84,15,523)	(1,27,98,152)
	Secured, Considered Bad	41,56,97,891	9,57,09,766
	Less : Advances written off	(41,56,97,891)	(9,57,09,766)
		7,53,82,75,957	4,63,50,60,614
	Advances recoverable in cash or in kind		
	Unsecured, Considered Good		
	From Employee	25,443	10,49,208
	Others	40,28,646	1,16,21,554
	Other Advances & Balances (Unsecured, Considered Good, unless otherwise stated)		
	Balance with Government Authorities (Tax Deducted at Source) (Net of provision for taxes)	5,87,75,202	1,56,64,427
	Over-Collaterised Securitised Assets	-	3,79,64,276
	Excess Interest spread Receivables	-	97,07,872
	GST Receivable	2,14,86,416	24,18,049
	Recoverable from Syndicate Asset	-	10,68,120
	Less: Provision for Syndicate Asset	-	(10,68,120)
	Security Deposits	45,58,325	-
	Others advances	25,70,664	8,05,067
	Doubtful advances	9,96,156	-
	Less: Provision for doubtful advances	(9,96,156)	-
		7,62,97,20,653	4,71,42,91,067

		As at	
		March 31, 2018	March 31, 2017
19	Other current assets:		
	Deposits with Financial Institution*	3,12,500	80,55,556
	Interest Accrued & Receivable		
	Loan receivables	2,01,50,905	65,61,770
	Fixed Deposit	33,73,951	34,35,474
	Prepaid Expenses	60,20,394	37,96,806
	Unamortized Finance Cost	1,39,15,216	1,01,81,069
	Other Receivables	5,93,410	13,82,944
		4,43,66,376	3,34,13,619

*Above deposit includes Rs. 312,500 (March 31, 2017: Rs. 8,055,556) kept as cash collateral against term loan and cash credit facility.

	Year ended	
	March 31, 2018	March 31, 2017
20 Revenue from operations:		
Interest income		
On Loan from Merchant (a)	1,91,67,61,472	1,09,67,86,466
Excess Interest Spread on Securitization	3,15,14,039	1,14,70,595
On fixed deposit	58,56,264	76,06,752
Other financial Services		
Processing Fees	23,36,24,314	14,79,70,516
Insurance commission	32,33,236	-
Merchant Service Fees	5,96,18,347	3,60,63,337
Service Fees on Syndication	5,94,90,936	3,00,92,045
Petro Incentive	1,01,515	75,90,973
Bad debts recovery	1,63,12,869	-
Cheque bounce charges	36,36,025	-
Profit on sale of Investments	9,84,38,592	3,66,16,792
	2,42,85,87,609	1,37,41,97,476
 (a) Interest Income from loan to merchants is net of Rs. 32,891,400 (March 31, 2017: Rs.39,502,160) towards the rebate given to merchants on account of renewal, recovery etc.		
21 Other income:		
Interest income on income tax refund	35,740	3,69,224
Income from other Services	13,41,648	13,41,648
Miscellaneous Income	5,07,384	56,681
Liability no longer required	-	41,31,006
	18,84,772	58,98,559
22 Employee benefit expenses:		
Salaries & Wages	46,17,53,675	29,83,17,449
Contribution to Provident and other funds	1,77,28,429	1,11,37,577
Staff welfare expenses	2,21,56,451	1,95,63,240
Employee Compensation Expenses Account (Refer note 30 and 36)	(2,29,02,987)	3,22,14,136
	47,87,35,568	36,12,32,402
23 Finance costs:		
Interest Expenses	82,58,31,559	41,22,46,556
Other Borrowings cost	3,90,69,182	2,76,05,864
	86,49,00,741	43,98,52,420
24 Depreciation and amortisation expense:		
Depreciation (Refer note 12)	2,20,35,198	1,26,37,578
Amortisation of intangible assets (Refer note 12)	27,51,167	27,51,168
	2,47,86,365	1,53,88,746
25 Other expenses:		
Marketing Expenses	2,47,60,599	2,37,53,999
Professional & Legal Fees	5,21,15,401	2,59,75,769
Rent	7,16,67,867	3,84,07,092
Commission & Brokerage	26,56,55,880	16,15,51,380
Travelling & Lodging Expenses	1,54,89,541	1,15,73,805
IT Services Expenses	2,23,10,774	1,80,48,474
Fee & Stamp Charges	4,45,29,096	1,69,04,409
Terminal deployment charges	5,76,13,381	2,30,13,465
Service Tax & GST Expensed Out	4,69,55,871	1,93,67,300
Rates & Taxes	14,09,121	22,36,172
Auditor's Remuneration (a)	17,20,540	10,70,540
Insurance expenses	52,02,908	22,06,650
Office and Maintenance Expenses	1,27,68,982	1,55,98,769
Power and Fuel Charges	68,34,858	47,43,233
Telephone & Internet Charges	1,03,01,716	62,05,334
Verification and Rating charges	1,27,66,736	79,54,368
Sundry Balances Write off	-	2,85,407
Discount to Merchants	3,38,03,545	10,82,379
Bank charges	48,85,270	5,15,827
Outsource Agency Cost	4,73,95,316	57,13,230
Miscellaneous Expenses	1,44,61,946	88,86,568
	75,26,49,348	39,50,94,170
(a) Auditors Remuneration		
Statutory Audit Fee	13,50,000	8,00,000
Other Certification Fee	3,00,000	2,00,000
Out of Pocket Expenses	70,540	70,540
	17,20,540	10,70,540

