

CAPSAVE FINANCE PRIVATE LIMITED

**ANNUAL REPORT FOR THE FINANCIAL
YEAR 2022-2023**

Contents

Sr. No	Particulars	Page No's
1.	Corporate Information	01 - 01
2.	Notice	02 - 07
3.	Management Discussion and Analysis	08 - 12
4.	Directors' Report and Annexures	13 - 36
5.	Independent Auditors Report	37 - 47
6.	Balance Sheet	48 - 48
7.	Statement of Profit and Loss	49 - 49
8.	Statement of Changes in Equity	50 - 50
9.	Statement of Cash Flows	51 - 52
10.	Notes to the Financial Statements	53 - 118

Corporate Information (as of March 31, 2023)

Board of Directors:

Name of the Director	Position
Mr. Jinesh Jain	Managing Director
Mr. Praveen Chauhan	Whole Time Director
Ms. Sharon Dastoor	Nominee Director
Mr. A D M Chavali	Independent Director
Mr. Abraham Chacko	Independent Director

Key Managerial Personnel:

Name	Position
Mr. Jinesh Jain	Managing Director
Mr. Praveen Chauhan	Whole Time Director
Mr. Gautam Munish	Chief Executive Officer (appointed w.e.f. August 09, 2022)
Mr. Ashok Biyani	Chief Financial Officer (resigned w.e.f. October 1, 2022)
Mr. Rajesh Maheshwari	Chief Financial Officer (appointed w.e.f. September 08, 2022)
Ms. Vinita Rathod	Company Secretary (resigned w.e.f. November 11, 2022)
Ms. Mayuri Joshi	Company Secretary (appointed w.e.f. November 11, 2022)

Statutory Auditors

M/s. V.C. Shah & Co.
Chartered Accountants

Secretarial Auditors

M/s. D N Vora & Associates
Company Secretaries

Debenture Trustee

Axis Trustee Services Limited
Catalyst Trusteeship Limited

Registrar & Share Transfer Agent

Link Intime India Private Limited
C 101, 247 Park, L B S Marg,
Vikhroli West, Mumbai - 400 083

Registered Office:

D-301 & 302, Lotus Corporate Park,
Goregaon West, Mumbai - 400063

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the 31st Annual General Meeting of the Members of Capsave Finance Private Limited will be held on Tuesday, September 26, 2023 at 11.00 a.m. at the Registered office of the Company situated at D 301 and 302, Lotus Corporate Park, Off WEH, Goregaon East, Mumbai 400063.

ORDINARY BUSINESS:

1. To consider and adopt audited financial statement for the financial Year March 31, 2023

To consider, approve and adopt the audited financial statement of the Company comprising of the Balance Sheet as on March 31, 2023, Statement of Profit and Loss and Cash Flow Statement, and Notes thereto for the financial year ended March 31, 2023 together with the Report of the Board of Directors and Auditors thereon.

To consider and if thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT the audited financial statements of the Company for the financial year ended March 31, 2023 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted.”

2. To re-appoint M/s. V.C. Shah & Co., Chartered Accountants (FRN NO. 109818W), as Statutory Auditors of the Company for the financial year 2023-24 and 2024-25 and in this regard pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139, Section 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to the recommendations of the Audit Committee, M/s. V.C. Shah & Co., Chartered Accountants (FRN NO. 109818W) be and are hereby re-appointed as Statutory Auditors of the Company for the financial year 2023-24 and 2024-25 and that they shall hold office from the conclusion of this Annual General Meeting until the conclusion of Annual General Meeting of financial year 2024-25 on such remuneration plus taxes and reimbursement of out of pocket expenses as may be incurred by them in connection with audit of accounts of the Company, as may be mutually agreed upon between the Board of Directors and the Statutory Auditors.

RESOLVED FURTHER THAT the Board of Directors and/or Company Secretary of the Company be and are hereby authorized to settle any question, difficulty or doubt, that may arise and to do all such acts, deeds and things as may be necessary, proper or expedient for the purpose of giving effect to this Resolution”.

3. To approve the appointment of Mr. Bharat Bhise as a Director of the Company

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and 161 of the Companies Act, 2013 (“Act”), and other applicable provisions of the Act, if any, read with the applicable rules issued thereunder, including the Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), read with the articles of association of the Company and taking on record the recommendation of the nomination and remuneration committee of the Company by way of its resolution dated August 11, 2023 for the appointment of Mr. Bharat Bhise as an additional director of the Company, Mr. Bharat Bhise (DIN: 01932506), who has consented to act as a Director of the Company and who has been appointed as an additional director by the Board of Directors of the Company at their meeting held on August 14, 2023, be and is

hereby appointed as a Director of the Company, with effect from August 14, 2023.

RESOLVED FURTHER THAT any one of the directors of the Company and/or the company secretary of the Company, be and are hereby severally authorized to perform all such acts, matters, deeds and things and to execute such documents as may be necessary, proper, expedient or desirable in connection with or incidental to give effect to the above resolutions, including the filing of the e-form DIR 12 with the Registrar of Companies / Ministry of Corporate Affairs making necessary entries in the Register of Directors of the Company.

RESOLVED FURTHER THAT the copies of the foregoing resolution, certified to be true by directors of the Company, may be furnished to any relevant person(s)/ authority(ies) as and when required.”

By Order of the Board,

For Capsave Finance Private Limited

Jinesh Kumar Jain
Managing Director
(DIN: 06807613)

Date: August 14, 2023

Place: Mumbai

Regd. Off: D 301 and 302, Lotus Corporate Park
Off WEH, Goregaon (East)
Mumbai 400063

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy, who need not be a member of the Company, to attend and vote instead of himself. Proxies in order to be effective must be lodged with the Company at least 48 hours before the meeting.
2. A blank form of proxy is enclosed herewith and if intended to be used, it should be deposited duly filled-up at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. In the case of Corporate Shareholders proposing to participate at the meeting through their representative, necessary authorization under Section 113 of the Companies Act, 2013 for such representation may please be forwarded to the Company.
5. Members seeking inspection/any information with regards to the documents referred to in the Notice or Statutory Registers or any matter to be placed at the Meeting, are requested to write to the Company before the commencement of the Meeting through email at mayuri.joshi@capsavefinance.com. The same will be replied by the Company suitably. Additionally, copies of the relevant documents will be made available for inspection at the Meeting.

**By Order of the Board,
For Capsave Finance Private Limited**

**Jinesh Kumar Jain
Managing Director
(DIN: 06807613)**

**Date: August 14, 2023
Place: Mumbai**

**Regd Off: D 301 and 302, 3rd Floor, Lotus Corporate Park, Off WEH, Goregaon (E),
Mumbai - 400063**

Explanatory Statement

Item No. 02 - To re-appoint M/s. V.C. Shah & Co., Chartered Accountants (FRN NO. 109818W), as Statutory Auditors of the Company for the financial year 2023-24 and 2024-25

The Company had appointed M/s. V.C. Shah & Co., Chartered Accountants (FRN NO. 109818W) as Statutory Auditor of the Company for a period of one year in the EGM held on June 17, 2022. Further, the Company can re-appoint the Statutory Auditor for a continuous period of three years, subject to the firms satisfying the eligibility norms each year.

As per RBI circular RBI/2021-22/25 Ref. No. DoS. CO. ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 for the Companies having asset size above Rs. 1,000 Crore, Statutory auditors can be appointed for only 3 years from the first appointment made by the Company. In view of the same, it is proposed to re-appoint V.C. Shah & Co., Chartered Accountants (FRN NO. 109818W) as Statutory Auditor of the Company for a further period of two years subject to the approval of shareholders.

The Audit Committee and Board at their meeting held on May 22, 2023, approved the re-appointment of Statutory Auditors and recommended to the shareholders for their approval.

None of the Directors or Key Managerial Persons of the Company (including their relatives), except to the extent of their shareholding in the Company, are concerned or interested in the said resolution.

Your Directors recommend the passing of the Resolution at Item No. 2 of the accompanying notice.

Item No. 03 - To approve the appointment of Mr. Bharat Bhise as a Director of the Company

Based on the recommendation of the Nomination and Remuneration Committee (NRC), the Board at its meeting held on August 14, 2023 considered and approved the appointment of Mr. Bharat Bhise (DIN: 01932506) as Director of the Company, with effect from August 14, 2023, subject to the approval of members of the Company.

Mr. Bhise established Bravia Capital ("Bravia") in 2000. Initially, an advisory firm to Boeing Capital and Israel Aircraft Industries, Bravia quickly emerged as a leading provider of capital, first into China, and then after the global financial crisis in 2008, out of China. Mr. Bhise served on six major multibillion operational boards as the primary non-management Director with executive authority.

Preceding Bravia, Mr. Bhise worked as a COO/CEO/Director of several global transportation and finance companies in three continents.

The NRC and the Board have determined that Mr. Bhise is a fit and proper person to be appointed as a Director of the Company.

Mr. Bhise has given his consent to act as a Director of the Company. He has also given the declaration to the effect that he is not disqualified from being appointed as a Director of the Company in terms of Section 164 of the Act.

Considering the skills, experience and expertise, the Board considers it desirable and in the interest of the Company to appoint him as a Director of the Company, and accordingly, recommends the appointment of Mr. Bhise as a Director of the Company, as proposed in the aforesaid resolution, for the approval of the Members, in compliance with the applicable provisions of laws.

Mr. Bhise is not related to any director or any Key Managerial Personnel of the Company.

Except for Mr. Bhise and his relatives, none of the Directors, Key Managerial Personnel and their relatives are interested in passing of the resolutions.

Your Directors recommend the passing of the Resolution at Item No. 3 of the accompanying notice.

Map Route:

D 301 and 302, 3rd Floor, Lotus Corporate Park, Off WEH, Goregaon (E),
Mumbai-400 063



MANAGEMENT DISCUSSION AND ANALYSIS

Capsave Finance Private Limited

Capsave Finance Private Limited (the Company) is a wholly owned subsidiary of Rent Alpha Private Limited. The Company is a Investment and Credit Systematically Important Non-deposit taking NBFC (NBFC-ND-SI) and under Middle Layer registered with Reserve Bank of India (RBI).

The Company's business is primarily focused on equipment leasing & financing to corporate customers and working capital finance. Key asset categories covered under leasing & financing includes information technology assets, medical equipment, machinery, furniture items, etc. Working capital finance is a short-term product targeted mainly towards funding the vendors of various corporates under various financing programs. The Company uses technology to underwrite and appraise proposals with custom-made Loan Origination and Management Software.

Industry Overview:

NBFC's have become important constituents of the financial sector and have been recording higher credit growth over the past few years. NBFCs have revolutionized the Indian lending system and have efficiently leveraged digitization to drive efficiency and provide customers with a quick and convenient financing experience.

Over the past few years, financial services as a sector has undergone considerable evolution in terms of size and complexity and therefore, greater regulations and supervision.

With a view to bridge the regulatory gaps between the Banks and NBFCs, NBFCs are now increasingly subject to greater regulations and guidelines at par with banks.

SWOT Analysis of the Company:

Strengths:

- The Company offers innovative equipment leasing and commercial lending solutions to its customers across Corporates, SME and Start-ups.
- Key assets financed span across IT Equipment, Furniture & Fit Outs, Plant & Machinery, ATMs, Medical Equipment, Working Capital Finance etc.
- Company is rated CRISIL A/Stable on watch with "Positive Implications".
- The Company has a portfolio of Rs 187,271 lakhs as on March 31, 2023 (March 31, 2022: Rs. 113,137 lakhs) spread across its leasing and working capital financing businesses – covering over 640 clients.
- Capital Adequacy position is strong with Networth of Rs. 50,119 lakhs and CRAR (Tier I and Tier II at ~26.26% as on March 31, 2023 (March 31, 2022: Networth of Rs. 36,564 lakhs and CRAR at 28.42%) against a minimum of 15% as required by RBI. Debt Equity Ratio is conservative at 2.44 times and Gearing Ratio (Total Outside Liabilities/Tangible Networth) is 3.22 times as on March 31, 2023.
- The Company has not raised any fixed deposits from the public.

Opportunities:

- Leasing is an underpenetrated business line in India.
- Shift in spending mindset of companies towards asset light business models and conservation of cash leads to increasing opportunities in lease financing.
- Asian market, led by India and China is expected to grow faster than the rest of global economies, hence creating significant business potential for the Company.

- MSME Financing business also has significant opportunities. The Company's Working Capital Finance business is targeting MSMEs to this underserved ecosystem.

Threats:

- Increase in competitive intensity in financing business
- Degrowth of economic activity leading to slower capex cycle

Mitigation for threats:

- The Company operates in a market where the competitive intensity is low and there are only a few players providing lease financing
- The Company has created a niche where the source of revenue for leasing is twofold: 1. Rental Income during the term of lease; 2. Residual value realisation from the underlying asset at the end of lease term. With over 23 years of history of the founders in the leasing business, the Company is in a strong position for asset management and hence hold on to its niche revenue streams
- A large part of the Company's target business segments include well rated Indian corporates, Multinational companies, debt free clients which have good ability to withstand economic downturn. Further, the leasing is primarily on essential use assets for the business like IT Equipment, where such companies do not renege on repayments
- Further, the Company takes additional collateral on certain types of clients, in the form of Security Deposits, Bank Guarantee etc. thereby mitigating the default risk from such clients

Risks and concerns

- The Company is exposed to various risks such as credit risk, economic risk, interest rate risk, liquidity risk, cash management risk, technology risks, etc.
- The Board of Directors have constituted a Risk Management Committee. The terms of reference of the Risk Management Committee include a periodical review of the risk management policy, risk management plan, implementing and monitoring the risk management plan and mitigation of the key risks.
- The Company's Asset Liability Management Committee regularly reviews, among others, the interest rate and liquidity risks.
- Credit risk assessment is guided by the credit policy of the Company which is reviewed yearly. Program and processes are in place, separately for each segment that the Company operates in. Management of credit risk is carried out through credit policy definition, portfolio diversification, appraisal and approval processes, post sanction monitoring, operations control, fraud control, collection processes and procedures. For each product, programs defining customer segments, underwriting standards, security structures, etc. are specified to ensure consistency of credit patterns. Proposals are approved at different levels based on defined delegations of authority.

Internal control systems and their adequacy

The Company's internal control system is designed to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance with laws and regulations. The internal control system is supported by an internal audit process for reviewing the design, adequacy and efficacy of the Company's internal controls, including its systems and processes and compliance with regulations and procedures. The Company's internal control system is commensurate with its size and the nature of its operations.

Financial Performance

The Company has reported total revenue of Rs 24,761.49 Lakhs (March 2022 Rs 16,497.68 Lakhs) during the year ended March 31,2023 depicting strong growth of 50%. Profit after tax of Rs. 7,555.18 Lakhs (March 2022 Rs 5,413.30 Lakhs) also showed impressive growth of 40%. The Company has made good progress on all the financial parameters including profitability due to all efforts put in by the Directors, management and employees of the Company. As on March 31, 2023, the asset-liability maturity (ALM) profile was comfortable with positive cumulative mismatches in all the buckets.

The Company's financial performance as on March 31,2023 is summarized as under:

Rs in Lakhs

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Total Income	24,761.49	16,497.68
Total Expenses	15,168.50	9,211.63
Profit before exceptional items and tax	9,592.99	7,286.05
Exceptional Items	-	-
Profit before tax	9,592.99	7,286.05
Tax Expenses	2,037.70	1,872.75
Profit after tax	7,555.29	5,413.30
Paid up Debt Capital / Outstanding Debt	122,500.61	69,454.74
Debt Equity Ratio	2.44	1.90
Debt Service Coverage Ratio	0.25	0.30
Interest Service Coverage Ratio	2.26	3.04

Positive ALM

The Company's ALM is cumulative positive across all time buckets and has a sufficient liquidity to meet liabilities.

Segment-wise or product-wise performance

The Company is engaged in the business of Leasing and Financing having multiple business segments (corporate and other financing) and primarily in one geographical segment.

The Leasing segment (including receivable discounting) reported 20% growth over last year and total revenue increased to Rs 14,862.20 lakhs as compared to Rs 12,343.00 lakhs of the previous year.

Working Capital Finance more than doubled and total revenue increased to Rs 7,835.70 lakhs as compared to Rs 3,641.00 lakhs of the previous year.

The total revenue for Equipment Finance and Term loan are Rs. 332.60 lakhs and Rs. 1,372.40 lakhs respectively.

Expected Credit Loss

Ind AS 109 outlines a “three-stage” model for impairment based on changes in credit quality since initial recognition is summarized below:

Stage 1: A financial instrument that is not credit impaired on initial recognition is classified in ‘Stage 1’ and has its credit risk continuously monitored by the Company. The Company has established a credit quality review process which considers the credit rating of the counterparties for assessing credit worthiness in addition to the days’ past due behaviors.

Stage 2: Financial instruments with significant increase in credit risk, but not yet deemed to be credit impaired are moved to Stage 2.

Stage 3: Credit impaired financial instruments are moved to Stage 3.

The Company performs internal risk assessment on an individual basis and not on a portfolio basis due to the limited number of counterparties involved. The assessment of credit risk of loans (including commitments) entails estimation as to the likelihood of loss occurring due to default of counterparties. The estimation of credit exposure for risk management purposes is complex and considers expected cash flows and the passage of time.

Provision for expected credit losses: The Company provides for expected credit loss based on the following basis:

Staging	Description of Category	Basis for recognition of expected credit loss provision
Stage 1	Financial assets where there is low risk of default and where the obligor has sufficient capacity to meet the obligations and where there has been low frequency of defaults in the past and where the payments are less than 30 days past due.	12-months expected credit losses
Stage 2	Financial assets where the payments are more than 30 days past due or ratings are downgraded significantly since inception.	Lifetime expected credit losses
Stage 3	The Company categorizes a financial asset as stage 3 when the obligor fails to make contractual payments within 90 days from the day it is due or the customer is rated "D".	Life-time expected credit losses is recognized on the exposure in default (Higher than that in case of stage 2)

Human Resources

The Company had 84 employees as of March 31, 2023 (March 2022: 42 employees) The Company firmly believes that Human Capital is its most important asset. During financial year 2022-23, the Company has optimized its manpower and focused on increasing per person productivity through improved processes and development of IT systems which automated certain business processes. The Company continued to build strong processes and consistently aligned HR policies to ensure highest levels of governance in its people processes. In addition to this, employees spent social hours in collaboration with NGOs for imparting financial literacy for underprivileged children and painting municipal school walls under CSR projects.

Cautionary Statement

Some statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking' within the meaning of applicable laws and regulations. Actual results may differ from those expressed or implied.

DIRECTORS' REPORT

To
The Members,
Capsave Finance Private Limited

Your Directors take pleasure in presenting **Director's Report** of Capsave Finance Private Limited ["the Company"] along with the audited financial statements for the financial year ended March 31, 2023.

1. **Financial performance of the Company:**

The Company's financial performance as on March 31, 2023 is summarized as follows:

(Rs. in Lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Total income	24,761.49	16,497.68
Total Expenses	15,168.50	9,211.63
Profit before exceptional items and tax	9,592.99	7,286.05
Exceptional Items	-	-
Profit before tax	9,592.99	7,286.05
Tax Expenses	2,037.70	1,872.75
Profit after tax	7,555.29	5,413.30
Total Comprehensive Income	7,555.18	5,422.42

2. **Transfer to reserves:**

During the year, the Company transferred 20% of its profits for the year amounting to Rs. 1,511.06 Lakhs to reserves created as per the norms laid down under Section 45-IC of the Reserve Bank of India (RBI) Act, 1934. The Company has not transferred any amount to the General Reserve for the year under consideration.

3. **Dividend:**

The Directors, in their prudence and considering the growth capital required in the Company, have not recommended any dividend for the financial year ended March 31, 2023.

4. **Brief description of the Company's working during the year/state of Company's affair:**

The Company has reported total revenue of Rs. 24, 761.49 Lakhs (y-o-y growth of 50%) and net profit after tax of Rs. 7,555.29 Lakhs (y-o-y growth of 40%) during the year ended March 31, 2023.

The Company has made good progress on all the financial parameters including the profitability due to all efforts put-in by the Directors, management and employees of the Company.

5. Change in nature of business, if any:

During the financial year under review, there is no significant change to the nature of business of the Company. During the year, the Company had applied for Factoring license and has received the same from RBI.

6. Holding/Subsidiary Company, if any.

The Company is wholly owned subsidiary of Rent Alpha Private Limited. The Company does not have any subsidiary.

7. Material changes and commitments, if any, 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:

No material changes have occurred subsequent to the close of the financial year of the Company to which the financial statements relate and the date of the report.

During the year under review, the shareholders of the parent company – Rent Alpha Private Limited (referred to as “RAPL”) had entered into an agreement with Mizuho Leasing Company, Japan (referred to as “MHLS”) under which MHLS has agreed to buy 51% stake in RAPL from the existing shareholders. This transaction is subject to RBI approval considering that this transaction will result in indirect change of control of the Company. Necessary application was made to the RBI for approval of the same and we have received the confirmation on May 29, 2023. The Company is also a signatory to the agreement with MHLS. This transaction shall be positive for the Company from strategic perspective. The Company has also appointed Six new Directors as representatives of MHLS on June 30, 2023.

8. Management Discussion and Analysis

Management Discussion and Analysis Report for the financial year under review, prepared as per requirements of RBI’s Non-Banking Financial Company - Systemically Important Non-Deposit taking Company Reserve Bank Direction is presented as a separate section, which forms part of this Annual Report.

9. Share capital:

a) Authorized Share Capital:

During the financial year ended March 31, 2023, the Authorized Share Capital of the Company was increased from Rs. 12,70,00,000 (Rupees Twelve Crore Seventy Lakh Only) divided into 1,27,00,000 (One crore Twenty – Seven Lakhs) Equity Shares of Rs. 10 each to Rs. 17,70,00,000 (Rupees Seventeen Crore Seventy Lakh Only) divided into 1,77,00,000 (One crore Seventy-Seven Lakhs) Equity Shares of Rs. 10 each by creation of additional 50,00,000 (Fifty Lakhs) Equity Shares of Rs. 10 each ranking pari passu in all respect with the existing Equity Shares of the Company.

b) Issue of equity shares with differential rights:

During the financial year ended March 31, 2023, no equity shares with differential voting rights were issued.

c) **Issue of sweat equity shares:**

During the financial year ended March 31, 2023, no sweat equity shares were issued.

d) **Issue of employee stock options:**

During the financial year ended March 31, 2023, no Employee Stock Options were issued.

e) **Provision of money by Company for purchase of its own shares by employees or by trustees for the benefit of employees:**

The Company does not hold any shares in any trust for the benefit of employees.

f) **Rights Issue:**

During the financial year ended March 31, 2023, the Company issued 18,57,700 Equity Shares of Rs. 10/- each at a premium of Rs. 312.98 on rights basis fully paid-up aggregating to Rs. 60 Crore (Rupees Sixty Crore Only) to the existing shareholders on right basis in the ratio of its shareholding in the Company on September 27, 2022.

10. Capital adequacy:

The Capital adequacy ratio of the Company is healthy at 26.26% as on March 31, 2023. (28.42% on March 31, 2022) as against minimum capital adequacy requirement of 15% as mandated by Reserve Bank of India (RBI).

11. Debt sourcing and Credit rating:

During the year, the Company has raised Rs 81,485.00 Lakhs from bank borrowings and debt securities. The Company continued to expand its borrowing profile and onboarded 8 new lenders. The Company also continued diversification of instruments and raised funds via new instruments like Securitisation (Pass through Certificate), and Market Linked Debentures. The Company's credit rating for its debt program was reaffirmed during the year at CRISIL A, however the rating outlook was improved to 'Watch Positive' post announcement of the proposed transaction with Mizuho Leasing Company, Japan.

Credit Rating:

Instrument	Rating as on March 31, 2023	Rating as on March 31, 2022
Non-Convertible Debentures	CRISIL A/Watch Positive	CRISIL A/Stable
Principal protected Market Linked Debentures	CRISIL PPMLD A r/ Watch Positive	CRISIL PPMLD A r/Stable
Bank Lines	CRISIL A/ Watch Positive	CRISIL A/Stable
Securitisation (PTC)	CRISIL AA (SO)	CRISIL AA (SO)
Securitisation (PTC)	CRISIL AA- (SO)	CRISIL AA- (SO)

CRISIL has upgraded the Company's rating by 4 notches to AA+ / Stable post conclusion of Mizuho transaction on July 07, 2023.

12. Classification as a systematically important NBFC and under Middle Layer:

The Company continues to be classified as an Investment and Credit Systematically Important Non-deposit taking NBFC (NBFC-ND-SI) and under Middle Layer for Financial Year 2022-23. 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 has complied with all applicable regulations of the Reserve Bank of India. As per Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, the Directors hereby report that the Company did not accept any public deposits during the year and did not have any public deposits outstanding at the end of the year.

14. Corporate Governance:

The Corporate Governance philosophy at Capsave Finance Private Limited is to not only adhere to the statutory requirements in letter but also in spirit, in order to enhance and retain investors' trust. The Company is conscious and continues to voluntarily formulate and comply with the best governance principle to ensure creation of long-term value for its stakeholders on sustainable basis. The Company relentlessly strives to align its vision and business strategy with the welfare and best interests of all its stakeholders.

Your Company believes in the concept of good corporate governance involving transparency, empowerment, accountability, and integrity with a view to enhancing stakeholder's value. With this objective, the Company has put in place various policies, systems, and processes to achieve transparency, business ethics and compliance with applicable laws.

A. Directors:

The composition of the Board is in compliance with the applicable provisions of the Companies Act, 2013, ("Act") and the rules framed thereunder, guideline(s) issued by RBI, SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("Listing Regulations"), as applicable.

As on the date of this report, the Board of Directors of the Company comprises of the following Directors:

Sr. No	Name of the Director	Designation	No. of Meetings attended
1	Mr. Jinesh Jain	Managing Director	9
2	Mr. Praveen Chauhan	Whole Time Director	8
3	Ms. Sharon Dastoor	Nominee Director	9
4	Mr. A D M Chavali	Independent Director	9
5	Mr. Abraham Chacko	Independent Director	9

During the year there were no changes in the Board of Directors of the Company.

Declaration from Independent Directors

The Independent Directors have submitted a declaration of independence, as required pursuant to Section 149(7) of the Act, stating that they meet the criteria of independence as provided in Section 149(6). In the opinion of the Board, the Independent Directors fulfil the conditions specified in the Act and the rules made thereunder for appointment as Independent Director and confirm that they are independent of the management.

Directors' declaration and disclosures

Based on the declarations and confirmations received in terms of the provisions of the Act, the Listing Regulations, and the RBI Directions, none of the Directors on the Board of your Company are disqualified from being appointed or to continue as Directors.

Fit and Proper Criteria

All the Directors meet the requirements of fit and proper criteria stipulated under the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended.

Key managerial personnel

During the year under review, Mr. Gautam Munish was appointed as Chief Executive Officer of the Company w.e.f. August 09, 2022 and Mr. Rajesh Maheshwari was appointed as the Chief Financial Officer of the Company w.e.f. September 08, 2022. Mr. Ashok Biyani continuing as Group Chief Financial Officer resigned as the Chief Financial Officer of the Company w.e.f. October 01, 2022.

Also, during the year Ms. Vinita Rathod resigned as the Company Secretary and Compliance Officer of the Company and Ms. Mayuri Joshi was appointed as the Company Secretary of the Company w.e.f. November 11, 2022. As per RBI Master Directions, Mr. Puneet Bhatia was appointed as the Compliance Officer of the Company w.e.f. November 11, 2022.

Following are the Key Managerial Personnel of the Company as at March 31, 2023:

1. Mr. Jinesh Jain (Managing Director)
2. Mr. Praveen Chauhan (Whole-time Director)
3. Mr. Gautam Munish (Chief Executive Officer)
4. Mr. Rajesh Maheshwari (Chief Financial Officer)
5. Ms. Mayuri Joshi (Company Secretary)

Number of meetings of the Board of Directors:

For the financial year under review, the Board of Directors had Nine (09) meetings and the gap between two Board Meetings was not more than one hundred and twenty days which were in compliance with the relevant provisions of all the applicable laws and rules.

B. STATUTORY COMMITTEES

1. Audit Committee:

The composition of the Audit Committee is in conformity with the provisions of Section 177 of the Act read with the rules issued thereunder. The members of the Audit Committee are financially literate, have the ability to read and understand financial statements and have experience in financial management.

The present composition of Audit Committee is as follows:

Sr. no	Name of the members	Designation	Position	No. of Meetings attended
1	Mr. A D M Chavali	Independent Director	Chairman	4
2	Ms. Sharon Dastoor	Nominee Director	Member	4
3	Mr. Abraham Chacko	Independent Director	Member	4

The Terms of Reference (TOR) of this Committee are in line with the regulatory requirements mandated in the Act and Rules made thereunder and RBI Regulation as amended from time to time. The TOR includes oversight financial reporting process and the disclosure of its financial information, reviewing financial statements, approval of related party transaction, to take note of inter-corporate loans and investments, discussion on Internal Auditor observations, review functioning of whistle blower mechanism, reviewing with the management performance of Statutory Auditors, Internal Auditors, Information System Auditors and adequacy of the internal control systems, reviewing the adequacy of internal audit function, ensure that an Information System Audit of the internal systems and processes is conducted, recommendation for appointment, remuneration and terms of appointment of auditors to the Board.

The Audit Committee met Four times during the financial year under review i.e., on April 11, 2022, August 09, 2022, November 11, 2022 and February 01, 2023. During the period under review, all the recommendations made by the Audit Committee were accepted by the Board of Directors.

2. Nomination and Remuneration Committee:

The composition of the Nomination and Remuneration Committee is in conformity with the provisions of Section 178 of the Act read with the rules issued thereunder.

The present composition of Nomination and Remuneration Committee (NRC) is as follows:

Sr. No	Name of the members	Designation	Position	No. of Meetings attended
1	Mr. Abraham Chacko	Independent Director	Chairman	3
2	Ms. Sharon Dastoor	Nominee Director	Member	3
3	Mr. A D M Chavali	Independent Director	Member	3

The TOR includes appointment and removal of Directors, undertake the process of due diligence and compliance check including fit and proper criteria at the time of appointment/ re-appointment of the director, make recommendation to the Board, as required, for remuneration payable to the Directors of the Company, evaluation of Directors performance, formulation of criteria for evaluation of Directors including the Independent Director.

The Nomination and Remuneration Committee met three times during the financial year under review i.e., on July 02, 2022, September 12, 2022 and November 11, 2022.

3. Risk Management Committee:

In compliance with the RBI Regulations, the Company has constituted the Risk Management Committee.

The present composition of Risk Management Committee is as follows:

Sr. No	Name of the members	Designation	Position	No. of Meetings attended
1.	Mr. Jinesh Jain*	Managing Director	Chairman	2
2.	Mr. Praveen Chauhan*	Whole Time Director	Member	2
3.	Mr. Gautam Munish**	Chief Executive Officer	Chairman	2
4.	Ms. Sharon Dastoor	Nominee Director	Member	4
5.	Mr. Dhriti Barman	Chief Risk Officer	Member	4
6.	Mr. Ajay Agrawal**	Head - Operations and IT	Member	2

* Mr. Jinesh Jain and Mr. Praveen Chauhan stepped down from the position of Chairman and member of Risk Management Committee w.e.f. September 23, 2022.

** Mr. Gautam Munish and Mr. Ajay Agrawal were appointed as Chairman and Member of Risk Management Committee w.e.f. September 23, 2022.

The TOR includes ensuring appropriate methodology, processes and systems are in place in respect of enterprise risk , compliance of KYC, monitor and evaluate enterprise level risks associated with the business of the Company, keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken, periodically

update the Board on the effectiveness of the risk management framework and process of risk management, review risk management policy.

The Risk Management Committee met four times during the financial year under review i.e., on June 29, 2022, September 06, 2022, November 08, 2022 and January 05, 2023.

4. Asset Liability Management Committee:

In compliance with the RBI Regulations, the Company has constituted the Asset Liability Management Committee.

The present composition of Asset Liability Management Committee is as follows:

Sr.No	Name of the members	Designation	Position	No. of Meetings attended
1	Mr. Gautam Munish**	Chief Executive Officer	Chairman	6
2	Mr. Rajesh Maheshwari**	Chief Financial Officer	Member	7
3	Mr. Dhriti Barman	Chief Risk Officer	Member	13
4	Mr. Puneet Behrani	Head Treasury	Member	12
5	Mr. Jinesh Jain*	Managing Director	Invitee	13
6	Mr. Praveen Chauhan*	Whole Time Director	Invitee	13
7	Mr. Ashok Biyani*	Chief Financial Officer	Invitee	12

* Mr. Jinesh Jain, Mr. Praveen Chauhan and Mr. Ashok Biyani stepped down from the position of Chairman and members of Asset Liability Management Committee w.e.f. September 23, 2022.

** Mr. Gautam Munish as Chairman and Mr. Rajesh Maheshwari as member were introduced of Asset Liability Management Committee w.e.f. September 23, 2022.

The TOR includes deciding on desired maturity profile and mix of incremental assets and liabilities, ensure adherence to the limits set by the Board as well as for deciding the business strategy of the Company, decide on structure, responsibilities and controls for managing liquidity risk, overseeing liquidity position of the Company, review the classification of various components of assets and liabilities into different time buckets for preparation of gap reports, review the return to be filed with RBI on timely basis, ensure the adherence to the ALM Policy, responsible for balance sheet planning from risk return perspective.

The Asset Liability Management Committee met thirteen times during the financial year under review i.e., on April 08, 2022, May 20, 2022, June 08, 2022, June 21, 2022, June 28, 2022, July 23, 2022, September 13, 2022, October 11, 2022, November 15, 2022, December 14, 2022, January 19, 2023, February 15, 2023 and March 15, 2023.

5. Corporate Social Responsibility Committee:

As per Section 135 of Companies Act, 2013, the Company has constituted a Corporate Social Responsibility (CSR) committee to support the Company in achieving the CSR objectives of the Company.

The present composition of Corporate Social Responsibility Committee is as follows:

Sr. No	Name of the members	Designation	Position	No. of Meetings attended
1	Mr. Jinesh Jain	Managing Director	Chairman	4
2	Ms. Sharon Dastoor	Nominee Director	Member	4

The TOR include formulating and recommending to the Board a Corporate Social Responsibility Policy, recommending the amount of expenditure to be incurred on the activities to be undertaken by the Company and monitor the Corporate Social Responsibility Policy.

The Company had identified various CSR projects for spending the CSR amount in compliance with Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules, 2014. Employee participation formed part of the CSR activities.

The Corporate Social Responsibility Committee met four times during the financial year under review i.e., on September 23, 2022, December 05, 2022, February 01, 2023 and March 27, 2023.

6. IT Strategy Committee:

In compliance with RBI Master Direction on Information Technology Framework, the Company formed IT Strategy Committee.

The present composition of the Committee is as follows:

Name of the members	Designation	Position	No. of Meetings attended
Abraham Chacko (Chairman)	Independent Director	Chairman	1
Gautam Munish	Chief Executive Officer	Member	1
Rajesh Maheshwari	Chief Financial Officer	Member	1
Ajay Agrawal	Head-Operations and IT	Member	1

The TOR includes approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place, ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business, ensuring IT investments represent a balance of risks and benefits, ensuring proper balance of IT investments, recommendation towards observations made in Information System Audit to be reported to the Audit Committee.

The IT Strategy Committee met once during the year under review i.e., on November 09, 2022.

15. Managerial remuneration

As per Companies Act, 2013, since the Company is not a public Company, the Company is not required to report details under Section 197 and Schedule V of the Companies Act, 2013.

Sitting fees were paid to Mr. Abraham Chacko and Mr. ADM Chavali, Independent Directors of the Company for attending the Board meetings and Committee Meetings of the Company during the year under review.

16. Fair practices code

Your Company has put in place a Fair Practice Code (FPC), which includes guidelines on the terms and conditions relating to receipt of loan/lease applications from the prospective borrowers and processing thereof, sanction, monitoring and recovery of loans and other financial products being offered by it. The FPC is available on the website of the Company at: <https://capsavefinance.com/investor-information>.

Your Company has Grievances Redressal Mechanism in place and the details are available on the website of the Company at: <https://capsavefinance.com/investor-information>.

17. Vigil mechanism / whistle blower policy

The Company has established a vigil mechanism and to that effect formulated the Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The details of the Whistle Blower Policy are available on the website of the Company at: <https://capsavefinance.com/investor-information>. There were no complaints received under the whistleblower during the year under review.

18. Disclosures pertaining to the sexual harassment of women at the workplace (prevention, prohibition and redressal) Act, 2013:

The Company has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder. The Policy aims to promote a healthy work environment and to provide protection to employees at the workplace and redress complaints of sexual harassment and related matters thereto. The Company has also constituted an Internal Complaints Committee to enquire into complaints of sexual harassment and recommend appropriate action.

There were no complaints reported in this regard to the Company during the financial year under review.

19. Principal nodal officer/grievance redressal officer

The Company has appointed a Principal Nodal Officer to represent and furnish information to the RBI Ombudsman in terms of Ombudsman Scheme for Non-Banking Financial Companies, 2018. The Company also has Ombudsman Scheme and the details of the Principal Nodal Officer and Grievance Redressal Officer is available at: <https://capsavefinance.com/investor-information>.

20. Company policies

In compliance with the Companies Act, RBI Regulations and SEBI Listing Regulations, the Company has adopted various policies inter alia including the following:

1. ALM and Liquidity Risk Management Policy
2. Internal Guidelines on Corporate Governance
3. Ombudsman Policy
4. Whistle Blower Policy
5. Investment Policy
6. Corporate Social Responsibility
7. Related Party Transaction Policy
8. Fair Practice Code
9. KYC Policy
10. Demand Loan Policy
11. Nomination and Remuneration Policy
12. Fit and Proper Criteria Policy
13. Outsourcing Policy
14. Interest Rate Policy
15. Prevention of Sexual Harassment Policy
16. Risk Management Policy
17. Credit Policy
18. Policy related to Information Technology
19. Equal Employment Opportunity Policy
20. Resource Raising Policy
21. Maternity Benefit Policy
22. Policy for Preservation of Documents
23. Code of Conduct for Direct Selling Agent
24. Dividend Policy
25. Policy on appointment of Statutory Auditors
26. Privacy Policy

In compliance with the Companies Act, 2013, the following detail regarding few policies is mentioned below:

1. Asset Liability Management and Liquidity Risk Framework

We have a robust, Board approved Liquidity Risk Management (LRM) policy in place, which also covers the Asset Liability Management (ALM) framework. The LRM Policy meets the following objectives:

- Listing down requirements of RBI Guidelines
- Define Organisation structure for the ALM/LRM framework
- Provide guidelines for design of the ALM/LRM information systems
- Process for assessing Liquidity Risk, Interest Rate Risk and Short-Term Liquidity Risk
- Identify and measure on a consistent basis the liquidity risks and interest rate risks to which the Company may be exposed
- Identify risk mitigation strategies to be adopted
- Establish guidelines to meet various applicable regulatory rules and statutes

2. Corporate Social Responsibility Policy:

The said policy is available on the website of the Company at <https://capsavefinance.com/investor-information>.