		Year ended	
		March 31, 2018	March 31, 2017
26	Provisions and write offs		
	i) Provision for Standard Assets (Refer note 2.1.d.ii)	1,90,62,613	57,56,375
	ii) Provision for Doubtful & Loss Assets (Refer note 2.1.d.i)	18,99,91,740	(1,04,08,229)
	iii) Provision for Syndicate Asset	-	10,68,120
	iv) Advances written off	33,63,00,994	9,57,09,766
		54,53,55,347	9,21,26,032
		Year ended	
		March 31, 2018	March 31, 2017
27	Exceptional Item:		
	Prepayment Penalty*	-	1,25,00,000
		-	1,25,00,000
* Pertains to a pre-payment charges of Subordinated Debt of Rs. 250,000,000.			
		Year ended	
		March 31, 2018	March 31, 2017
28	Earning Per Share (EPS):		
	Profit/ (Loss) for the period after tax expense	(23,59,54,988)	5,73,03,803
	Less: Dividend payable to preference share holders	(29,211)	(24,700)
	Profit available to equity shareholders	(23,59,84,199)	5,72,79,103
	Weighted average number of shares used in the calculation of EPS:		
	Weighted average number of equity shares outstanding during the year	1,80,00,519	1,80,00,478
	Dilutive impact of weighted average number of Compulsory Cumulative Convertible Preference Shares	2,90,63,400	1,54,87,245
	Dilutive impact of weighted average number of ESOP	1,30,773	-
	Weighted average number of diluted shares outstanding during the year	4,71,94,692	3,34,87,723
	Face value of per share	10	10
	Basic EPS	(13.11)	3.18
	Diluted EPS	(13.11)*	1.71
	* Since diluted EPS are anti-dilutive hence, the disclosure is restricted to basis EPS		
		Year ended	
		March 31, 2018	March 31, 2017
29	Contingent Liabilities		
	a. Contingent Liabilities	Nil	Nil
	b. Capital commitments:	Nil	Nil
30	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, 2018	March 31, 2017	
SARs Outstanding at the beginning of the year	9,13,900	5,35,000	
Rights Vested during the year	3,35,000	5,22,000	
Exercised during the year	-	-	
Expired/Lapsed/Transferred during the year	(10,92,500)	(1,43,100)	
Outstanding at the end of the year	1,56,400	9,13,900	
Total Liability of SAR	1,60,19,937	11,27,18,180	

Effect of the SARs plan on the statement of profit and loss and on its financial position:		
Particulars	March 31, 2018	March 31, 2017
Total Liability of SAR exist as on 31 March 2018	1,60,19,937	11,27,18,180
Total employee compensation cost pertaining to SARs for the year as per the terms of vesting	(3,78,35,883)	3,22,14,136
Opening balance of provision for SARs	5,38,55,820	2,16,41,684
Closing balance of provision for SARs (Net off)	1,60,19,937	5,38,55,820