3. Related Party Transaction Policy:

The said policy is available on the website of the Company at <https://capsavefinance.com/investor-information>.

4. Nomination and Remuneration Policy:

In compliance with Section 178 of the Act read with Rules thereunder, the Company has adopted Nomination and Remuneration Policy and Fit and Proper criteria policy. The details of the said policies are available on the website on the Company at <https://capsavefinance.com/investor-information>.

5. Risk Management Policy:

The Company has adopted a Risk Management Policy to proactively identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by critical functions are systematically addressed through mitigating actions, on a continuing basis.

21. Particulars of employees and remuneration:

The Company is a Private Limited Company and therefore provisions of Section 197 of the Act read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable to the Company, hence, no information is required to be appended with this report.

22. Directors' responsibility statement:

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they had prepared the annual accounts on a going concern basis; and

- e) They had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

23. Details of subsidiary/joint ventures/associate companies:

The Company has no subsidiaries and no associate companies within the meaning of Section 2(87) and 2(6) respectively of the Companies Act, 2013 ("Act") as on March 31, 2023. The Company has not entered into any joint venture during the year.

24. Details of Deposits:

The Company has not accepted any deposits from the public and as such, no amount on account of principal or interest on deposits from the public was outstanding as on the date of the Balance Sheet.

25. Secretarial Standards of Institute of Company Secretaries of India

The Company is in compliance with the Secretarial Standards specified by the Institute of Company Secretaries of India ("ICSI") on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2).

26. Particulars of Loans, Guarantees or Investments under Section 186:

In terms of Section 186(11) of the Act read with Companies (Meetings of Board and its Powers) Rules, 2014, the provisions of Section 186 in respect of loans made, guarantees given or securities provided by the Company are not applicable to the Company.

27. Particulars of contracts or arrangements with related parties:

The Company has entered into transactions with its related party in normal course of business and on an arm's length basis. The particulars of such contracts or arrangements with related parties referred to in Section 188(1), are specified in Note No. 35 of the financial statement.

28. Cost records:

The Company is not required to maintain cost records as per sub-section (1) of Section 148 of the Act.

29. Insolvency and bankruptcy Code, 2016

Capsave Finance (as Financial Creditor) has filed an application under section 7(1) of the Insolvency and Bankruptcy Code against Suumayya Corporation Limited (formerly known as Rangoli Tradecomm Limited) before NCLT, Kolkata bench on May 20, 2022. The matter is pending for a final hearing on September 01, 2023.

30. Conservation of energy and technology absorption:

Information on the subject as required under Section 134 (3) (m) of the Act read with Companies (Accounts) Rules 2014 pertaining to conservation of energy and technology absorption is not applicable to the Company.

The Company has also registered on August 25, 2023 under Science Based Targets initiative (SBTi) which drives ambitious climate action in the private sector by enabling organizations to set science-based emissions reduction targets.

31. Foreign exchange earnings and outgo:

Foreign exchange earned in terms of actual inflows is Nil and foreign exchange outgo in terms of actual outflows during the year under review was Rs.1,041.32 Lakhs.

32. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future:

No such orders have been passed in relation with your Company impacting its on-going concern status during the year.

33. Details of frauds under Section 143 (12) of the act:

During the financial year under review, none of the Auditors have reported any instance of frauds committed in the Company by its officers or employees to the Audit Committee under Section 143(12) of the Act details of which needs to be mentioned in this Report.

34. Shifting of registered office of the Company:

During the financial year under review, the registered office of the Company was changed from Unit No. 1501, Wing-D, Lotus Corporate Park, Western Express Highway, Goregaon (East), Mumbai - 400063 to Unit No.301 & 302, Wing-D, Lotus Corporate Park, Western Express Highway, Goregaon (E), Mumbai - 400063.

35. Auditors:

1. Statutory Auditors

There were no changes in the statutory auditors during the financial year under review. The existing auditors, viz. M/s. V.C. Shah & Co., Chartered Accountants (Firm Registration Number 109818W) were appointed as statutory auditors of the Company for the financial year under review.

The Directors confirm that there are no disqualifications, reservations, adverse remarks or disclaimers in the Independent Auditor's report issued by Statutory Auditors for the financial year 2022-23.

2. Secretarial Auditors

The Board had appointed M/s. D N Vora & Associates, Practicing Company Secretary firm as Secretarial Auditor of the Company for the Financial Year 2022-23 in compliance with the provisions of Section 204 of the Companies Act, 2013 and the Rules made there under. Secretarial Audit Report in Form MR-3, submitted by the Secretarial Auditor for the financial year 2022-23 is enclosed as Annexure to the Director's Report.

The Directors confirm that there are no disqualifications, reservations, adverse remarks or disclaimers in the Secretarial Audit Report issued by Secretarial Auditors for financial year 2022-23.

36. Details in respect of adequacy of internal financial controls with reference to the financial statements:

The Company has adequate internal financial controls in place with reference to the Financial Statements of the Company, commensurate with the size, scale and nature of its operations.

37. Annual return:

In Pursuant to Section 134 (3) (a) and Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, annual returns in MGT 7 for financial year 2021-22 is uploaded on the website of the Company at <https://capsavefinance.com/investor-information/>.

38. Debenture trustee

1. Name of Debenture Trustee - Axis Trustee Services Limited

Address - Ground Floor, Axis House, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai - 400 025

Tel. Nos - +91 22 6226 0054

Email address - debenturetrustee@axistrustee.com

Website - www.axistrustee.com

2. Name of Debenture Trustee - Catalyst Trusteeship Limited

Address - Windsor, 6th floor, Office No.604, C.S.T Road, Kalina, Santacruz (East), Mumbai - 400098 Tel. Nos - 022-49220548

Email address - compliancectl-mumbai@ctltrustee.com

Website - <https://www.catalysttrustee.com/>

39. Acknowledgements:

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

**For and on behalf of the Board of Directors,
Capsave Finance Private Limited**

Jinesh Jain
(DIN: 06807613)
Director

Praveen Chauhan
(DIN: 06802734)
Director

Place: Mumbai
Date: May 22, 2023

Disclosures pursuant to Regulation 53(f) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as on March 31, 2023:

Sr. No	In the accounts of	Disclosures of amounts at the year end and the maximum amount of Loans/ Advances/ Investments outstanding during the year	Details
1	Holding Company	<ul style="list-style-type: none"> •Loans and advances in the nature of loans to subsidiaries by name and amount •Loans and advances in the nature of loans to associates by name and amount •Loans and advances in the nature of loans to firms / companies in which Directors are interested by name and amount 	NA
2	Subsidiary Company	<ul style="list-style-type: none"> • Loans and advances in the nature of loans from parent by name and amount • Loans and advances in the nature of loans from associates by name and amount • Loans and advances in the nature of loans from firms / companies in which Directors are interested by name and amount 	Refer Note No. 35 of the Financial Statement
3	Holding Company	Investment by the loanee in the shares of Parent Company and Subsidiary Company, when the Company has made a loan or advance in the nature of loan	NA

REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

1. Brief Outline of the Company's CSR Policy

The Corporate Social Responsibility Policy of the Company has been adopted in accordance with Section 135 of the Companies Act, 2013 and Rules frame thereunder.

2. Composition of CSR Committee

Following is the composition of the CSR Committee and during the year four CSR committee meetings were held with both the members as mentioned below were present:

Name of the Director	Designation	Position
Mr. Jinesh Jain	Managing Director	Chairman
Ms. Sharon Dastoor	Nominee Director	Member

3. Details of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: Not Applicable

4. Details of the amount available for set-off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set-off for the financial year, if any): Nil

5. Average Net Profit of the Company for the last three years:

The average net profit of the Company calculated as per Section 198 of the Companies Act, 2013, read with the Rules framed thereunder, amounts to Rs. 5,338.92 Lakhs.

6. a) Two percent of average net profit of the Company as per Section 135(5): Rs. 106.78 Lakhs.

b) Surplus arising out of the CSR projects or programs or activities of the previous financial years: Nil

c) Amount required to be set-off for the financial year, if any: Nil

d) Total CSR obligation for the financial year (6a+6b-6c): Rs. 106.78 Lakhs

7. Details of CSR Spent for the Financial Year under review:

Total amount spent for the financial year 2022-2023 - Rs. 107.05 Lakhs

Amount unspent: NIL

Manner in which the amount spent during the financial year is detailed below:

CSR Project or Activity Identified	Sector in which project is covered	Local Area (Yes/No)	Location of the project	Amount spent for the project (Rs. In Lakhs)	Mode of implementation-Direct (Yes/No)	Mode of implementation through implementing agency (Name and Reg. No)
Skills@School - Salaam Foundation	Public Trust	Yes	Nariman Point	5.00	Yes	-
Aims for Seva	Public Trust	Yes	Nariman Point	5.40	Yes	-
Virat Kohli Foundation	Public Trust	Yes	Nariman Point	10.00	Yes	-
National Society for the Prevention of Blindness	Public Trust	No	Bareilly	25.00	Yes	-
Sadguru Seva Sangh Trust	Public Trust	No	Chitrakoot	61.65	Yes	-

Details of excess amount for set-off are as follows:

Sr. No	Particulars	Amount (Rs.in Lakhs)
(i)	2% of average net profit of the Company as per Section 135(5)	106.78
(ii)	Total amount spent for the financial year	107.05
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.27
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	Nil
(v)	Amount available for set-off in succeeding financial years [(iii)-(iv)]	Nil

In case of creation or acquisition of capital asset, furnish the details relating to assets so created or acquired the CSR spent in the financial year - Not Applicable.

**For and on behalf of the Board of Directors,
Capsave Finance Private Limited**

Jinesh Jain
(DIN: 06807613)
Director

Praveen Chauhan
(DIN: 06802734)
Director

Place: Mumbai
Date: May 22, 2023



CS Dipali Vora
(B.COM , ACS)

D N VORA & ASSOCIATES

Company Secretaries

SECRETARIAL AUDIT REPORT

Form No. MR-3

Secretarial Audit Report for the Financial Year ended 31st March, 2023

[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,
Capsave Finance Private Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **CAPSAVE FINANCE PRIVATE LIMITED** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me with a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and the records maintained by the Company for the financial year ended on 31st March, 2023 according to the provisions of the Companies Act, 2013 and the rules made there under:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not Applicable during the Audit Period)**

Address: 12, Patel Bhuvan, Daulat Nagar, Road No. 10, Borivali (East), Mumbai- 400066

Email ID: dnvoraandaassociates@yahoo.com | **Mobile:** 9022688680

- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and The Securities and Exchange Board of India (Issue of Capital And Disclosure Requirements) Regulations, 2018; **(Not Applicable during the Audit Period)**
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not Applicable during the Audit Period)**
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable during the Audit Period)**
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and The Securities and Exchange Board of India (Buyback of Securities) Regulations 2018; **(Not Applicable during the Audit Period)**
 - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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 Listing Agreements entered into by the Company with BSE Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

I further report that:

- The Board of Directors of the Company are:
 1. Mr. Jinesh Kumar Jain – Managing Director
 2. Mr. Praveen Chauhan – Whole Time Director
 3. Mr. Agnihotra Dakshina Murty Chavali – Independent Director.
 4. Mr. Abraham Chacko – Director – Independent Director.
 5. Mrs. Sharon Farhaad Dastoor – Nominee Director

Following are the KMP of the Company:

1. Mr. Gautam Munish – Chief Executive Officer
2. Mr. Rajesh Maheshwari- Chief Financial Officer
3. Ms. Mayuri Navinchandra Joshi – Company Secretary

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors.

- During the year under review, the Company has increased the Authorized Share Capital from 1,27,00,000 equity shares of Rs. 10/- each to 1,77,00,000 equity shares of Rs. 10/- each.
- During the year under review, the Company has issued:
 1. 800 Debentures on 26/05/2022 at a face value of Rs. 10,00,000/-;
 2. 20,000 Debentures on 30/08/2022 at a face value of Rs. 10,000/-;
 3. 200 Debentures on 02/09/2022 at a face value of Rs. 10,00,000/-;
 4. 300 Debentures on 06/09/2022 at a face value of Rs. 10,00,000/-;
 5. 400 Debentures on 12/09/2022 at a face value of Rs. 10,00,000/-;
 6. 300 Debentures on 12/09/2022 at a face value of Rs. 10,00,000/-;
 7. 4,500 Debentures on 09/03/2023 at a face value of Rs. 1,00,000/-;
- During the year under review, the Company has made right issue on 27/09/2022 of 18,57,700 Equity Shares of Face Value Rs. 10/- at a premium of Rs. 312.98/- fully paid-up aggregating to Rs. 59,99,99,946/-.
- There were a few forms which were filled with additional fees. Except these, The Company has filed the required forms and returns with the Registrar of Companies (RoC) within the time prescribed under the Act. However, no forms or returns were filed with the Regional Director, Central Government, Company Law Board/The Tribunal, Court or other authorities.
- Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

- Adequate notice of Board meeting is given to all the Directors along with agenda at least seven days in advance or shorter notice consent is taken whenever required, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.
- As per the minutes of the meeting duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded
- I, 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.
- I further report that during the audit period there were no specific events / actions having a major bearing on the affairs of the Company in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For D N Vora & Associates
Practising Company Secretary

Place: Mumbai
Date:

Dipali Natvar Vora
Proprietor
ACS: 46989
C.P. No.: 21254
UDIN:

This report is to be read with our letter of even date which is annexed as Annexure - A and forms an integral part of this report.

‘ANNEXURE A’

To,
The Members,
Capsave Finance Private Limited
Mumbai

Our report of even date is to 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 test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provided a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Book 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, regulation, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For D N Vora & Associates
Practising Company Secretary

Place: Mumbai
Date:

Dipali Natvar Vora
Proprietor
M. No. ACS 46989
C.P. No. 21254
UDIN:

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CAPSAVE FINANCE PRIVATE LIMITED

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the Ind AS financial statements of **CAPSAVE FINANCE PRIVATE LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Ind AS financial statements, including summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in Board's Report but does not include the Ind AS Financial Statements and our auditor's report thereon.

Our opinion on the Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of Management and Those Charged with Governance for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

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

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

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

- Evaluate the overall presentation, structure and content of the Ind AS Financial Statements, including the disclosures, and whether the Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Other Matter

The audit of Ind AS financial statements for the year ended March 31, 2022, was carried out and reported by predecessor auditor, vide their unmodified audit report dated May 30, 2022, whose report has been furnished to us by the management and which has been relied upon by us for the purpose of our audit of the Ind AS financial statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
 - g) With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, section 197 of the Act related to the managerial remuneration is not applicable.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position;
- 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.
- iv.
 - (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The Company has not declared nor paid any dividend during the year. Hence, reporting the compliance with section 123 of the Act is not applicable.

For V. C. Shah & Co.

Chartered Accountants

ICAI Firm Registration Number: 109818W

Viral J. Shah

Partner

Membership No.: 110120

UDIN: 23110120BGXNIS1421

Place : Mumbai

Date : May 22, 2023

Annexure - A to the Independent Auditors' Report of even date on Ind AS financial statements of Capsave Finance Private Limited

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of Intangible Assets.
- (b) All Property, Plant and Equipment have not been physically verified by the management during the year, but there is a regular programme of physical verification of its Property, Plant and Equipment (other than those deployed under operating lease contract) by which all Property, Plant and Equipment are verified in a phased manner at least once in three years. Property, Plant and Equipment deployed under lease contracts are verified at the time of deployment by customers and inspected at least once during the lease term. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its business and assets. Pursuant to the programme, certain Property, Plant and Equipment were physically verified by the management during the year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) The company does not own any immovable properties.
- In respect of immovable properties of land and building that have been taken on lease and disclosed as right of use assets in the financial statements, the lease agreements are in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year. Accordingly, reporting under clause (i)(d) of paragraph 3 of the Order is not applicable.
- (e) As represented by the Management, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) The Company does not have any inventory and hence reporting under clause (ii)(a) of paragraph 3 of the Order is not applicable.
- (b) The Company has been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, during the year, from banks or financial institutions on the basis of security of current assets. Quarterly return & statement filed by the Company with such banks or financial institutions are prepared based on the confirmed rental EMI schedule agreed with customer at the time of origination, the principal amount under rental EMI schedule with customer is materially in agreement with the books of account of the company.

- iii. (a) The Company being a registered Non-Banking Financial Institution, the provisions of Clause 3(iii) (a) & (e) of the Order are not applicable to the company.
- (b) In our opinion and according to information and explanations given to us, the terms and conditions of investments, guarantee, security and loans granted during the year are not prejudicial to the interest of the Company.
- (c) In respect of loans and advances in the nature of loans, granted by the Company as part of its business, the schedule of repayment of principal and payment of interest has been stipulated by the Company. Having regard to the voluminous nature of loan transactions, it is not practicable to furnish entity-wise details of amount, due date for repayment or receipt and the extent of delay (as suggested in the Guidance Note on CARO 2020, issued by the Institute of Chartered Accountants of India for reporting under this clause) in this report, in respect of loans and advances which were not repaid / paid when they were due or were repaid / paid with a delay, in the normal course of lending business.

Further, except for those instances where there are delays or defaults in repayment of principal and / or interest as at the balance sheet date, in respect of which the Company has disclosed asset classification / staging of loans in note 6 to the Ind AS financial statements in accordance with Indian Accounting Standards (Ind AS) and the guidelines issued by the Reserve Bank of India, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable.

- (d) In respect of loans and advances in the nature of loans, the total amount overdue for more than ninety days as at March 31, 2023 and the details of the number of such cases, are disclosed in note 6 to the Ind AS financial statements. In such instances, in our opinion, reasonable steps have been taken by the Company for recovery of the overdue amount of principal and interest.
 - (f) In our opinion and according to information and explanations given to us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment. Accordingly, the provisions of Clause (iii) (f) of paragraph 3 of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanation given to us there are no loans, investment, guarantee and security given in respect of which provision of section 185 and 186 of the Act are applicable and Accordingly, the provisions of clause (iv) of paragraph 3 of the Order are not applicable to the Company.
 - v. According to the information and explanation given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of the Act and the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the provisions of clause (v) of paragraph 3 of the Order are not applicable to the Company.
 - vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of paragraph 3 of the Order is not applicable to the Company.

- vii. In respect of statutory dues:
- (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
- There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.
- (b) There are no statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of any disputes.
- viii. According to information and explanations given to us, the Company has not surrendered or disclosed any unrecorded transaction as income during the year in the tax assessments under the Income Tax Act, 1961. Hence, the provisions of Clause (viii) of paragraph 3 of the Order are not applicable to the Company.
- ix. (a) The Company has taken loans and other borrowings from lenders. As per the information and explanation given and represented by the management, we report that there is no default in case of any repayment of loans and borrowing.
- (b) According to the information and explanations given to us, the Company is not a declared willful defaulter by any bank or financial institution or other lender.
- (c) According to the information and explanations given to us and the records of the Company, the term loans were applied for the purpose for which the loans were obtained except term loans were raised at the year end, the funds were temporarily kept under cash & bank balances.
- (d) According to the information and explanations given to us and the records of the Company there were no funds raised on short term basis applied for long term purpose by the Company.
- (e) Based on the information received and as represented by the management, the Company does not have any subsidiary, associates or joint venture. Hence, the provisions of Clause (ix)(e) and (f) of paragraph 3 of the Order are not applicable to the Company.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence, reporting under clause (x)(a) of paragraph 3 of the Order is not applicable.
- (b) During the year, the Company has made preferential allotment or private placement of shares during the year and in our opinion, the requirements of section 42 and section 62 of the Act have been complied with and the funds raised have been used for the purpose(s) for which they were raised. The company has not made any preferential allotment or private placement of convertible debentures (fully, partially or optionally convertible) during the year.

- xi. (a) According to information and explanation provided to us, During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud by the Company nor any fraud on the Company has been noticed or reported during the year, nor have we been informed of any such instance by the management, except for one case aggregating to amount Rs. 59.84 Lakhs and out of which Rs. 11.14 Lakhs has been recovered by the company.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the provisions of Clause (xi)(b) of paragraph 3 of the Order are not applicable to the Company.
- (c) As represented by the management, there are no whistle blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company and hence, reporting under clause (xii) of paragraph 3 of the Order is not applicable.
- xiii. According to the information and explanations given to us, transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and details have been disclosed in the Ind AS Financial Statements as required by the applicable accounting standards.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. According to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not commented upon.
- xvi. a) The Company is registered with the Reserve Bank of India ('RBI') as a Systematically Important Non-Deposit Taking Non-Banking Financial Company (NBFC-ND-SI) and has obtained the certificate of registration under section 45 IA of the Reserve Bank of India Act, 1934(2 of 1934). Since the registration is obtained as NBFC-ND-SI provisions of clause (xvi)(b) and (xvi)(c) of paragraph 3 of the Order are not applicable to the company.
- (b) According to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- xvii. In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- xviii. During the year the audit term of the previous Auditors M/S PKF Sridhar & LLP got ended, and on account of the applicability of the guidelines issued for Appointment of Central Statutory Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs) UCBs and NBFCs (including HFCs) dated 27th April, 2021 issued by Reserve Bank of India, the previous auditors were not eligible to carry out the audit.

We have received the No objection certificate from the previous auditors and there was no concern raised by the previous auditors.

- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Ind AS Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Hence, reporting under clause (xx)(a) of paragraph 3 of the Order is not applicable for the year to the Company.
- (b) There are no unspent amounts towards Corporate Social Responsibility (CSR) on any ongoing projects requiring a transfer to a special account in compliance with sub-section (6) of Section 135 of the said Act. Hence, reporting under clause (xx)(b) of paragraph 3 of the Order is not applicable for the year to the Company.

For V. C. Shah & Co.

Chartered Accountants

ICAI Firm Registration Number: 109818W

Viral J. Shah

Partner

Membership No.: 110120

UDIN: 23110120BGXNIS1421

Place : Mumbai

Date : May 22, 2023

Annexure - B to the Independent Auditors' Report of even date on Ind AS financial statements of CAPSAVE FINANCE 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")

We have audited the internal financial controls over financial reporting of **CAPSAVE FINANCE PRIVATE LIMITED** (the "Company") as of March 31, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Management's Responsibility for Internal Financial Controls

The Management of the Company 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 (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

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") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountant 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 Ind AS Financial Statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls 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 Ind AS 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 Ind AS 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 Ind AS 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.

For V. C. Shah & Co.

Chartered Accountants

ICAI Firm Registration Number: 109818W

Viral J. Shah

Partner

Membership No.: 110120

UDIN: 23110120BGXNIS1421

Place : Mumbai

Date : May 22, 2023

Capsave Finance Private Limited

CIN : U67120MH1992PTC068062

Balance Sheet as at March 31, 2023

Particulars	Note	Amounts Rs in lakhs	
		As at March 31, 2023	As at March 31, 2022
ASSETS			
Financial assets			
Cash and cash equivalents	4	9,852.34	9,332.35
Bank balance other than cash and cash equivalents above	4.1	747.54	1,668.72
Receivables			
Trade receivables	5	999.67	409.93
Loans	6	180,249.69	105,749.82
Other financial assets	7	2,242.79	1,701.84
Total financial assets		194,092.03	118,862.66
Non-financial Assets			
Current tax assets (Net)	8	21.48	-
Deferred tax assets (Net)	9	951.41	572.61
Property, plant and equipment and Intangible assets	10	5,270.43	6,426.71
Right of use asset	10A	586.82	162.91
Intangible assets under development	10	112.32	33.02
Asset under Deployment		-	204.36
Other non-financial assets	11	6,387.63	4,545.89
Total non-financial assets		13,330.09	11,945.50
TOTAL ASSETS		207,422.12	130,808.16
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables	12		
(I)Trade payables			
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises		291.46	169.11
(II)Other payables			
(i) Total outstanding dues of micro enterprises and small enterprises		-	0.73
(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises		15.02	4.59
Debt securities	13	35,530.58	12,964.59
Borrowings (other than debt securities)	14	72,969.29	45,090.86
Deposits	14.1	14,000.74	11,399.29
Other financial liabilities	15	32,740.96	22,140.35
Lease Liability	15.1	591.20	163.62
Total financial liabilities		156,139.25	91,933.14
Non-financial liabilities			
Current tax liabilities (Net)	8	-	434.83
Provisions	16	108.40	51.53
Other non-financial liabilities	17	1,054.92	1,824.28
Total non-financial liabilities		1,163.32	2,310.64
EQUITY			
Equity share capital	18	1,418.06	1,232.29
Other equity	19	48,701.49	35,332.09
Total equity		50,119.55	36,564.38
TOTAL LIABILITIES AND EQUITY		207,422.12	130,808.16

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For V.C. Shah & Co.
Chartered Accountants
Firm Registration No.109818W

For and on behalf of the Board of Directors

Viral J. Shah
Partner
Membership No. 110120

Jinesh Jain
Managing Director
DIN: 06807613

Sharon Dastoor
Director
DIN: 07072060

Place : Mumbai
Date : May 22, 2023

Gautam Munish
Chief Executive Officer

Rajesh Maheshwari
Chief Financial Officer

Mayuri Joshi
Company Secretary

Capsave Finance Private Limited

CIN : U67120MH1992PTC068062

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

Amounts Rs in lakhs

Particulars	Note	Year Ended March 31, 2023	Year Ended March 31, 2022
Revenue from operations			
Income from operations	20	24,403.04	16,259.09
Net gain on fair value changes	21	187.84	5.39
Total revenue from operations		24,590.88	16,264.48
Other income	22	170.61	233.20
Total income		24,761.49	16,497.68
Expenses			
Finance costs	23	8,557.46	4,274.63
Impairment on financial instruments	24	977.01	658.58
Employee benefit expenses	25	2,876.39	1,447.41
Depreciation and amortization	10	1,316.91	1,784.33
Other expenses	26	1,440.73	1,046.68
Total Expenses		15,168.50	9,211.63
Profit before tax		9,592.99	7,286.05
Tax expense:	27		
(1) Current tax		2,770.71	2,316.34
(2) Short/ (Excess) Provision of Tax for Earlier Years		(354.25)	-
(3) Deferred tax		(378.76)	(443.59)
Total tax expense		2,037.70	1,872.75
Profit after tax		7,555.29	5,413.30
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
-Re-measurement of defined benefit plan		(0.15)	12.19
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.04	(3.07)
Other comprehensive income		(0.11)	9.12
Total comprehensive income for the Year		7,555.18	5,422.42

Earnings per equity share (Face value per share Rs.10/-) Basic and Diluted	28	56.96	49.12
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Summary of Significant accounting policies	2		
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The accompanying notes are an integral part of the financial statements.

As per our report of even date.

For V.C. Shah & Co.
Chartered Accountants
Firm Registration No.109818W

For and on behalf of the Board of Directors

Viral J. Shah
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Place : Mumbai
Date : May 22, 2023

Gautam Munish
Chief Executive Officer

Rajesh Maheshwari
Chief Financial Officer

Mayuri Joshi
Company Secretary

Capsave Finance Private Limited

CIN : U67120MH1992PTC068062

Statement of changes in equity for the year ended March 31, 2023

Amounts Rs in lakhs

A. Equity share capital

Particulars	Balance at the beginning of the year	Changes in equity share capital due to prior period errors	Restated balance at the beginning	Changes in equity share capital during the year	Balance at the end of the year
As at March 31, 2022	1,043.81	-	-	188.48	1,232.29
As at March 31, 2023	1,232.29	-	-	185.77	1,418.06

B. Other equity

Particulars	Reserves and surplus			
	Securities premium	Special Reserve under Section 45-1C of the Reserve Bank of India Act, 1934	Retained earnings	Total other equity
As at April 1, 2021	16,312.19	1,785.13	7,050.83	25,148.15
Profit for the year	-	-	5,413.30	5,413.30
Other comprehensive income	-	-	9.12	9.12
Total comprehensive income for the year	-	-	5,422.42	5,422.42
Transfer to special reserve	-	1,082.66	(1,082.66)	-
Additions	4,761.52	-	-	4,761.52
As at March 31, 2022	21,073.71	2,867.79	11,390.59	35,332.09
Profit for the year	-	-	7,555.29	7,555.29
Other comprehensive income	-	-	(0.11)	(0.11)
Total comprehensive income for the year	-	-	7,555.18	7,555.18
Transfer to special reserve	-	1,511.06	(1,511.06)	-
Additions	5,814.22	-	-	5,814.22
As at March 31, 2023	26,887.93	4,378.85	17,434.71	48,701.49

Summary of Significant accounting policies (Refer Note 2)

The accompanying notes are integral part of these financial statements.

As per our report of even date.

For V.C. Shah & Co.
Chartered Accountants
Firm Registration No.109818W

For and on behalf of the Board of Directors

Viral J. Shah
Partner
Membership No. 110120

Jinesh Jain
Managing Director
DIN: 06807613

Sharon Dastoor
Director
DIN: 07072060

Place : Mumbai
Date : May 22, 2023

Gautam Munish
Chief Executive Officer

Rajesh Maheshwari
Chief Financial Officer

Mayuri Joshi
Company Secretary

Capsave Finance Private Limited

CIN : U67120MH1992PTC068062

Cash Flow Statement for the year ended March 31, 2023

Amounts Rs in lakhs

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before tax:	9,592.99	7,286.05
Adjustments :		
Depreciation and amortisation	1,316.91	1,784.33
Interest income on bank deposit	(44.70)	(36.46)
Interest Expense on security deposit and rebate to renters	903.70	607.42
Interest Income on security deposit and rebate to renters	(866.36)	(695.20)
Interest expense on bank borrowing and debt securities	7,607.13	3,576.15
Interest expense on lease liability	39.41	16.23
Lease rental paid	(103.20)	(44.28)
Impairment on financial instruments	977.01	658.58
Operating profit before working capital changes	19,422.89	13,152.83
Operational cash flow from interest		
Interest income on bank deposit	44.70	36.46
Interest Expense on security deposit and rebate to renters	(903.70)	(607.42)
Interest Income on security deposit and rebate to renters	866.36	689.72
Interest expense on bank borrowing and debt securities	(7,607.13)	(3,576.15)
Adjustments for (increase)/ decrease in operating assets:		
Property, plant and equipments	(1,414.10)	(1,076.17)
Trade receivables	(589.74)	(22.33)
Loans	(75,476.89)	(55,844.04)
Bank balance other than cash and cash equivalents	921.18	(1,459.95)
Other financial assets	(540.95)	(279.41)
Other non financial assets	(1,841.75)	580.98
Adjustments for increase/ (decrease) in operating liabilities		
Trade payables	122.35	104.45
Other payables	9.70	(6.91)
Provisions	56.73	1,290.27
Other financial liabilities	20,720.99	10,725.38
Other non financial liabilities	(769.36)	465.00
Cash generated from operations	(46,978.72)	(35,827.30)
Less : Income taxes (paid) / net of refund	(2,872.76)	(3,263.68)
Net cash outflow from operating activities	(49,851.49)	(39,090.98)
CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Property, plant and equipments and Intangibles under development	(307.57)	(36.37)
Net cash flow (used in) from investing activities	(307.57)	(36.37)

Capsave Finance Private Limited

CIN : U67120MH1992PTC068062

Cash Flow Statement for the year ended March 31, 2023

Amounts Rs in lakhs

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from bank borrowings	54,985.00	49,482.25
(Repayment) of bank borrowings	(33,077.54)	(12,683.39)
Proceeds from Debt Securities	26,500.00	7,000.00
(Repayment) of Debt Securities	(6,329.86)	(2,680.00)
Proceeds from issue of equity share capital (Including securities premium)	5,999.99	4,950.01
Proceeds from Inter corporate deposit	15,750.11	27,956.51
(Repayment) of Inter corporate deposit	(13,148.67)	(28,867.71)
Net cash flow (used in) from financing activities	50,679.04	45,157.66
NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES		
Cash and cash equivalents at beginning of the year	9,332.35	3,302.04
Cash and cash equivalents at end of the year	9,852.34	9,332.35
Components of Cash and Cash Equivalents		
Cash on hand	-	-
Balance with banks:		
- In current accounts	9,852.34	9,332.35
- In fixed deposits	-	-
	9,852.34	9,332.35

Summary of Significant accounting policies (Refer Note 2)

The accompanying notes are integral part of these financial statements.

As per our report of even date.

For V.C. Shah & Co.
Chartered Accountants
Firm Registration No.109818W

For and on behalf of the Board of Directors

Viral J. Shah
Partner
Membership No. 110120

Jinesh Jain
Managing Director
DIN: 06807613

Sharon Dastoor
Director
DIN: 07072060

Place : Mumbai
Date : May 22, 2023

Gautam Munish
Chief Executive Officer

Rajesh Maheshwari
Chief Financial Officer

Mayuri Joshi
Company Secretary

Capsave Finance Private Limited

CIN: U67120MH1992PTC068062

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

1. CORPORATE INFORMATION

Capsave Finance Private Limited (“the Company”), formerly (till August 30, 2016) called “Abhishek Capitals Private Limited”, was incorporated on August 7, 1992. The Company is a 100% subsidiary of “Rent Alpha Private Limited”, with effect from June 15, 2016 and is engaged in the business of leasing, factoring transactions, purchase of rent receivables, trade and asset finance and providing loans.

The Company is a Non-Banking Financial Company ('NBFC') under Section 45-IA of the Reserve Bank of India (RBI) Act, 1934. The Company received the Certificate of Registration vide Registration No. B - 1301702 from the RBI on February 5, 2004, enabling the Company to carry on business as a Non-banking Finance Company without acceptance of public deposits. The Company has also received the Certificate of Registration for factoring vide Registration No. N-13.02444 from the RBI on December 20, 2022. The Company continues to be classified as an Investment and Credit Systematically Important Non-deposit taking NBFC (NBFC-ND-SI) for the financial year 2022-23. Accordingly, all provisions of the Reserve Bank of India Act, 1934 and all directions, guidelines or instructions of the RBI that have been issued from time to time and are in force and as applicable to a NBFC-ND-SI are applicable to the Company. The Company is classified in the Middle Layer vide circular No. RBI/2022-23/129, DOR.CRE.REC.No.78/03.10.001/2022-23, dated October 11, 2022, related to Scale Based Regulation.

2. BASIS OF PREPARATION

2.1. PRESENTATION OF FINANCIAL STATEMENTS

The Balance Sheet, Statement of Changes in Equity and Statement of Profit and loss of the Company are prepared and presented as per Schedule III (Division III) of the Companies Act, 2013 (“Act”), as amended from time to time, as applicable to NBFCs. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 “Statement of Cash Flows”. The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III (Division III) of the Act, are presented by way of notes forming part of the financial statements along with other notes required to be disclosed under the notified accounting standards, the Securities and Exchange Board of India (“SEBI”) (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

- i. The normal course of business
- ii. The event of default
- iii. The event of insolvency or bankruptcy of the Company and/or its counterparties.

Capsave Finance Private Limited

CIN: U67120MH1992PTC068062

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED MARCH 31,2023

2.2. STATEMENT OF COMPLIANCE

The financial statements have been prepared and comply in all material aspects with Indian Accounting Standards (Ind-AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2021 as amended] and other relevant provisions of the Act. In addition, applicable regulations of RBI and guidance notes / authoritative pronouncements issued by the Institute of Chartered Accountants of India ("ICAI") are also applied along with compliance with other statutory promulgations.

2.3. FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in Indian Rupees ("INR" or "Rs.") which is the currency of the primary economic environment in which the Company operates (the "functional currency"). The values are rounded to the nearest lakhs, except when otherwise indicated.

2.4. HISTORICAL COST CONVENTION

The financial statements have been prepared under the historical cost convention on the accrual basis except for certain financial instruments and plan assets of defined benefit plans, which are measured at fair values at the end of each reporting period as explained in the accounting policies below.

2.5. REVENUE RECOGNITION

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and can be reliably measured and there exist reasonable certainty of its recovery. Revenue is measured at fair value of the consideration received or receivable as reduced for estimated customer credits and other similar allowances. Ind-AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a goods or services to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Capsave Finance Private Limited

CIN: U67120MH1992PTC068062

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED MARCH 31,2023

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.

i) Interest on Assets under Finance lease

Assets under Finance Lease are included under Loans as financial asset.

The aggregate payments to be received from lessees are unbundled into (a) amounts towards payment of principal loan amount, and (b) amounts towards payment of interest. The interest implicit in the transaction [Internal Rate of Return (IRR)] is determined and recorded as 'Finance Income' by applying IRR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial assets before adjusting for any expected credit loss allowance). For credit impaired accounts the interest income is computed by applying IRR to the amortised cost of the credit impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses).

The valuation of IRR includes all fees paid / received between the parties to the contract that are directly incremental and directly attributable to the specific contract, expected rebate to renters, interim and future instalments to be received as per repayment schedule (also called as rental schedule), initial outflow towards procurement of asset and expected residual value of assets at the end of lease term.

Sale value of asset is recognized at agreed price on sale of asset at the end of the Lease term or on foreclosure of the Lease contract. Any surplus / deficit between the agreed payable amount net of the sale value, if any, and the balance dues on a lease contract is recognized as Gain / Loss on Foreclosure of the Lease contract or profit / loss on sale of assets as applicable.

ii) Interest income on Receivable Discounting Facility

The Company enters into transactions for purchase of future rent receivables in respect of assets rented out by other entities. The Company purchases the receivables at their present value and collects payments as they fall due. The interest implicit in the transaction [Internal Rate of Return (IRR)] is determined and recorded as 'Finance Income' on by applying IRR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial assets before adjusting for any expected credit loss allowance). For credit impaired accounts the interest income is computed by applying IRR to the amortised cost of the credit impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses).