31 **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, 2018	March 31, 2017
(a). Change in Present value of obligation		
Present value of Defined Benefit Obligations at the beginning of the year	56,72,567	31,67,634
Current Service Cost	43,21,143	26,24,805
Past Service Cost	6,58,572	-
Interest Cost	4,25,140	2,50,065
Actuarial (Gain) or Loss on obligation	(29,57,287)	(3,69,937)
Benefits Paid	-	-
Present value of Defined Benefit Obligations at the end of the year	<u>81,20,135</u>	<u>56,72,567</u>
(b). Change in Plan Assets(Reconciliation of opening and closing balances)		
Fair value of Plan Assets at the beginning of the year	-	-
Expected return on Plan Assets	94,966	-
Actuarial Gain or (Loss)	(1,00,745)	-
Contributions	40,00,000	-
Benefits paid	-	-
Fair value of Plan Assets at the end of the year	<u>39,94,221</u>	<u>-</u>
(c). Reconciliation of Balance Sheet		
Present value of Defined Benefit Obligations at the end of the year	81,20,135	56,72,567
Less:- Fair value of Plan Assets at the end of the year	39,94,221	-
Amount recognized in Balance Sheet	<u>41,25,914</u>	<u>56,72,567</u>
(d). Amount recognised in Statement of Profit and Loss		
Current Service Cost	43,21,143	26,24,805
Past Service Cost	6,58,572	-
Interest Cost	4,25,140	2,50,065
Actuarial (Gain) or Loss	(28,56,542)	(3,69,937)
Expected return on Plan Assets	(94,966)	-
Total expense recognised in the current year	<u>24,53,347</u>	<u>25,04,933</u>
(e). Experience adjustments on Present Value of Benefit Obligation and Plan Assets		

Particulars	For the period ending				
	March 31, 2014	March 31, 2015	March 31, 2016	March 31, 2017	March 31, 2018
(Gain) / Loss on Plan Liabilities	-	-	1,85,194	(7,12,936)	(15,69,728)
% of Opening Plan Liabilities	-	-	12.50%	-22.50%	-27.70%
(Gain) / Loss on Plan Assets	-	-	-	-	(1,00,745)
% of Opening Plan Assets	-	-	-	-	-

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

Particulars	Assumption in	Assumption in
	March 31, 2018	March 31, 2017
Discount rate	7.6% per annum	7.5% per annum
Withdrawal rate, based on age :		
-Upto 44 Years	15% per annum	2% per annum
-Above 44 years	2% per annum	1% per annum
Increase in compensation cost	7% per annum	7% per annum

32 **Operating Lease:**

The Company's significant leasing arrangements 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	Year ended	
	March 31, 2018	March 31, 2017
Lease payments recognized in the Statement of Profit and Loss	7,16,67,867	3,84,07,092

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

Particulars	As at	
	March 31, 2018	March 31, 2017
Not later than one year	5,84,73,384	4,09,21,102
Later than one year and not later than five years	8,22,87,862	1,23,61,002
Later than five years	-	-

33 **Deferred Tax Liability (Net):**

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

	As at	
	March 31, 2018	March 31, 2017
Deferred Tax Liabilities (DTL)		
Unamortized Finance Cost	81,87,409	44,77,658
	<u>81,87,409</u>	<u>44,77,658</u>
Less: Deferred Tax Assets (DTA)		
Depreciation and Amortization Expenses	32,95,714	5,44,105
Gratuity disallowances	25,09,122	7,74,024
Leave Encashment	13,82,901	-
Accumulated Losses & Unabsorbed Depreciation	5,54,94,497	4,69,14,007
Provisions disallowed in Current Year, allowable in future	6,89,62,078	4,48,67,027
	<u>13,16,44,312</u>	<u>9,30,99,163</u>
Net Deferred Tax Asset	12,34,56,903	8,86,21,505
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, 2018 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.