Capsave Finance Private Limited

CIN: U67120MH1992PTC068062

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED MARCH 31,2023

The valuation of IRR includes all fees paid / received between the parties to the contract that are directly incremental and directly attributable to the specific contract, amount receivable as per repayment schedule, initial outflow towards purchase of such receivables.

Difference between negotiated amounts received at the time foreclosure or assignment and carrying value of financial assets, if any, is recognized as Gain / Loss on Foreclosure of the Receivable Discounting Facility.

iii) Interest income on Term Loans / Equipment Finance / Working Capital Finance / Factoring

Interest income on other facilities is recognised in the statement of profit and loss using effective interest rate (EIR) on all financial assets subsequently measured under amortised costs.

The calculation of EIR includes all fees paid or received between the parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, initial outflow towards facility and agreed repayment schedule.

The Interest income is computed by applying EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial assets before adjusting for any expected credit loss allowance). For credit impaired accounts the interest income is computed by applying EIR to the amortised cost of the credit impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses).

Difference between negotiated amounts received at the time of the foreclosure or assignment and carrying value of financial assets, if any, is recognized as Gain / Loss on Foreclosure / Assignment.

iv) Operating lease, processing fees and other income

Lease rental income in operating lease contracts is recognised on straight line basis over the lease term.

Fees and other income other than those that are an integral part of IRR / EIR are recognised in the statement of profit and loss on accrual basis as and when services are performed.

Overdue interest and interest on bank deposits is recognized using the accrual basis, based on rates implicit in the transactions on accrual basis.

2.6. INCOME TAX

The income tax expense or credit for the period is the tax payable on the taxable income of the current period based on the applicable income tax rates adjusted by changes in

Capsave Finance Private Limited

CIN: U67120MH1992PTC068062

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED MARCH 31,2023

deferred tax assets and liabilities attributable to temporary differences and unused tax losses.

i) **Current Tax**

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

ii) **Deferred Tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the way the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

2.7. **LEASES – Company as a lessee**

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement, and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

For arrangements entered prior to April 1, 2019, the Company has determined whether the arrangement contain lease based on facts and circumstances existing on the date of transition.

Capsave Finance Private Limited

CIN: U67120MH1992PTC068062

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED MARCH 31, 2023

Company as lessee-

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Company's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Company if it is reasonably certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Company is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Company revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in statement of profit and loss.

Capsave Finance Private Limited

CIN: U67120MH1992PTC068062

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED MARCH 31,2023

2.8. FINANCIAL INSTRUMENT

(i) Date of recognition

Financial assets and liabilities, with the exception of loans, debt securities, deposits and borrowings are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Loans are recognised when funds are transferred to the customer's account except in case of lease transactions where the loans are recognised on customer's acceptance of rental schedule. The Company recognises debt securities, deposits and borrowings when funds reach to the Company.

(ii) Initial measurement of financial instruments

Recognised financial instruments are initially measured at transaction price, which equates fair value.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in statement of profit and loss.

(iii) Gain or loss recognition

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

(iv) Measurement categories of financial assets and liabilities

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortised cost,
- Fair value through other comprehensive income (FVOCI),
- Fair value through profit and loss (FVTPL)

Financial liabilities, other than loan commitments and financial guarantees, are measured at FVTPL when they are derivative instruments or the fair value designation is applied.

Capsave Finance Private Limited

CIN: U67120MH1992PTC068062

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED MARCH 31,2023

2.9. FINANCIAL ASSETS AND LIABILITIES

Financial assets

Based on the business model, the contractual characteristics of the financial assets and specific elections where appropriate, the Company classifies and measures financial assets in the following categories:

- Amortised cost
- Fair value through other comprehensive income ('FVOCI')
- Fair value through profit and loss ('FVTPL')

(a) Financial assets carried at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows ('Asset held to collect contractual cash flows'); and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ('SPPI') on the principal amount outstanding.

After initial measurement and based on the assessment of the business model as asset held to collect contractual cash flows and SPPI, such financial assets are subsequently measured at amortised cost using effective interest rate ('EIR') method. Interest income and impairment expenses are recognised in statement of profit and loss. Interest income from these financial assets is included in finance income using the EIR method. Any gain and loss on derecognition is also recognised in statement of profit and loss.

The EIR method is a method of calculating the amortised cost of a financial instrument and of allocating interest over the relevant period. The EIR is the rate that exactly discounts estimated future cash flows (including all fees paid or received that form an integral part of the EIR, transaction costs and other premiums or discounts) through the expected life of the instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(b) Financial assets at fair value through other comprehensive income

Financial assets that are held within a business model whose objective is both to collect the contractual cash flows and to sell the assets, ('Contractual cash flows of assets collected through hold and sell model') and contractual cash flows that are SPPI, are subsequently measured at FVOCI. Movements in the carrying amount of such financial assets are recognised in Other Comprehensive Income ('OCI'), except dividend income which is recognised in statement of profit and loss. Amounts recorded in OCI are not subsequently transferred to the statement of profit and loss. Equity instruments at FVOCI are not subject to an impairment assessment.

Capsave Finance Private Limited

CIN: U67120MH1992PTC068062

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED MARCH 31,2023

(c) Financial assets at fair value through profit or loss

Financial assets, which do not meet the criteria for categorisation as at amortised cost or as FVOCI, are measured at FVTPL. Subsequent changes in fair value are recognised in statement of profit and loss. The company records investments in equity instruments, mutual funds and Treasury bills at FVTPL.

Financial liabilities and equity instrument

Debt and equity instruments issued by the company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(a) Equity instrument

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of directly attributable transaction costs as permitted for adjustment by the Act.

(b) Financial liabilities

Financial liabilities are measured at amortised cost. The carrying amounts are determined based on the EIR method. Interest expense is recognised in the statement of profit and loss. Any gain or loss on de-recognition of financial liabilities is also recognised in profit or loss. Undrawn loan commitments are not recorded in the balance sheet.

2.10. DERECOGNITION OF FINANCIAL ASSETS AND LIABILITIES

a) Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The contractual rights to receive cash flows from the financial asset have expired, or
- The Company has transferred / assigned its rights to receive cash flows from the asset and the Company has transferred / assigned substantially all the risks and rewards of the asset, or the Company has neither transferred / assigned nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

If the Company neither transfers (including assigns) nor retains substantially all of the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for the amount it may have to pay.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the

Capsave Finance Private Limited

CIN: U67120MH1992PTC068062

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED MARCH 31, 2023

transferred assets, the transferred assets are not de-recognised and the proceeds received are recognised as a collateralised borrowing.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in statement of profit and loss.

b) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

2.11. IMPAIRMENT OF FINANCIAL ASSET

(i) Overview of the ECL principles

The Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The ECL allowance is based on the credit losses expected to arise over the life of the asset, unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12-month ECL). The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Company categorises its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1 includes financial instruments that have not had a significant increase in credit risk since initial recognition and are not credit-impaired upon origination. For these assets, 12-month expected credit losses ('ECL') are recognised and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance).

Stage 2 includes financial instruments that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment. For these

Capsave Finance Private Limited

CIN: U67120MH1992PTC068062

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED MARCH 31,2023

assets, lifetime ECL are recognised, but interest revenue is continued to be calculated on the gross carrying amount of the asset.

Stage 3 includes financial assets that have objective evidence of impairment at the reporting date.

(ii) The calculation of ECLs

The Company calculates ECLs based on a four probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive. The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (PD): The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.

Exposure at Default (EAD) is based on the amounts the Company expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD).

Loss Given Default (LGD) represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counter party, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

When estimating the ECLs, the Company considers three scenarios (a base case, an upside, and a downside ('downside 1')). Each of these is associated with different PDs, EADs and LGDs. When relevant, the assessment of multiple scenarios also incorporates how defaulted loans are expected to be recovered, including the probability that the loans will cure and the value of collateral or the amount that might be received for selling the asset. Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

2.12. DETERMINATION OF FAIR VALUE

The Company measures certain financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date

Capsave Finance Private Limited

CIN: U67120MH1992PTC068062

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED MARCH 31,2023

in the principle market or in absence of the principle market, the most advantageous market.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

Level 2 includes the fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The Company evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments, when necessary, based on the facts at the end of the reporting period.

2.13. BORROWINGS

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in statement of profit and loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan and is considered for effective interest rate computation.

2.14. CASH AND CASH EQUIVALENTS

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.15. PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

Property, plant and equipment ("PPE") are carried at cost, less accumulated depreciation and impairment losses, if any. The cost of PPE comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those

Capsave Finance Private Limited

CIN: U67120MH1992PTC068062

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED MARCH 31,2023

subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses. Subsequent expenditure on PPE after its purchase is capitalized only if it is probable that the future economic benefits will flow to the enterprise and the cost of the item can be measured reliably.

Depreciation on tangible leased assets is provided for pro-rata to their period of use, on a Straight-Line Method over the estimated useful life of the assets at rates which may be lower or higher than the rates prescribed under Schedule II of the 2013 Act in order to reflect the actual usage of the assets which has been assessed taking into account the nature and operating conditions of the assets. Useful life estimated by the management is as follows:

Useful life of Assets under operating lease	Life Assessed	Life as per Schedule II 2013
Office Equipment	8 years	5 years
Furniture and Fixtures	8 years	10 years
IT Equipments	3 years	3 years

Company considers 5% of the cost of assets as residual value as prescribed under the Act.

2.16. INTANGIBLE ASSETS AND AMORTISATION

Intangible assets represent computer software acquired by the Company carried at cost of acquisition less amortisation. The cost of the item of intangible assets comprises its purchase price, including non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price. Other Indirect Expenses incurred relating to asset under development, net of income earned during the asset development stage prior to its intended use, are disclosed under Intangible Assets Under Development and are capitalised when asset is ready for the intended use.

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset is recognised in profit or loss when the asset is de-recognised.

Amortisation methods, estimated useful lives and residual value

Intangible assets, comprising software, are amortised over the estimated life of 3 years on a straight-line basis from the date of capitalisation. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Capsave Finance Private Limited

CIN: U67120MH1992PTC068062

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED MARCH 31,2023

2.17. IMPAIRMENT OF NON-FINANCIAL ASSET

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

2.18. RETIREMENT AND OTHER EMPLOYEE BENEFITS

(a) Defined contribution plans

The Company's contribution to provident fund are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made to Employee Provident Fund Organisation and when services are rendered by the employees. The Company do not have any further obligation after such contributions are made.

(b) Defined benefits plan

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation / retirement. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act, 1972. The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services. As per Ind AS 19, the service cost and the net interest cost are charged to the statement of profit and loss. Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI.

Capsave Finance Private Limited

CIN: U67120MH1992PTC068062

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED MARCH 31,2023

(c) Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The cost of short-term compensated absences is accounted as under:

- (a) In case of accumulative compensated absences, the employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation. Since the compensated absences fall due wholly within twelve months after the end of the period in which the employees render the related service and are also expected to be utilised wholly within twelve months after the end of such period, the benefit is classified as a short-term employee benefit.
- (b) in case of non-accumulating compensated absences, when the absences occur.

2.19. PROVISIONS AND CONTINGENT LIABILITIES

Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

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.

2.20. SEGMENT REPORTING

The Company is registered with RBI as a Non-Banking Finance Company engaged in the business of lending. During the current year and previous year, the Company was engaged in multiple business segments (corporate and other financing) and primarily in one geographical segment (within India). Therefore, these financial statements pertain to multiple business segment and one geographical segment as laid down in segment reporting.

Capsave Finance Private Limited

CIN: U67120MH1992PTC068062

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED MARCH 31,2023

2.21. EARNING PER SHARE

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.22. Foreign Currency

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in statement of profit and loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

2.23. Standards issued but not yet effective.

Ministry of Corporate affairs have made changes on March 31, 2023, in the following Indian Accounting Standards (Ind AS) amended namely Ind AS 101, Ind AS 102, Ind AS 103, Ind AS 107, Ind AS 109, Ind AS 115, Ind AS 1, Ind AS 8, Ind AS 12 and Ind AS 34. These amendments shall be applicable from annual reporting periods beginning on or after April 01, 2023.

Rounding Off

All amounts have been rounded off to the nearest lakhs with two decimals, unless otherwise indicated.

Capsave Finance Private Limited

CIN: U67120MH1992PTC068062

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED MARCH 31,2023

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

3.1. JUDGEMENTS

The preparation of the financial statements in conformity with Ind AS requires management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

3.2. ESTIMATES AND ASSUMPTIONS

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Following are the areas that involved a higher degree of estimates and judgement or complexity in determining the carrying amount of some assets and liabilities.

i) Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous in absence of principal market) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values.

ii) Effective interest rate ("EIR") method

The Company's EIR methodology, as explained in Note 2.5 (i), recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to interest rates and other fee income that are integral parts of the instrument.

Capsave Finance Private Limited

CIN: U67120MH1992PTC068062

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED MARCH 31,2023

iii) Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's expected credit loss ("ECL") calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- a) The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life time expected credit loss ("LTECL") basis.
- b) Development of ECL models, including the various formulas and the choice of inputs.
- c) Determination of associations between macroeconomic scenarios and economic inputs, such as gross domestic products, lending interest rates and collateral values, and the effect on probability of default ("PD"), exposure at default ("EAD") and loss given default ("LGD").
- d) Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into ECL models.

iv) Provisions and other contingent liabilities

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of the Company's business.

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed. Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgment is required to conclude on these estimates.

Capsave Finance Private Limited

CIN : U67120MH1992PTC068062

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(Amounts Rs in lakhs)

Note 4 - Cash and Cash Equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	-	-
Balance with banks		
- In current accounts	9,852.34	9,332.35
Total	9,852.34	9,332.35

Note 4.1 - Bank balance other than Cash and Cash Equivalents above

Particulars	As at March 31, 2023	As at March 31, 2022
Fixed deposit with Bank	747.54	1,668.72
Total	747.54	1,668.72

Note 5 - Trade Receivables

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables (Gross) - Amortised Cost	1,021.30	414.67
	1,021.30	414.67
Secured - Considered good	-	-
Unsecured - Considered good	1,021.30	414.65
Receivables which have significant increase in Credit Risk	-	0.02
Receivables - credit impaired	-	-
Total - Gross	1,021.30	414.67
(Less): Impairment loss allowance	(21.63)	(4.74)
Total - Net	999.67	409.93

Ageing of Trade receivables as at March 31, 2023

Particulars	Less than 6 months	6 months - 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	Total
(i) Undisputed Trade receivables - Considered good	1,021.30	-	-	-	-	1,021.30
(ii) Undisputed Trade receivables - Which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables - Credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables - Considered good	-	-	-	-	-	-
(v) Disputed Trade receivables - Which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - Credit impaired	-	-	-	-	-	-
Total	1,021.30	-	-	-	-	1,021.30

Ageing of Trade receivables as at March 31, 2022

Particulars	Less than 6 months	6 months - 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	Total
(i) Undisputed Trade receivables - Considered good	412.33	-	2.28	-	0.04	414.65
(ii) Undisputed Trade receivables - Which have significant increase in credit risk	0.02	-	-	-	-	0.02
(iii) Undisputed Trade receivables - Credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables - Considered good	-	-	-	-	-	-
(v) Disputed Trade receivables - Which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - Credit impaired	-	-	-	-	-	-
Total	412.35	-	2.28	-	0.04	414.67

Note 6 - Loans

Particulars	As at March 31, 2023	As at March 31, 2022
Loans at amortised cost		
Assets under finance	84,923.82	54,363.22
Receivable Discounting Facility	7,266.53	8,784.12
Working Capital Finance	85,269.56	37,775.23
Equipment Finance	2,710.55	1,202.70
Term Loan	2,051.20	4,636.41
Total - Gross*	182,221.66	106,761.68
(Less): Impairment loss allowance (Refer Note 40)	(1,971.97)	(1,011.86)
Total - Net	180,249.69	105,749.82
Secured by tangible assets	128,094.19	55,565.91
Secured by bank guarantees and other cash collateral	38,470.56	19,819.44
Unsecured	15,656.91	31,376.32
Total - Gross	182,221.66	106,761.68
(Less): Impairment loss allowance (Refer Note 40)	(1,971.97)	(1,011.86)
Total - Net	180,249.69	105,749.82
Loans in India		
- Public sector	-	-
- Others	182,221.66	106,761.68
Loans within India - Gross	182,221.66	106,761.68
(Less): Impairment loss allowance (Refer Note 40)	(1,971.97)	(1,011.86)
Loans within India -Net - (A)	180,249.69	105,749.82
Loans Outside India		
(Less): Impairment loss allowance	-	-
Loans Outside India -Net - (B)	-	-
Total - Net [(A) + (B)]	180,249.69	105,749.82

*Refer Note no. 40

Capsave Finance Private Limited

CIN : U67120MH1992PTC068062

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED MARCH 31, 2023

(Amounts Rs in lakhs)

Note 7 - Other Financial Assets

Particulars	As at March 31, 2023	As at March 31, 2022
Lease Deposits	49.29	19.45
Interest accrued on Loans	2,193.50	1,682.39
Total	2,242.79	1,701.84

Note 8 - Current tax Assets/Liabilities (net)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance Tax and Tax deducted at source	8,451.04	5,578.27
Less: Provision for tax	(8,429.56)	(6,013.10)
Total Receivable / (Payable)	21.48	(434.83)

Note 9 - Deferred tax assets/liabilities (net)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred Tax Assets (Gross)		
Disallowance on account of Section 43B	27.00	164.00
Expected credit loss provisioning	500.06	256.00
Disallowance on account of Section 35D	14.00	1.00
Ind AS Adjustment Impact	-	6.05
Depreciation/ Amortisation	279.00	152.00
TOTAL (A)	820.06	579.05
Deferred Tax Liabilities (Gross)		
Amortised cost of borrowings	(131.35)	6.44
TOTAL (B)	(131.35)	6.44
Net Deferred Tax Asset/(Liability) [(A) - (B)]	951.41	572.61

Capsave Finance Private Limited

CIN : U67120MH1992PTC068062

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED MARCH 31, 2023

(Amounts Rs in lakhs)

Note 10 - Property, Plant and Equipment

FY 2022-23	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at April 01, 2022	Additions	Deletions/ Adjustments	As at March 31, 2023	As at April 01, 2022	For the year ended March 31, 2023	Deductions/ Adjustments	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Tangible Assets										
Laptop and Desktop	1.63	12.92	-	14.55	0.54	2.51	-	3.05	11.50	1.09
Mobile Phone	1.06	2.45	-	3.51	0.07	0.97	-	1.04	2.47	0.99
Server	2.29	4.10	-	6.39	0.12	1.53	-	1.65	4.74	2.17
Furniture	-	2.19	-	2.19	-	0.17	-	0.17	2.02	-
Leasehold Improvements	-	206.60	-	206.60	-	29.42	-	29.42	177.19	-
Intangible Assets										
Software	77.25	-	-	77.25	29.91	24.46	-	54.37	22.88	47.34
Assets given on Lease										
Plant and Machinery	4,213.08	292.63	(791.64)	3,714.08	1,367.33	526.39	(514.46)	1,379.26	2,334.81	2,845.75
Furniture and Fixtures	4,830.23	127.38	(1,061.27)	3,896.35	1,508.08	541.24	(655.74)	1,393.57	2,502.76	3,322.15
IT-Hardware	2,257.64	119.32	(364.36)	2,012.60	2,050.42	95.55	(345.44)	1,800.54	212.06	207.22
Total	11,383.19	767.60	(2,217.26)	9,933.52	4,956.47	1,222.24	(1,515.63)	4,663.08	5,270.43	6,426.71
Intangible assets under development	33.02	79.30	-	112.32	-	-	-	-	112.32	33.02