34 **Related Party Disclosures:**

A List of Related Parties:

Enterprise where Key Managerial Personnel has significant influence or control

InnoWorth Technologies Private Limited
Delta Services LLP

Key Managerial Personnel

Mr. Piyush Kumar Khaitan	Chief Executive Officer & Managing Director
Mr. B Ravi Kumar	Chief Finance Officer (CFO) & Company Secretary (CS)
Mr. Sanjoy Shome	Chief Operating Officer (COO)

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, 2018 Receivable/(Payable)
Delta Services LLP	For infrastructure maintenance charges recovered	13,41,648	1,20,747
Mr. Piyush Kumar Khaitan	Managerial Remuneration	42,18,000	-
Mr. BS Nagesh	Professional fees	18,00,000	-
Mr. B Ravi Kumar	Remuneration	1,07,73,778	-
Mr. B Ravi Kumar	Advance against Salary	3,00,000	7,00,000
Mr. B Ravi Kumar	Advance repayment Received	8,00,000	-
Mr. Sanjoy Shome	Remuneration	1,41,28,544	-

Previous Year

Name	Nature of Transaction	Amount of Transaction	Outstanding as on March 31, 2017 Receivable/(Payable)
Delta Services LLP	For infrastructure maintenance charges recovered	13,41,648	-
Mr. Piyush Kumar Khaitan	Managerial Remuneration (including perquisites)	44,40,000	-
Mr. BS Nagesh	Professional fees	18,00,000	1,57,500
Mr. B Ravi Kumar	Remuneration (including perquisites)	93,04,103	-
Mr. B Ravi Kumar	Advance against Salary	5,00,000	12,00,000
Mr. Sanjoy Shome	Remuneration (including perquisites)	92,44,297	-

35 **Expenditure in foreign currency during the year:**

	Year ended	
	March 31, 2018	March 31, 2017
Professional and consultation fees	-	12,28,051
Due Diligence Fees	-	44,10,327

36 Employee Stock Options Scheme (ESOS)

The Employee Stock Option Scheme (ESOP Scheme) 2017 was approved by the shareholders at their Extra Ordinary General Meeting held on November 30, 2017. The Scheme has been formulated in accordance with the provisions of the Companies Act, 2013. The Company has granted stock options to the eligible employees. The options will be exercisable into equity shares as per the terms and conditions as stipulated in "NeoGrowth Employee Stock Option Plan 2017". The Employee Stock Option Scheme 2017 is being administered and monitored by the ESOP Committee of the Company set up by the Board. The company was authorised to issue upto 21,99,589 (Twenty One lacs Ninety Nine Thousand Five Hundred and Eighty Nine) options under the ESOP Scheme 2017 to the eligible employees upon meeting of such vesting criteria as may be fixed or determined by the Board.

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 2017 Disclosure
Date of Share Holders Approval	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 2017"
Maximum Term of options granted	5 years
Variations in terms of options	The Board at its meeting held on March 21, 2018 approved for short closing the ESOP 2017

Particulars of Options	ESOP 2017
Outstanding as at the beginning of the Year	-
Granted during the year	9,31,000.00
Forfeited/ Cancelled/Lapsed during the year	5,10,000.00
Exercised/ Allotted during the year	-
Outstanding as at the end of the year	4,21,000.00
Exercisable at the end of the year	-
Fair Value of Options granted Rs.	159.47
Exercise price range	RS. 10 to Rs. 113.17

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	ESOS 2017
Exercise Price	ESOS 2017- 931,000 options with exercise price range of Rs. 10 to Rs. 113.17
Historical Volatility	21.08% to 27.85%
Life of the options granted (Vesting and exercise period) in years	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%
Average Risk-Free interest rate	7.42%

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	Amount
Net profit (as reported)	(23,59,54,988)
Add: Stock based employee compensation expense included in net income	95,68,056
Less: Stock based compensation expense determined under fair value based method (pro-forma)	1,00,28,346
Net Profit (pro-forma)	(23,64,15,277)
Basic earnings per share (as reported)	(13.11)
Basic earnings per share (pro-forma)	(13.13)
Diluted earnings per share (as reported)	(13.11)
Diluted earnings per share (pro-forma)	(13.13)

37 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.

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

39 The Company does not have any pending litigations on its financial position as at Balance Sheet date..

40 Statutory Audit

The financial statements for the year ended March 31, 2018 have been audited by S.R.Batliboi & Associates LLP Chartered Accountants. The financial statement for the year ended March 31, 2017 have been audited by another firm of Chartered Accountants.

41 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.

42 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

For and on behalf of the Board of Directors

Sd/- per Sarvesh Warty Partner	Sd/- Dhruv Khaitan Chairman	Sd/- Piyush Khaitan CEO & Managing Director	Sd/- B. Ravi Kumar CFO & CS
Membership No. 121411 Place: Mumbai Date: April 26, 2018	(DIN 00002584)	(DIN 00002579)	(M.No. 11172)

Note-12

As at March 31, 2018

Tangible Assets

NeoGrowth Credit Private Limited

Particulars	Original Cost				Depreciation				Net Block	
	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	Accumulated depreciation as at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Computers & Servers	3,12,76,079	2,04,85,162	-	5,17,61,241	1,92,78,406	1,67,60,209	-	3,60,38,615	1,57,22,626	1,19,97,673
Office Equipment's	42,42,537	26,19,668	-	68,62,205	34,13,262	10,44,089	-	44,57,351	24,04,854	8,29,275
Furniture & Fixture	21,04,240	52,44,377	-	73,48,617	10,53,208	7,67,170	-	18,20,378	55,28,239	10,51,032
Leasehold Property Improvement Work	1,38,86,193	-	-	1,38,86,193	82,56,933	34,63,730	-	1,17,20,663	21,65,530	56,29,260
Total	5,15,09,049	2,83,49,207	-	7,98,58,256	3,20,01,809	2,20,35,198	-	5,40,37,007	2,58,21,249	1,95,07,240

Intangible Assets

Particulars	Original Cost				Amortisation				Net Block	
	Gross Block as at April 1, 2017	Additions during the year	Deletions/Adjustments during the year	Gross Block as at March 31, 2018	Accumulated amortisation as at April 1, 2017	Amortisation during the year	Deductions / Adjustments	Accumulated amortisation as at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Computer Software	1,92,58,172	-	-	1,92,58,172	94,32,607	27,51,167	-	1,21,83,774	70,74,398	98,25,565
Total	1,92,58,172	-	-	1,92,58,172	94,32,607	27,51,167	-	1,21,83,774	70,74,398	98,25,565
Grand Total	7,07,67,221	2,83,49,207	-	9,91,16,428	4,14,34,416	2,47,86,365	-	6,62,20,781	3,28,95,647	2,93,32,805

As at March 31, 2017

Tangible Assets

Particulars	Original Cost				Depreciation				Net Block	
	Gross Block as at April 1, 2016	Additions during the year	Deletions/Adjustments during the year	Gross Block as at March 31, 2017	Accumulated depreciation as at April 1, 2016	Depreciation during the year	Deductions / Adjustments	Accumulated depreciation as at March 31, 2017	As at March 31, 2017	As at March 31, 2016
Computers	1,98,48,904	1,14,27,175	-	3,12,76,079	1,11,22,991	81,55,415	-	1,92,78,406	1,19,97,673	87,25,913
Office Equipment's	40,43,832	1,98,705	-	42,42,537	27,33,142	6,80,120	-	34,13,262	8,29,275	13,10,690
Furniture & Fixture	18,82,239	2,22,001	-	21,04,240	7,15,194	3,38,014	-	10,53,208	10,51,032	11,67,045
License Property Improvement Work	1,38,86,193	-	-	1,38,86,193	47,92,904	34,64,029	-	82,56,933	56,29,260	90,93,289
Total	3,96,61,168	1,18,47,881	-	5,15,09,049	1,93,64,231	1,26,37,578	-	3,20,01,809	1,95,07,240	2,02,96,937

Intangible Assets

Particulars	Original Cost				Amortisation				Net Block	
	Gross Block as at April 1, 2016	Additions during the year	Deletions/Adjustments during the year	Gross Block as at March 31, 2017	Accumulated amortisation as at April 1, 2016	Amortisation during the year	Deductions / Adjustments	Accumulated amortisation as at March 31, 2017	As at March 31, 2017	As at March 31, 2016
Computer Software	1,92,58,172	-	-	1,92,58,172	66,81,439	27,51,168	-	94,32,607	98,25,565	1,25,76,733
Total	1,92,58,172	-	-	1,92,58,172	66,81,439	27,51,168	-	94,32,607	98,25,565	1,25,76,733
Grand Total	5,89,19,340	1,18,47,881	-	7,07,67,221	2,60,45,670	1,53,88,746	-	4,14,34,416	2,93,32,805	3,28,73,670