Capsave Finance Private Limited

CIN : U67120MH1992PTC068062

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED MARCH 31, 2023

(Amounts Rs in lakhs)

FY 2021-22	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at April 1, 2021	Additions	Deletions/ Adjustments	As at March 31, 2022	As at April 1, 2021	For the year ended March 31, 2022	Deductions/ Adjustments	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Particulars										
Tangible Assets										
Laptop and Desktop	1.63	-	-	1.63	-	0.54	-	0.54	1.09	1.63
Mobile Phone	-	1.06	-	1.06	-	0.07	-	0.07	0.99	-
Server	-	2.29	-	2.29	-	0.12	-	0.12	2.17	-
Intangible Assets										
Software	77.25	-	-	77.25	4.16	25.75	-	29.91	47.34	73.09
Assets given on Lease										
Plant and Machinery	3,939.83	277.19	(3.94)	4,213.08	854.54	514.60	(1.81)	1,367.33	2,845.75	3,085.30
Furniture and Fixtures	4,277.77	618.03	(65.57)	4,830.23	935.74	605.70	(33.36)	1,508.08	3,322.15	3,342.02
IT-Hardware	2,427.94	-	(170.30)	2,257.64	1,548.82	600.21	(98.61)	2,050.42	207.22	879.11
Total	10,724.41	898.57	(239.81)	11,383.19	3,343.26	1,746.99	(133.78)	4,956.47	6,426.71	7,381.15
Intangible Assets under development	-	33.02	-	33.02	-	-	-	-	33.02	-

Intangible assets under development	Projects in progress		Projects temporarily suspended	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Less than 1 year	112.32	33.02	-	-
1 - 2 Years	-	-	-	-
2 - 3 years	-	-	-	-
More than 3 years	-	-	-	-
Total	112.32	33.02	-	-

Note 10A - Right of Use Asset

FY 2022-23	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at April 01, 2022	Additions	Deletions/ Adjustments	As at March 31, 2023	As at April 01, 2022	For the year ended March 31, 2023	Deductions/ Adjustments	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Particulars										
Premises	200.25	670.83	(200.25)	670.83	37.34	94.67	(48.00)	84.01	586.82	162.91

FY 2021-22	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at April 1, 2021	Additions	Deletions/ Adjustments	As at March 31, 2022	As at April 1, 2021	For the year ended March 31, 2022	Deductions/ Adjustments	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Particulars										
Premises	-	200.25	-	200.25	-	37.34	-	37.34	162.91	-

Capsave Finance Private Limited

CIN : U67120MH1992PTC068062

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED MARCH 31, 2023

(Amounts Rs in lakhs)

Note 11 - Other Non financial Assets

Particulars	As at March 31, 2023	As at March 31, 2022
Prepaid expenses	143.12	101.35
Balance with Government Authorities	5,979.56	3,875.21
Advance to Suppliers	0.09	18.85
Unbilled receivables	-	96.76
Deferred Input Tax Credit	26.30	73.97
Deferred Rebate to Renters	238.56	379.75
Total	6,387.63	4,545.89

Note 12 - Payables

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Payables		
a) Total outstanding dues of micro enterprises and small enterprises	-	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	291.46	169.11
Other payables		
a) Total outstanding dues of micro enterprises and small enterprises	-	0.73
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	15.02	4.59
Total	306.48	174.43

Ageing of Trade and other payables as at March 31, 2023

Particulars	Less than 6 months	6 months - 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	Total
(i) Undisputed Dues - MSME	-	-	-	-	-	-
(ii) Undisputed Dues - Others	299.83	0.67	5.98	-	-	306.48
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
Total	299.83	0.67	5.98	-	-	306.48

Ageing of Trade and other payables as at March 31, 2022

Particulars	Less than 6 months	6 months - 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	Total
(i) Undisputed Dues - MSME	0.03	0.03	0.07	0.14	0.46	0.73
(ii) Undisputed Dues - Others	164.30	8.52	0.39	0.09	0.40	173.70
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
Total	164.33	8.55	0.46	0.23	0.86	174.43

Note 13 - Debt securities

Particulars	As at March 31, 2023	As at March 31, 2022
At amortised cost		
Debentures (Secured)	35,530.58	12,964.59
Total (A)	35,530.58	12,964.59
Debt securities in India	35,530.58	12,964.59
Debt securities outside India	-	-
Total (B)	35,530.58	12,964.59

Capsave Finance Private Limited

CIN : U67120MH1992PTC068062

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED MARCH 31, 2023

(Amounts Rs in lakhs)

Secured non convertible debentures as on March 31, 2023

Series details	Face value per debenture	Date of Maturity	Balance as at March 31, 2023	Interest rate % p.a
INE0DBJ07036	1,000,000	31-07-23	2,671.49	10.40%
INE0DBJ07028	1,000,000	30-07-23	1,068.89	10.40%
INE0DBJ07044	1,000,000	20-08-23	300.88	9.18%
INE0DBJ07051	1,000,000	17-06-23	1,544.50	10.41%
INE0DBJ07069	1,000,000	21-04-23	1,573.54	9.75%
INE0DBJ07101	1,000,000	26-11-23	8,569.18	9.15%
INE0DBJ07093	10,000	11-06-23	2,200.56	9.71%
INE0DBJ07127	6,666	01-03-24	1,349.05	9.30%
INE0DBJ07135	1,000,000	02-09-24	1,993.10	7.80%
INE0DBJ07143	833,334	06-09-25	2,489.89	9.35%
INE0DBJ07150	1,000,000	12-09-24	4,169.69	9.30%
INE0DBJ07168	1,000,000	12-06-24	3,096.78	9.15%
INE0DBJ07176	100,000	05-06-24	4,503.03	9.00%
Total			35,530.58	

Nature of security : The Debentures are secured by way of charge on receivables and Property, Plant & Equipment of the Company.

Secured non convertible debentures as on March 31, 2022

Series details	Face value per debenture	Date of Maturity	Balance as at March 31, 2022	Interest rate % p.a
INE0DBJ07036	1,000,000	31-07-23	2,664.84	10.40%
INE0DBJ07028	1,000,000	30-07-23	1,066.23	10.40%
INE0DBJ07044	1,000,000	20-08-23	987.72	9.18%
INE0DBJ07051	1,000,000	17-06-23	1,544.50	10.41%
INE0DBJ07069	1,000,000	21-04-23	1,570.42	9.75%
INE0DBJ07077 & INE0DBJ07085	1,000,000	29-03-2023 & 29-12-2023	3,130.42	9.80%
INE0DBJ07093	10,000	11-06-23	2,000.46	9.71%
Total			12,964.59	

Nature of security : The Debentures are secured by way of charge on receivables and Property, Plant & Equipment of the Company.

Note 14 - Borrowings (Other than debt securities) - at amortised cost

Particulars	As at March 31, 2023	As at March 31, 2022
Secured		
Term loans		
From Banks	53,402.82	26,363.61
Other than banks	11,824.84	14,818.62
Working Capital Demand Loans (from banks)	7,494.65	3,908.63
Cash Credit from Bank	246.98	-
Total (A)	72,969.29	45,090.86
Borrowings in India	72,969.29	45,090.86
Borrowings outside India	-	-
Total (B)	72,969.29	45,090.86

Maturity pattern of Loans -

Repayable within 1 year	32,165.11	22,345.74
Repayable between 1-3 years	34,751.26	18,245.12
Repayable between 3-5 years	6,052.92	4,500.00
Total	72,969.29	45,090.86

Term loans are primarily secured by way of charge on specific receivables originated from such loans, Property, Plant & Equipment, corporate guarantee of the Holding Company - Rent Alpha Private Limited.

The interest cost for the above loans are in the range of 7.20 % p.a. - 10.71% p.a.

The borrowings from banks and financial institutions have not been used for any purpose other than for which it has been taken.

Capsave Finance Private Limited

CIN : U67120MH1992PTC068062

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED MARCH 31, 2023

(Amounts Rs in lakhs)

Note 14.1 - Deposits

Particulars	As at March 31, 2023	As at March 31, 2022
Others		
Inter corporate deposit (Unsecured)	14,000.74	11,399.29
Total	14,000.74	11,399.29

Inter corporate deposits is taken from holding company @ 7.50% p.a. The same is unsecured.

Net debt reconciliation

Analysis of net debt and the movements in net debt for each of the periods is presented as follows:

Particulars	Net debt as at April 01, 2022	Net Movement	Net debt as at March 31, 2023
Borrowings other than debt securities	45,090.86	27,878.43	72,969.29
Deposits	11,399.29	2,601.45	14,000.74
Total	56,490.15	30,479.88	86,970.03

Particulars	Net debt as at April 01, 2021	Net Movement	Net debt as at March 31, 2022
Borrowings other than debt securities	8,377.83	36,713.03	45,090.86
Deposits	12,310.49	(911.20)	11,399.29
Total	20,688.32	35,801.83	56,490.15

Note 15 - Other financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Security deposits from Lessee	14,362.70	9,756.08
Outstanding Rebate to Lessee	9,479.14	6,400.40
Deferred Income - Security Deposits	2,362.38	1,824.95
Payable towards Loan	150.22	-
Payables towards purchase of fixed assets	5,340.38	3,590.48
Provision for expenses	56.14	75.56
Provision for Performance Bonus	990.00	492.88
Total	32,740.96	22,140.35

Note 15.1 - Lease Liability

Particulars	As at March 31, 2023	As at March 31, 2022
Lease liability	591.20	163.62
Total	591.20	163.62

Note 16 - Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Provisions for employee benefits		
Gratuity	56.64	26.32
Leave Encashment	51.76	25.21
Total	108.40	51.53

Note 17 - Other non financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues payable	155.49	80.36
Advance from customers	374.60	1,185.83
Unearned Income	524.83	558.09
Total	1,054.92	1,824.28

Capsave Finance Private Limited

CIN : U67120MH1992PTC068062

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED MARCH 31, 2023

(Amounts Rs in lakhs)

Note 18 - Equity Share Capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number (in Lakhs)	Rs.	Number (in Lakhs)	Rs.
Authorised shares 177.00 Lakhs (Previous year 127.00 Lakhs) Equity Shares of the face value of Rs.10 each	177.00	1,770.00	127.00	1,270.00
Issued, subscribed & fully paid-up shares 141.81 Lakhs (Previous year 123.23 Lakhs) Equity Shares fully paid up of Rs.10 each	141.81	1,418.06	123.23	1,232.29
Total	141.81	1,418.06	123.23	1,232.29

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number (in Lakhs)	Rs.	Number (in Lakhs)	Rs.
Outstanding at the beginning of the year	123.23	1,232.29	104.38	1,043.81
Add: Shares issued during the year	18.58	185.77	18.85	188.48
Outstanding at the end of the year	141.81	1,418.06	123.23	1,232.29

b) Terms and rights attached to equity shares

Equity shares: The Company has only one class of equity shares having a face value of Rs.10 per share. Each shareholder is eligible for one vote per share held. 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.

c) Details of shares held by holding company

Name of shareholder	As at March 31, 2023		As at March 31, 2022	
	Number	% of Holding	Number	% of Holding
Rent Alpha Private Limited	141.81	100.00	123.23	100.00

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

Name of shareholder	As at March 31, 2023		As at March 31, 2022	
	Number	% of Holding	Number	% of Holding
Rent Alpha Private Limited	141.81	100.00	123.23	100.00

e) Details of shares held by promoters - Shares held by the promoters :

Name of shareholder	As at March 31, 2023		As at March 31, 2022	
	Number	% of Holding	Number	% of Holding
Rent Alpha Private Limited	141.81	100.00	123.23	100.00
Jinesh Kumar Jain*	0.00	-	0.00	-

* One share held by director.

f) Shares reserved for issue under options and contracts/commitments for the sale of shares or disinvestment, including the terms and amounts : NIL

g) Aggregate number and class of shares allotted as fully paid up pursuant to contract without payment being received in cash, Aggregate number and class of shares allotted as fully paid up by way of bonus shares, and aggregate number and class of shares bought back during the period of five years immediately preceding the date as at which the Balance Sheet is prepared: NIL

h) Company's objectives, policies and processes for managing capital - Refer Note 37.

Capsave Finance Private Limited

CIN : U67120MH1992PTC068062

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED MARCH 31, 2023

(Amounts Rs in lakhs)

Note 19 - Other equity

Particulars	As at March 31, 2023	As at March 31, 2022
Securities premium	26,887.93	21,073.71
Retained earnings	17,434.71	11,390.59
Special Reserve under Section 45 IC of RBI Act, 1934	4,378.85	2,867.79
Total	48,701.49	35,332.09

Particulars	As at March 31, 2023	As at March 31, 2022
Securities premium		
Opening balance	21,073.71	16,312.19
Add- Received during the year	5,814.22	4,761.52
Closing balance	26,887.93	21,073.71
Retained earnings		
Opening balance	11,390.59	7,050.83
Add: Profit for the year	7,555.29	5,413.30
Add: Other comprehensive income for the year	(0.11)	9.12
Less: Transfer to Special Reserve under Section 45 IC of RBI Act, 1934	(1,511.06)	(1,082.66)
Closing balance	17,434.71	11,390.59
Special Reserve under Section 45 IC of RBI Act, 1934		
Opening balance	2,867.79	1,785.13
Add: Transfer from Retained earnings	1,511.06	1,082.66
Closing balance	4,378.85	2,867.79
Total	48,701.49	35,332.09

Nature and purpose of the Reserves

a) Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes in accordance with the provisions of Section 52 of the Companies Act, 2013.

b) Retained earnings

Retained earnings represents surplus/accumulated earnings of the Company and are available for distribution to shareholders.

c) Special Reserve under Section 45 IC of RBI Act, 1934

This is a Statutory Reserve created in accordance with Section 45 IC(1) of the RBI Act, 1934 which requires the Company to transfer a specified sum (not less than 20% of its profit after tax) to Reserve Fund based on its net profit as per the profit and loss account. As per Section 45 IC(2) of the RBI Act, 1934, no appropriation of any sum from this reserve fund shall be made by the Company except for the purpose as may be specified by RBI.

Capsave Finance Private Limited

CIN : U67120MH1992PTC068062

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED MARCH 31, 2023

(Amounts Rs in lakhs)

Note 20 - Income from operations

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest / Finance Income		
- On assets on Finance	10,606.98	6,715.55
- On Receivable Discounting Facility	947.84	1,335.96
- On Overdue Interest	207.31	324.94
- On Working Capital Finance	6,992.12	3,161.62
- On Equipment Finance	283.88	57.14
- On Term Loan	501.03	50.36
Rental Income	3,314.69	4,068.54
Gain / Loss on Foreclosure of Contracts		
- On assets on Finance	110.50	51.54
- On Receivable Discounting Facility	-	8.19
Profit / (Loss) on Sale of Assets	(137.19)	141.30
Profit on Assignment of Loan	871.39	114.64
Processing Fees	704.51	229.31
Total	24,403.04	16,259.09

Note 21 - Net gain / (loss) on fair value changes

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Net gain/(loss) on financial instruments at FVTPL		
Gain on Mutul Fund	187.84	5.39
Total (A)	187.84	5.39
Fair Value changes:		
Realised	187.84	5.39
Unrealised	-	-
Total (B)	187.84	5.39

Note 22 - Other income

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest Income on Fixed Deposits	44.70	36.46
Interest on Refund of VAT Input Credit	-	11.35
Exchange Gain on Foreign payments	94.64	9.62
Miscellaneous income	31.27	175.77
Total	170.61	233.20

Note 23 - Finance costs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest on Loans	7,607.13	3,576.15
Interest Expense on Security Deposits	871.95	578.85
Interest unwinding on rebate to renters	31.76	28.58
Interest Expense on Lease Liability	39.41	16.23
Interest on delayed payment of Income Tax	-	68.48
Bank Charges	6.49	6.27
Interest Others	0.72	0.07
Total	8,557.46	4,274.63

Capsave Finance Private Limited

CIN : U67120MH1992PTC068062

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED MARCH 31, 2023

(Amounts Rs in lakhs)

Note 24 - Impairment on financial instruments

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
On financial instruments measured at amortised cost:		
Provision for expected credit loss	977.01	658.58
Total	977.01	658.58

Note 25 - Employee benefit expenses

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries and Wages	2,660.81	1,272.93
Contribution to Provident Fund and Other Funds	34.32	11.92
Leave Encashment	29.44	10.81
Staff Commission	99.78	130.24
Gratuity (Refer Note 30)	24.96	12.81
Staff Welfare	27.09	8.70
Total	2,876.39	1,447.41

Note 26 - Other expenses

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Office Rent	34.60	9.37
Rates & Taxes	21.46	324.82
Legal and Professional Fees	811.50	315.50
Travelling & Conveyance	65.69	20.24
Auditors Remuneration (Refer Note below)	17.86	16.50
Insurance Expense	0.57	0.41
CSR Expenses	106.78	76.25
Rebate to Renters	291.71	247.10
Repairs and Maintenance	37.42	9.82
Miscellaneous Expenses	53.14	26.67
Total	1,440.73	1,046.68

Breakup of Auditors' remuneration (excluding GST)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Statutory Audit	17.80	16.50
Other Service	0.06	-
Total	17.86	16.50

Capsave Finance Private Limited

CIN : U67120MH1992PTC068062

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED MARCH 31,2023

(Amounts Rs in lakhs)

Note 27 - Tax expense

a. The components of income tax expense for the year ended March 31, 2023 and March 31, 2022 are as under:

	As at March 31, 2023	As at March 31, 2022
Current tax	2,770.71	2,316.34
Adjustment in respect of current income tax of prior years	(354.25)	-
Deferred tax	(378.76)	(443.59)
Total tax charge	2,037.70	1,872.75
Current tax	2,416.47	2,316.34
Deferred tax	(378.76)	(443.59)

b. **Reconciliation of the total tax charge**

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at Indian corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended March 31,2023 and March 31,2022 is, as follows:

	As at March 31, 2023	As at March 31, 2022
Accounting profit before tax	9,592.99	7,286.05
Applicable tax rate	25.17%	25.17%
Computed tax expense	2,414.36	1,833.75
Tax effect of :		
Permanent differences	-	35.25
Income tax of prior years	(354.25)	-
Others	(22.41)	3.75
Tax expenses recognised in the statement of profit and loss	2,037.70	1,872.75
Effective tax rate	24.93%	25.70%

Capsave Finance Private Limited

CIN : U67120MH1992PTC068062

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED MARCH 31,2023

(Amounts Rs in lakhs)

Note 27 - Tax expense (Continued)

c. **Deferred tax assets/ (liabilities)**

The following table shows deferred tax recorded in the balance sheet and changes recorded in the income tax expense:

	As at April 1, 2022	Statement of profit and loss	OCI	As at March 31, 2023
Deferred tax asset				
Disallowance on account of Section 43B	164.00	(137.03)	0.04	27.00
Expected credit loss provisioning	256.02	244.04	-	500.06
Disallowance on account of Section 35D	1.00	13.00	-	14.00
Expense allowed on payment basis	-	-	-	-
Ind AS Adjustment Impact	6.05	(6.05)	-	-
Depreciation/ Amortisation	152.00	127.01	-	279.00
	579.07	240.96	0.04	820.06
Deferred tax liability				
Amortised cost of borrowings	6.46	(137.81)	-	(131.35)
	6.46	(137.81)	-	(131.35)
Net Deferred tax asset / (liability)	572.61	378.77	0.04	951.41

	As at April 1, 2021	Statement of profit and loss	OCI	As at March 31, 2022
Deferred tax asset				
Disallowance on account of Section 43B	10.26	156.81	(3.07)	164.00
Expected credit loss provisioning	76.88	179.12	-	256.02
Disallowance on account of Section 35D	-	1.00	-	1.00
Expense allowed on payment basis	2.27	(2.27)	-	-
Ind AS Adjustment Impact	13.24	(7.19)	-	6.05
Depreciation/ Amortisation	51.15	100.86	-	152.00
	153.80	428.34	(3.07)	579.07
Deferred tax liability				
Amortised cost of borrowings	21.70	(15.26)	-	6.46
	21.70	(15.27)	-	6.46
Net Deferred tax asset / (liability)	132.11	443.60	(3.07)	572.61

Capsave Finance Private Limited

CIN : U67120MH1992PTC068062

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED MARCH 31, 2023

(Amounts Rs in lakhs)

Note 28 - Earnings per share

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares of the Company.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	As at March 31, 2023	As at March 31, 2022
Basic		
Profit after tax (Rs.)	7,555.29	5,413.30
Weighted average no. of equity shares outstanding (In Lakhs)	132.67	110.21
Basic EPS (Rs)	56.96	49.12
Diluted		
Profit after tax (Rs.)	7,555.29	5,413.30
Weighted average no. of equity shares outstanding (In Lakhs)	132.67	110.21
Diluted EPS (Rs)	56.96	49.12
Face value per share (Rs)	10	10

Note 29 - Details of dues to Micro, Small and Medium Enterprises

Based on and to the extent of the information received by the Company from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, there are amounts due to MSME as at March 31, 2023.

The relevant particulars as at the year-end as required under the MSMED Act are furnished here below:

Particulars	As at March 31, 2023	As at March 31, 2022
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	0.50
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	0.23
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	0.17

Capsave Finance Private Limited

CIN : U67120MH1992PTC068062

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED MARCH 31, 2023

(Amounts Rs in lakhs)

Note 30 - Employee benefit plan

Disclosure in respect of employee benefits under Ind AS 19 - Employee Benefit are as under:

(a) Defined contribution plan

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans. The Company's contribution to provident fund aggregating Rs. 34.32 lakhs (March 31, 2022: Rs. 11.92 lakhs) has been recognised in the statement of profit and loss under the head employee benefits expense.

(b) Defined benefit plan:**Gratuity**

The Company operates a defined benefit plan (the "gratuity plan") covering eligible employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age/ resignation date.

The status of gratuity plan as required under Ind AS-19 is as under:

	As at March 31, 2023	As at March 31, 2022
i. Reconciliation of opening and closing balances of defined benefit obligation		
Present value of defined benefit obligations at the beginning of the year	26.32	25.70
Current service cost	23.07	11.08
Past service cost	-	-
Interest cost	1.89	1.73
Transfer in/(out) obligation	5.22	-
Acquisition adjustment	-	-
Benefit paid	-	-
Re-measurement (or Actuarial) (gain) / loss arising from:		
Change in demographic assumptions	-	-
Change in financial assumptions	(1.67)	(1.48)
Experience variance (i.e. Actual experience vs assumptions)	1.82	(10.71)
Present value of defined benefit obligations at the end of the year	56.64	26.32
ii. Reconciliation of opening and closing balances of the fair value of plan assets		
Fair value of plan assets at the beginning of the year	-	-
Transfer in / (out) plan assets	-	-
Expenses deducted from the fund	-	-
Interest income	-	-
Return on plan assets excluding amounts included in interest income	-	-
Assets distributed on settlements	-	-
Contributions by the Company	-	-
Assets acquired in an amalgamation in the nature of purchase	-	-
Exchange differences on foreign plans	-	-
Benefits paid	-	-
Fair value of plan assets at the end of the year	-	-
iii. Reconciliation of opening and closing balances of net defined benefit liability		
Net opening provision in books of accounts	26.32	25.70
Transfer in/(out) obligation	5.22	-
Transfer (in)/out plan assets	-	-
Past service cost	-	-
Employee Benefit Expense	24.96	12.81
Amounts recognized in Other Comprehensive Income	0.15	(12.19)
	56.64	26.32
Benefits paid by the Company	-	-
Contributions to plan assets	-	-
Closing provision in books of accounts	56.64	26.32

Capsave Finance Private Limited

CIN : U67120MH1992PTC068062

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED MARCH 31, 2023

(Amounts Rs in lakhs)

Note 30 - Employee benefit plan (Continued)

	Year ended March 31, 2023	Year ended March 31, 2022
iv. Expense recognised during the Year		
Current service cost	23.07	11.08
Interest cost	1.89	1.73
Past service cost	-	-
Expenses recognised in the statement of profit and loss	24.96	12.81
v. Other comprehensive income		
Components of actuarial gain/losses on obligations:		
Due to change in financial assumptions	(1.67)	(1.48)
Due to change in demographic assumption	-	-
Due to experience adjustments	1.82	(10.71)
Return on plan assets excluding amounts included in interest income	-	-
Components of defined benefit costs recognised in other comprehensive income	0.15	(12.19)
	As at March 31, 2023	As at March 31, 2022
vi. Principal actuarial assumptions		
Discount rate (per annum)	7.50%	7.25%
Salary Growth Rate	8.00%	8.00%
Withdrawal rates per annum	5.00%	5.00%
Rate of return on plan assets (p.a.)	NA	NA
vii. Sensitivity analysis		

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and withdrawal rates. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Defined benefit obligation (Base)	Year ended March 31, 2023		Year ended March 31, 2022	
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 0.5%)	60.05	53.49	27.97	24.80
(% change compared to base due to sensitivity)	6.03%	-5.55%	6.27%	-5.78%
Salary growth rate (- / + 0.5%)	55.51	57.62	25.92	26.75
(% change compared to base due to sensitivity)	-1.99%	1.74%	-1.52%	1.66%
Withdrawal rate (W.R.) (W.R. x 90% / W.R. x 110%)	56.02	57.22	26.03	26.59
(% change compared to base due to sensitivity)	-1.09%	1.04%	-1.09%	1.02%

viii. Asset liability matching strategies

Since the liabilities are unfunded, there is no Asset-Liability Matching strategy devised for the plan.

ix. Effect of plan on the Company's future cash flows
a) Funding arrangements and funding policy

Gratuity benefits liabilities of the Company are unfunded.

b) Maturity profile of defined benefit obligation

Expected cash flows over the next (valued on undiscounted basis):	Cash flows (Rs.)		Distribution (%)	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
1st Following Year	1.63	0.60	1.00%	0.80%
2nd Following year	1.81	1.01	1.10%	1.40%
3rd Following Year	2.08	1.04	1.30%	1.40%
4th Following Year	2.38	1.12	1.50%	1.60%
5th Following Year	2.97	1.29	1.90%	1.80%
Sum of years 6 to 10	18.12	6.72	11.50%	9.30%

The future accrual is not considered in arriving at the above cash-flows.

The Weighted Average Duration (Years) as at valuation date is 13.73 years.

(C) Other long term employee benefits

The compensated absences for the year ended March 31, 2023 and for the year ended March 31, 2022 :

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Compensated absences	29.44	10.81
Total	29.44	10.81

(Amounts Rs in lakhs)

Note 31 - Segment Reporting

Segments have been identified in line with the Accounting Standard on Segment Reporting (IND AS-108), taking into account the organisational structure as well as differential risk and returns of these segments.

Information about primary business segments.

The Company has considered business segment as the primary segment for disclosure.

March 31, 2023							
Particulars	Operating Lease	Finance Lease	Receivable Discounting Facility	Supply Chain Finance	Equipment Finance	Term Loan	Total
Segment Revenue							
External	3,005.72	10,908.69	947.84	7,835.74	332.63	1,372.41	24,403.04
Total revenue	3,005.72	10,908.69	947.84	7,835.74	332.63	1,372.41	24,403.04
Segment Results	979.60	4,981.53	539.69	2,106.35	38.54	1,289.09	9,934.81
Net Unallocated Income / (Expenditure)							(339.90)
Add : Interest Income							44.70
Less : Interest Expense							(46.62)
Net Profit for the year							9,592.99
Other Information							
Segment Assets	5,266.57	86,017.44	7,401.17	84,390.30	2,570.40	2,063.89	187,709.77
Unallocated							19,712.35
Total Assets							207,422.12
Segment Liabilities	1,258.25	12,377.16	-	2,820.55	304.26	-	16,760.22
Unallocated							140,542.35
Share capital							1,418.06
Reserves and surplus							48,701.49
Total Liabilities and Equity							207,422.12
Segment Depreciation	1,163.19	-	-	-	-	-	1,163.19
Unallocated							153.72
Total Depreciation	1,163.19	-	-	-	-	-	1,316.91
Total Capital Expenditure including GST	629.48	-	-	-	-	-	629.48

March 31, 2022							
Particulars	Operating Lease	Finance Lease	Receivable Discounting Facility	Supply Chain Finance	Equipment Finance	Term Loan	Total
Segment Revenue							
External	4,081.14	6,918.13	1,344.15	3,691.46	59.21	165.00	16,259.09
Total revenue	4,081.14	6,918.13	1,344.15	3,691.46	59.21	165.00	16,259.09
Segment Results	1,570.34	3,336.21	966.83	1,656.03	(19.98)	18.45	7,527.88
Net Unallocated Income / (Expenditure)							(198.57)
Add : Interest Income							47.80
Less : Interest Expense							(91.06)
Net Profit for the year							7,286.05
Other Information							
Segment Assets	6,377.92	55,282.96	9,025.40	37,388.52	1,196.72	4,636.41	113,907.93
Unallocated							16,900.23
Total Assets							130,808.16
Segment Liabilities	1,680.65	7,999.81	-	1,936.33	88.67	-	11,705.46
Unallocated							82,538.32
Share capital							1,232.29
Reserves and surplus							35,332.09
Total Liabilities and Equity							130,808.16
Segment Depreciation	1,720.51	-	-	-	-	-	1,720.51
Unallocated							63.82
Total Depreciation	1,720.51	-	-	-	-	-	1,784.33
Total Capital Expenditure including GST	1,065.66	-	-	-	-	-	1,065.66

Information about secondary geographical segments.

The Company provides services within India, hence there is no separate geographical segment disclosure.

Capsave Finance Private Limited

CIN : U67120MH1992PTC068062

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED MARCH 31, 2023

(Amounts Rs in lakhs)

Note 32 - Maturity analysis of assets and liabilities

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

	As at March 31, 2023			As at March 31, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	9,852.34	-	9,852.34	9,332.35	-	9,332.35
Bank balance other than above	4.20	743.34	747.54	4.17	1,664.55	1,668.72
Receivables						
(i) Trade receivables	999.67	-	999.67	407.60	2.33	409.93
Loans	118,700.96	61,548.73	180,249.69	60,124.36	45,625.46	105,749.82
Other financial assets	2,193.51	49.29	2,242.79	1,683.54	18.30	1,701.84
Total Financial assets (A)	131,750.67	62,341.35	194,092.03	71,552.02	47,310.64	118,862.66
Non-financial assets						
Current tax assets (Net)	-	21.48	21.48	-	-	-
Deferred tax assets (Net)	-	951.41	951.41	572.61	-	572.61
Property, plant and equipment	-	5,270.43	5,270.43	-	6,426.71	6,426.71
Right of use asset	115.58	471.24	586.82	40.73	122.18	162.91
Intangible assets under development	-	112.32	112.32	-	33.02	33.02
Asset under Deployment	-	-	-	204.36	-	204.36
Other non-financial assets	6,287.90	99.73	6,387.63	4,376.47	169.42	4,545.89
Total Non-financial assets (B)	6,403.49	6,926.61	13,330.09	5,194.17	6,751.33	11,945.50
Total assets (A+B)	138,154.16	69,267.96	207,422.12	76,746.19	54,061.97	130,808.16
LIABILITIES						
Financial liabilities						
Trade payables						
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	285.48	5.98	291.46	168.23	0.88	169.11
Other payables						
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	0.06	0.67	0.73
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	15.02	-	15.02	4.59	-	4.59
Debt securities	23,890.96	11,639.62	35,530.58	1,033.70	11,930.89	12,964.59
Borrowings (other than debt securities)	32,165.11	40,804.18	72,969.29	22,345.74	22,745.12	45,090.86
Deposits	14,000.74	-	14,000.74	11,399.29	-	11,399.29
Other financial liabilities	16,181.38	16,559.58	32,740.96	5,436.01	16,704.34	22,140.35
Lease Liability	80.50	510.70	591.20	31.55	132.07	163.62
Total Financial liabilities	86,619.21	69,520.06	156,139.25	40,419.17	51,513.98	91,933.14
Non-financial liabilities						
Current tax liabilities (Net)	-	-	-	434.83	-	434.83
Provisions	5.66	102.74	108.40	2.55	48.98	51.53
Other non-financial liabilities	1,054.92	-	1,054.92	1,824.28	-	1,824.28
Total Non-financial liabilities	1,060.58	102.74	1,163.32	2,261.66	48.98	2,310.64
Total liability	87,679.79	69,622.80	157,302.57	42,680.83	51,562.97	94,243.78
Net	50,474.38	(354.84)	50,119.55	34,065.37	2,499.01	36,564.38

Capsave Finance Private Limited

CIN : U67120MH1992PTC068062

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED MARCH 31, 2023

(Amounts Rs in lakhs)

Note 33 - Leases

Finance Lease:

In accordance with IND AS 116 on 'Leases' as notified under Companies (Indian Accounting Standards) Rules, 2015, the following disclosures in respect of Finance Leases are made:

Assets given on lease:

The Company has given assets on finance lease to its customers with respective underlying assets as security. The details of gross investments, unearned finance income and present value of rentals as at March 31, 2023 in respect of these assets are as under:

Particulars	As at March 31, 2023	As at March 31, 2022
Gross Investments:		
Not later than one year	38,952.02	24,108.74
Later than one year and not later than five years	72,662.56	49,404.69
More than five years	-	-
Total	111,614.58	73,513.43
Unearned Finance Income:		
Not later than one year	10,899.37	7,367.25
Later than one year and not later than five years	15,791.39	11,782.96
More than five years	-	-
Total	26,690.76	19,150.22
Present Value of Rentals:		
Not later than one year	28,052.66	16,741.49
Later than one year and not later than five years	56,871.17	37,621.73
More than five years	-	-
Total*	84,923.82	54,363.22
Less: Impairment allowance	(902.75)	(577.21)
Total	84,021.07	53,786.01

* Finance Lease include Residual Value (RV) of Rs. 19,769.66 lakhs (March 31, 2022 - Rs. 12,646.06 lakhs)

Disclosure pursuant to Ind AS 116 "Leases":

I) Right to use assets

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	162.91	-
Add : Additions during the year	670.83	200.25
Less : Deductions during the year	(152.25)	-
Less : Depreciation during the year	(94.67)	(37.34)
Closing balance	586.82	162.91

II) Lease liability

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	163.62	-
Add : Additions during the year	643.37	191.67
Less : Deductions during the year	(144.24)	-
Add : Interest accrued during the year	39.41	16.23
Less : Principal repayment during the year	(110.95)	(44.28)
Closing balance	591.20	163.62

III) Low value Leases / Short Term Leases

Expenses recognised during the year

Particulars	As at March 31, 2023	As at March 31, 2022
- Low Value Assets	-	-
- Short Term Assets	34.60	9.37

Actual Cashflow during the year

Particulars	As at March 31, 2023	As at March 31, 2022
- Low Value Assets	-	-
- Short Term Assets	34.60	9.37

Assets given on lease:

The total of future minimum lease payments under non-cancellable operating lease is given below:

Particulars	As at March 31, 2023	As at March 31, 2022
Not later than one year	1,547.97	2,419.60
Later than one year and not later than five years	1,714.44	2,663.40
More than five years	-	-

Capsave finance Private Limited

CIN : U67120MH1992PTC068062

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED MARCH 31,2023

(Amounts Rs in lakhs)**Note 34 - Corporate Social Responsibility (CSR) expenses:**

As per Section 135 of the Companies Act, 2013, the Company is required to comply with the CSR requirements which is formation of the CSR committee, identification of the CSR projects and funding such projects for at least two percent of the average net profits of the Company made during the three immediately preceding financial years. During the year, the Company has complied these requirements and made CSR contribution of Rs.106.78 lakhs (March 31,2022 Rs.76.25 lakhs). The details for the CSR expenses for the year are as under:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Amount required to be spent during the year (including previous year unspent amount)	180.79	77.01
Amount spent during the year*	182.01	3.00
Shortfall at the end of the year	-	74.01
Total of previous year shortfall	-	-
Reason for shortfall	-	Evaluating options
Nature of CSR activities	Health Care, Education, Women Empowerment, Farming, Energy conservation, Dairy Development & Cattle Care or Employment to rural youth	
Details of related party transaction	NIL	NIL
Any provision made with respect to a liability by entering into a contractual obligation	NIL	NIL
Movement of above provision, if any.	NIL	NIL

*The amount has been spent for the purpose other than towards construction/acquisition of any asset.