3.1 Capital to Risk Asset Ratio (CRAR)

Particulars	March 31, 2018	March 31, 2017
i) CRAR (%)	52.26%	30.48%
ii) CRAR - Tier I Capital (%)	51.88%	30.02%
iii) CRAR - Tier II Capital (%)	0.38%	0.46%
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, 2018	March 31, 2017
(1) Value of Investments		
(i) Gross Value of Investments		
(a) In India	2,92,90,59,389	-
(b) Outside India	-	-
(ii) Provisions for Depreciation		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net Value of Investments		
(a) In India	2,92,90,59,389	-
(b) Outside India	-	-
(2) Movement of provisions held towards depreciation on investments.		
(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	2,92,90,59,389	-

3.3 Derivatives

The Company has no transactions/exposure in derivative during March 31, 2018 and March 31, 2017.

The Company has no unhedged foreign currency exposure as on March 31, 2018 and March 31, 2017.

3.4 Disclosures relating to Securitization

i) The Company has not entered into Securitisation transactions during 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, 2018 and March 31, 2017.

iii) Details of assignment transactions

The Company has not assigned any financial assets in the March 31, 2018 and March 31, 2017.

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

The Company has not purchased any non-performing financial asset during the March 31, 2018 and March 31, 2017.

b) Details of non-performing financial assets sold

The Company has not sold any non-performing financial asset during the March 31, 2018 and March 31, 2017.

3.6 Exposures

- i) The Company has no exposure to real estate sector during the March 31, 2018 and March 31, 2017.
ii) The Company has no exposure to capital market during the March 31, 2018 and March 31, 2017.
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

RBI registration no	B-13.02077
IRDA registration no.	CA0472
Company Identification Number (CIN)	U51504MH1993PTC251544

4.2 - Disclosure of Penalties imposed by RBI and other regulator

During the year ended March 31, 2018, no penalties have been levied by any regulator on the Company.	
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4.3 - Related Party Transaction

Refer note no. 34 for transactions with related party.
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4.4 - Ratings assigned by credit rating agencies and migration of ratings during the year

Instruments	Credit Rating Agency	March 31, 2018	March 31, 2017
Long Term Bank	ICRA	[ICRA] BBB (Stable)	[ICRA]BBB- (stable)
Non-Convertible Debenture	ICRA	[ICRA] BBB (Stable)	[ICRA]BBB- (stable)
Non-Convertible Debenture	India Ratings & Research	IND BBB (Stable)	IND BBB
Non-Convertible Debenture	CARE	CARE BBB+ (Stable)	BBB stable
PTC Series A1	ICRA	-	[ICRA]A - (SO)
PTC Series A2	ICRA	-	[ICRA]BBB - (SO)
Commercial Paper	ICRA	[ICRA] A2	-
Commercial Paper	India Ratings & Research	-	A3+
Cash Credit	ICRA	[ICRA] BBB (Stable)	[ICRA]BBB- (stable)
Working Capital Demand Loan	ICRA	[ICRA] BBB (Stable)	[ICRA]BBB- (stable)

4.5 - Remuneration of Directors (Non Executive)

No Remuneration or Sitting fees paid or provided during the year ended March 31, 2018

5.1 - Provisions & contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	March 31, 2018	March 31, 2017
Provisions for depreciation on Investment	-	-
Provision towards NPA	18,99,91,740	(93,40,109)
Provision made towards Income tax	-	65,98,462
Other Provision and Contingencies (with details)	-	-
Provision for Standard Assets	1,90,62,613	57,56,375

5.2 Draw Down from Reserves

During the year, the Company has not drawn down any amount from Reserves.	
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5.3 Concentration of Advances, Expenses & NPAs

5.3.2 Concentration of Advances

	(Amount in Rs.)
Total Advances to twenty largest borrowers	17,08,94,184
Percentage of Advances to twenty largest borrowers to Total Advances of the applicable NBFC	2.09%

5.3.3 Concentration of Exposures

	(Amount in Rs.)
Total Exposure to twenty largest borrowers /customers	17,08,94,184
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the applicable NBFC on borrowers / customers	2.09%

5.3.4 Concentration of NPAs

	(Amount in Rs.)
Total Exposure to top four NPAaccounts	2,34,46,133

5.3.5 Sector-wise NPAs

Sector	Percentage of NPAs to Total Advances in that sector
Agriculture & allied activities	-
MSME	6.19%
Corporate borrowers	-
Services	-
Unsecured personal loans	-
Auto loans	-
Other personal loans	-

5.4 Movement of NPAs	(Amount in Rs.)	(Amount in Rs.)
Particulars	March 31, 2018	March 31, 2017
Net NPAs to Net Advances (%)	3.50%	2.50%
Movement of NPAs (Gross)		
Opening balance	15,36,40,819	5,01,63,672
Additions during the year	50,42,95,374	15,36,40,819
Reductions during the year	15,22,47,835	5,01,63,672
Closing balance	50,56,88,358	15,36,40,819
Movement of Net NPAs		
Opening balance	11,93,14,107	76,78,756
Additions during the year	27,90,92,918	11,93,14,107
Reductions during the year	11,81,65,030	76,78,756
Closing balance	28,02,41,995	11,93,14,107
Movement of provisions for NPAs (excluding provisions on standard assets)		
Opening balance	3,43,26,712	4,24,84,916
Provisions made during the year	22,52,02,456	3,43,26,712
Write-off / write-back of excessprovisions	3,40,82,805	4,24,84,916
Closing balance	22,54,46,363	3,43,26,712

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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.
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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	23
No. of complaints received during the year	1243
No. of complaints redressed duringthe year	1260
No. of complaints pending at the end of the year	6

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Schedule to the Balance Sheet of a of a non-deposit taking Non-Banking Financial Company (as required in terms of paragraph 13 of Non-Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007)

Amount in Rupees

Particulars			
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	5,01,31,33,666	-
	- Unsecured	65,00,00,000	-
	b. Deferred Credits	-	-
	c. Term Loans	94,55,38,233	-
	d. Inter-corporate loans and borrowings	-	-
	e. Commercial Paper	36,24,12,400	-
	f. Other Loans - Demand loans	-	-
	* Please see Note 1 below		-
ASSET SIDE:			
2	Break-up of Loans and Advances including bills receivables [other than those included in(4) below]:		Amount Outstanding
	a. Secured		8,58,72,26,895
	b. Unsecured		-

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		-

4	Break up of Investments:		
	Current Investments		
	<i>1. Quoted</i>		
	i. Shares: a. Equity		-
	b. Preference		-
	ii. Debentures and Bonds		-
	iii. Units of mutual funds		2,92,90,59,389
	iv. Government Securities		-
	v. Others		-
	<i>2. Unquoted</i>		
	i. Shares: a. Equity		-
	b. Preference		-
	ii. Debentures and Bonds		-
	iii. Units of mutual funds		-
	iv. Government Securities		-
	v. Others		-

Long Term Investments		
1. <i>Quoted</i>		
i. Shares - Equity	- Preference	-
ii. Debentures and Bonds		-
iii. Units of mutual funds		-
iv. Government Securities		-
v. Others		-
2. <i>Unquoted</i>		
i. Shares - Equity	- Preference	-
ii. Debentures and Bonds		-
iii. Units of mutual funds		-
iv. Government Securities		-
v. Others		-

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
1 Related Parties**			
a. Subsidiaries	-	-	-
b. Companies in the same group	-	-	-
c. Other related parties	-	-	-
2 Other than related parties	7,94,60,82,641	-	-
Total	7,94,60,82,641	-	-

6 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): Please see note 3 below			
Category	Market Value/ Break up of fair value or NAV	Book Value (Net of Provisions)	
1 Related Parties**			
a. Subsidiaries	-	-	-
b. Companies in the same group	-	-	-
c. Other related parties	-	-	-
2 Other than related parties	-	-	-
Total			

** 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		50,56,88,358
ii. Net Non-Performing Assets		
a. Related Parties		-
b. Other than related parties		28,02,41,995
iii. Assets acquired in satisfaction of debt		-

Notes:

- As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.
- 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.