Capsave Finance Private Limited

CIN : U67120MH1992PTC068062

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED MARCH 31, 2023

35 Related party disclosure as per Indian Accounting Standard (Ind AS) – 24:

Related parties where control exists	Name of Related Parties
Description of Relationship	
Promoter having control / significant influence over the Company	Bharat Bhise
Ultimate Holding Company	Bravia Capital Partners NV Inc. (Nevada)
Holding Company	Rent Alpha Private Limited
Key Management Personnel	
Managing Director	Jinesh Jain
Whole Time Director	Praveen Chauhan
Director	Sharon Dastoor
Chief Executive Officer	Gautam Munish (w.e.f August 9, 2022)
Chief Financial Officer	Ashok Biyani (Upto October 1, 2022)
Chief Financial Officer	Rajesh Maheshwari (w.e.f September 8, 2022)
Company Secretary	Mayuri Joshi (w.e.f November 11, 2022)
Company Secretary	Vinita Rathod (Upto November 11, 2022)
Independent Director	
Independent Director	A D M Chavali (w.e.f February 25, 2022)
Independent Director	Abraham Chacko (w.e.f March 10, 2022)
Entities in which KMP / Relatives of KMP can exercise significant influence	Capstone Advisors LLP

Transactions with related parties (Previous year figures given within "()") (Amounts Rs in lakhs)

Transactions during the year	Holding Company	Subsidiary	Key Management Personnel	Independent Director	Entities in which KMP / Relatives of KMP can exercise significant influence	Total
Issue of Equity Shares (including premium)						
Rent Alpha Private Limited	5,999.99 (4,950.00)	- (-)	- (-)	- (-)	- (-)	5,999.99 (4,950.00)
Inter Corporate Deposit						
Loan taken from Rent Alpha Private Limited	16,000.00 (27,716.38)	- (-)	- (-)	- (-)	- (-)	16,000.00 (27,716.38)
Loan repaid to Rent Alpha Private Limited	13,148.67 (28,867.71)	- (-)	- (-)	- (-)	- (-)	13,148.67 (28,867.71)
Interest on Inter Corporate Deposit						
Rent Alpha Private Limited	677.51 (1,102.25)	- (-)	- (-)	- (-)	- (-)	677.51 (1,102.25)
Remuneration *	- (-)	- (-)	221.20 (273.82)	- (-)	- (-)	221.20 (273.82)
Director Sitting fees*	- (-)	- (-)	- (-)	18.75 (9.00)	- (-)	18.75 (9.00)
Common Cost (Net)						
Rent Alpha Private Limited	282.00 (215.38)	- (-)	- (-)	- (-)	- (-)	282.00 (215.38)
Referral fees						
Rent Alpha Private Limited	45.90 (-)	- (-)	- (-)	- (-)	- (-)	45.90 (-)
Purchase of Receivable Discounting Facility						
Rent Alpha Private Limited	1,929.35 (3,854.94)	- (-)	- (-)	- (-)	- (-)	1,929.35 (3,854.94)
Closing Balances						
Short term borrowing						
Rent Alpha Private Limited	14,000.00 (11,148.66)	- (-)	- (-)	- (-)	- (-)	14,000.00 (11,148.66)
Interest payable on Short term borrowing						
Rent Alpha Private Limited	0.74 (250.63)	- (-)	- (-)	- (-)	- (-)	0.74 (250.63)
Payables						
Rent Alpha Private Limited	211.98 (116.24)	- (-)	- (-)	- (-)	- (-)	211.98 (116.24)

Disclosure where Loans or Advances in the nature of loans are granted to promoters, Directors, KMPs and the related parties

Type of borrowers	Amount of loan or advance in the nature of loan outstanding	Percentage to the total loans and advances in the nature of loans
Promoters	-	0%
Directors	-	0%
KMPs	-	0%
Related Parties	-	0%

* Transaction with Key management personnel

Sr. No.	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
i.	Short-term employee benefits	221.20	273.82
ii.	Other Contribution to funds	-	-
iii.	Share-based payments	-	-
iv.	Sitting fees	18.75	9.00

Capsave Finance Private Limited

CIN : U67120MH1992PTC068062

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED MARCH 31,2023

(Amounts Rs in lakhs)

Note 36 - Fair Value Measurement

Valuation Principle

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained in Note 2.12.

Financial Instrument by Category

	As at March 31, 2023			As at March 31, 2022		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial Asset						
Cash And Cash Equivalents	-	-	9,852.34	-	-	9,332.35
Bank balance other than cash and cash equivalents above	-	-	747.54	-	-	1,668.72
Other Receivables	-	-	999.67	-	-	409.93
Loans	-	-	180,249.69	-	-	105,749.82
Other financial assets	-	-	2,242.79	-	-	1,701.84
Total Financial Assets	-	-	194,092.03	-	-	118,862.66
Financial Liability						
Trade Payables	-	-	291.46	-	-	169.11
Other Payables	-	-	15.02	-	-	5.32
Debt Securities	-	-	35,530.58	-	-	12,964.59
Borrowings	-	-	72,969.29	-	-	45,090.86
Deposits (ICD)	-	-	14,000.74	-	-	11,399.29
Other financial liabilities	-	-	32,740.96	-	-	22,140.35
Total Financial Liabilities	-	-	155,548.05	-	-	91,769.52

Fair value Hierarchy

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

As at March 31, 2023

	Carrying amount	Fair value measurements using			Total
		Level 1	Level 2	Level 3	
Financial assets					
Loans and advances***	165,964.95	-	-	168,907.69	168,907.69
Other Receivables	999.67	-	999.67	-	999.67
Cash And Cash Equivalents	9,852.34	9,852.34	-	-	9,852.34
Bank balance other than cash and cash equivalents above	747.54	747.54	-	-	747.54
Other financial assets	2,242.79	-	-	2,242.79	2,242.79
Total Financial Asset	179,807.28	10,599.88	999.67	171,150.49	182,750.04
Financial Liability					
Debt Securities	35,530.58	-	33,700.49	-	33,700.49
Borrowings*	72,969.29	-	72,925.23	-	72,925.23
Deposits (ICD)**	14,000.74	-	14,000.74	-	14,000.74
Other financial liabilities	32,740.96	-	32,740.96	-	32,740.96
Trade Payables	291.46	291.46	-	-	291.46
Other Payables	15.02	15.02	-	-	15.02
Total Financial Liability	155,548.05	306.48	153,367.41	-	153,673.90

* The fair value of floating rate borrowing is considered to be the same as its carrying value.

** Deposits (ICD) repayable on demand

*** The carrying amount does not include Unguaranteed Residual Value of Rs. 14,284.74 Lakhs.

Capsave Finance Private Limited

CIN : U67120MH1992PTC068062

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED MARCH 31,2023

(Amounts Rs in lakhs)

Note 36 - Fair Value Measurement (continued)

As at March 31,2022

	Carrying amount	Fair value measurements using			Total
		Level 1	Level 2	Level 3	
Financial assets					
Loans and advances***	96,860.72	-		98,793.40	98,793.40
Other Receivables	409.93	-	409.93	-	409.93
Cash And Cash Equivalents	9,332.35	9,332.35	-	-	9,332.35
Bank balance other than cash and cash equivalents above	1,668.72	1,668.72	-	-	1,668.72
Other financial assets	1,701.84	-	-	1,701.84	1,701.84
Total Financial Asset	109,973.55	11,001.07	409.93	100,495.25	111,906.25
Financial Liability					
Debt Securities	12,964.59	-	12,658.45	-	12,658.45
Borrowings*	45,090.86	-	40,518.45	-	40,518.45
Deposits (ICD)**	11,399.29	-	11,399.29	-	11,399.29
Other financial liabilities	22,140.35	-	22,140.35	-	22,140.35
Trade Payables	169.11	169.11	-	-	169.11
Other Payables	5.32	5.32	-	-	5.32
Total Financial Liability	91,769.52	174.43	86,716.54	-	86,890.97

* The fair value of floating rate borrowing is considered to be the same as its carrying value.

** Deposits (ICD) repayable on demand

*** The carrying amount does not include Unguaranteed Residual Value of Rs. 8,889.11 Lakhs.

Capsave Finance Private Limited

CIN : U67120MH1992PTC068062

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED MARCH 31, 2023

(Amounts Rs in lakhs)

Note 36 - Fair Value Measurement (continued)

Level 1 : Level 1 hierarchy includes financial instruments measured using unadjusted quoted prices in active markets that the Company has the ability to access for the identical assets or liabilities. A financial instrument is classified as a Level 1 measurement if it is listed on an exchange. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges are valued using the closing price as at the reporting period. The mutual funds are valued at the closing NAV.

Level 2 : The fair value of financial instruments that are not traded in active markets is determined using valuation techniques which maximize the use of observable market data either directly or indirectly, such as quoted prices for similar assets and liabilities in active markets, for substantially the full term of the financial instrument but do not qualify as Level 1 inputs. If all significant inputs required to fair value an instrument are observable the instrument is included in level 2.

Level 3 : If one or more of the significant inputs is not based in observable market data, the instruments is included in level 3. That is, Level 3 inputs incorporate market participants' assumptions about risk and the risk premium required by market participants in order to bear that risk. The Company develops Level 3 inputs based on the best information available in the circumstances.

Financial instruments valued at carrying value

The respective carrying values of certain on-balance sheet financial instruments approximated their fair value. These financial instruments include cash in hand, balances with Banks, financial institutions and money at call and short notice, accrued interest receivable, acceptances, deposits payable on demand, accrued interest payable, and certain other assets and liabilities that are considered financial instruments. Carrying values were assumed to approximate fair values for these financial instruments as they are short-term in nature and their recorded amounts approximate fair values or are receivable or payable on demand.

Financial instruments recorded at fair value

There are no financial instruments held at FVTPL or FVOCI.

Fair value of financial instruments carried at amortised cost

Loans and advances

The fair values of loans that do not reprice or mature frequently are estimated using discounted cash flow models. The discount rates are based on the movement in yield curve from the loan origination till reporting date. For the purposes of level disclosures loans and advances are categorized under Level 3. The Level 3 loans would decrease (increase) in value based upon an increase (decrease) in discount rate. Since substantially all individual lines of credit and other variable rate loans reprice frequently, with interest rates reflecting current market pricing, the carrying values of these loans approximate their fair values.

Capsave Finance Private Limited

CIN : U67120MH1992PTC068062

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED MARCH 31, 2023

(Amounts Rs in lakhs)

Note 37 - Capital

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the local banking supervisor, RBI. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

The Company has complied in full with all its externally imposed capital requirements over the reported period. Equity share capital and other equity are considered for the purpose of Company's capital management.

C.1 Capital management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

C.2 Regulatory capital

Regulatory capital-related information is presented as part of the RBI mandated disclosures. The RBI norms require capital to be maintained at prescribed levels. In accordance with such norms, Tier I capital of the Company comprises of share capital, share premium and reserves, Tier II capital comprises of provision on loans that are not credit-impaired. There were no changes in the capital management process during the periods presented.

Items	As at March 31, 2023	As at March 31, 2022
(i) CRAR (%)	26.26%	28.42%
(ii) CRAR - Tier I capital (%)	25.37%	28.42%
(iii) CRAR - Tier II capital (%)	0.89%	0.00%
(iv) Amount of Subordinated debt raised as Tier - II capital	-	-
(v) Amount raised by issue of perpetual debt instruments	-	-

Items	As at March 31, 2023	As at March 31, 2022
(i) Debt	122,500.61	69,454.74
(ii) Equity	50,119.55	36,564.38
(iii) Debt to equity ratio	2.44	1.90

Capsave Finance Private Limited

CIN : U67120MH1992PTC068062

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED MARCH 31, 2023

(Amounts Rs in lakhs)

Note 38 - Contingent Liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Claims against the Company not acknowledged as debts (to the extent not provided for)	-	-
Demand raised by authorities against which company has filed appeals* - for FY 2016-17	-	282.66

* Interest included till the date of order 27/09/2021

Notes:

1) During the year, the Company has received show cause notice from Directorate General of Goods and Service Tax Intelligence ('DGGI'), Bengaluru Zonal Unit (referred to as "DGGI-South") in matter related to the input tax credit availed by the Company for services paid under works contract. The DGGI-South unit has taken a view that the Company is not eligible to claim the input tax credit on the works contract services and has raised a demand of Rs.760.09 lakhs for all registrations of the Company. The Company had in the previous year discussed the same matter with DGGI-South and on a conservative approach made a payment of Rs.251.37 lakhs under protest. Post the financial year end, the Company representatives have represented the case in a personal hearing and submitted a response to the DGGI-South office justifying why the rules of ineligibility of claiming input tax credit on works contract services is not applicable to the Company. The Company in its submission have also claimed back the amount of Rs.251.37 lakhs which was paid under protest. Post the personal hearing and our submissions, the DGGI-South office has sent further intimation in April 2023 whereby the show cause notice has been transferred to Call Book and further adjudication shall be taken up for adjudication after the outcome of the Safari Retreats Private Limited case on similar matter pending in the Supreme Court. Considering that similar matter has received judgement in favour of the assessee (Safari Retreat Private Limited) at Orrisa High Court and based on the expert opinion received by the Company, we do not expect that the Company will be liable to reverse the input credit claimed under the works contract and hence no provision has been made for any liability under the show cause notice.

2) For FY 2016-17 (AY 2017-18), regular assessment of the Company was completed on December 12, 2019 by accepting returned income. However, the said assessment order was selected on revision assessment under Section 263 of Income Tax Act, 1961 and vide order under Section 263 dated 25/03/2022. The original assessment order was set-aside challenging valuation method adopted by the Company for issue of shares to holding company and department have ordered to start fresh assessment. The Company has filed appeal with Income Tax appellate tribunal against the order of DCIT on May 20, 2022 and favourable order is received.

Note 39 - Capital commitments

Particulars	As at March 31, 2023	As at March 31, 2022
Commitments related to contracts remaining to be executed backed by letter of credit (net of advances)	1,817.03	836.75
Commitments related to contracts remaining to be executed not backed by letter of credit (net of advances)	6,975.68	13,132.75

Capsave Finance Private Limited

CIN : U67120MH1992PTC068062

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED MARCH 31, 2023

(Amounts Rs in lakhs)

Note 40 - Financial risk management

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

A. Credit risk

Credit risk is the risk of suffering financial loss, should any of the Company's customers, clients or market counterparties fail to fulfil their contractual obligations to the Company. Credit risk arises mainly from cash and cash equivalents, deposits with banks, trade and other receivable, loans measured at amortised cost.

The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties. The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

Expected credit loss methodology:

Ind As 109 outlines a "three-stage" model for impairment based on changes in credit quality since initial recognition as summarised below:

Stage 1 - A financial instrument that is not credit impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Company. The Company has established credit quality review process which considers credit rating of the counterparties for assessing the credit worthiness in addition to the days past due behaviour.

Stage 2 - Financial instruments with significant increase in credit risk, but not yet deemed to be credit impaired are moved to Stage 2.

Stage 3 - Credit impaired financial instruments are moved to stage 3.

The Company performs internal risk assessment on an individual basis and not on a portfolio basis due to the limited number of counterparties involved. The assessment of credit risk of loans (including commitments) entails estimation as to the likelihood of loss occurring due to default of counterparties. The estimation of credit exposure for risk management purposes is complex and considers expected cash flows and the passage of time.

Capsave Finance Private Limited

CIN : U67120MH1992PTC068062

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED MARCH 31,2023

(Amounts Rs in lakhs)

Note 40 - Financial risk management (continued)

Criteria for Significant Increase in Credit Risk:

- Quantitative criteria:

The borrower is more than 30 days past due on its contractual payments to be considered in default.

- Qualitative criteria:

The creditworthiness of the obligor deteriorates significantly since inception. The Company assess deterioration in credit risk based on the migration of obligor rating.

Definition of Default and credit impaired asset

The Company defines a financial asset as credit impaired or default based on the below qualitative and quantitative criteria:

- Quantitative criteria:

Policy for write-off of financial assets

All financial assets which in the opinion of management are not recoverable are written off, which may be subject to enforcement activity. The Company still seeks to recover amounts it is legally owed in full, but which have been written off due to no reasonable expectation of full recovery.

Provision for expected credit losses

The Company provides for expected credit loss based on following:

Staging	Description of category	Basis for recognition of expected credit loss provision
Stage 1	Financial assets where there is low risk of default and where the obligor has sufficient capacity to meet the obligations and where there has been low frequency of defaults in the past and assets where the payments are less than 30 day past due.	12-month expected credit losses
Stage 2	Financial assets where the payments are more than 30 days past due or ratings are downgraded significantly since inception.	Life-time expected credit losses
Stage 3	The Company categorises a financial asset as stage 3 when the obligor fails to make contractual payments within 90 days from the day it is due or the customer is rated "D".	Life-time expected credit losses is recognised on the exposure in default (Higher than that in case of stage 2)

Capsave Finance Private Limited

CIN : U67120MH1992PTC068062

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED MARCH 31,2023

(Amounts Rs in lakhs)

Note 40 - Financial risk management (continued)

Segmentation for Loan and Trade receivable

As at March 31, 2023

Particulars	Gross Exposure	Expected credit losses (Ind AS 109)##
Finance Leases	84,923.82	902.75
Stage 1	81,535.39	794.71
Stage 2	2,808.16	99.62
Stage 3	580.28	8.42
Supply Chain Finance	85,269.56	879.26
Stage 1	69,602.58	773.41
Stage 2	15,194.48	79.63
Stage 3*	472.50	26.21
Receivable Discounting Facility	7,266.53	35.38
Stage 1	7,266.53	35.38
Stage 2	-	-
Stage 3	-	-
Equipment Finance	2,710.55	154.58
Stage 1	2,577.75	101.75
Stage 2	79.33	25.53
Stage 3	53.47	27.30
Term Loan	2,051.20	-
Stage 1	2,051.20	-
Stage 2	-	-
Stage 3	-	-
Total	182,221.66	1,971.96
Stage 1	163,033.44	1,705.25
Stage 2	18,081.97	204.78
Stage 3 [#]	1,106.25	61.93

Trade receivable	1,021.30	21.63
Stage 1**	976.64	13.10
Stage 2	29.89	2.63
Stage 3 [#]	14.78	5.91

* Secured by Cash Collateral

** The Company has assets under Operating lease of Rs. 5,049.63 Lakhs reported under Property, Plant and Equipment Note no.10. ECL provision against this has been grouped Trade Receivables.

Stage 3 Estimated gross carrying amount at default includes Rs.30.24 Lakhs (March 31 2022 : Rs.25.38 Lakhs) on account of rating below "D" or withdrawn

Expected credit losses is calculated on net counterparty exposure as at balance sheet date.

Capsave Finance Private Limited

CIN : U67120MH1992PTC068062

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED MARCH 31,2023

(Amounts Rs in lakhs)

As at March 31, 2022

Particulars	Gross Exposure	Expected credit losses (Ind AS 109)##
Finance Leases	54,363.22	577.21
Stage 1	51,832.01	443.84
Stage 2	2,488.63	126.56
Stage 3	42.58	6.81
Supply Chain Finance	37,775.23	386.70
Stage 1	36,766.64	364.58
Stage 2	890.77	8.84
Stage 3*	117.82	13.28
Receivable Discounting Facility	8,784.12	35.25
Stage 1	8,756.56	35.25
Stage 2	-	-
Stage 3	27.57	-
Equipment Finance	1,202.70	12.69
Stage 1	1,188.49	11.27
Stage 2	-	-
Stage 3	14.21	1.42
Term Loan	4,636.41	-
Stage 1	4,636.41	-
Stage 2	-	-
Stage 3	-	-
Total	106,761.68	1,011.86
Stage 1	103,180.10	854.94
Stage 2	3,379.40	135.41
Stage 3 [#]	202.17	21.51

Trade receivable**	414.67	4.74
Stage 1	385.82	3.25
Stage 2	23.93	0.03
Stage 3 [#]	4.91	1.46

*Secured by Cash Collateral

** The Company has assets under Operating lease of Rs. 6,375.12 Lakhs reported under Property, Plant and Equipment Note no.10. ECL provision against this has been grouped Trade Receivables.

Stage 3 Estimated gross carrying amount at default includes Rs.25.38 Lakhs (March 31 2021 : Rs.57.77 Lakhs) on account of rating below 'D' or withdrawn

Expected credit losses is calculated on net counterparty exposure as at balance sheet date.

Capsave Finance Private Limited

CIN : U67120MH1992PTC068062

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED MARCH 31, 2023

(Amounts Rs in lakhs)

Note 40 - Financial risk management (continued)

Cash and cash equivalents

Cash and cash equivalents include balance of Rs.9,852.34 lakhs at March 31, 2023 (March 31, 2022 : Rs.9,332.35 lakhs) is maintained as Balances with Company in current accounts.

Collateral held

The Company's financial assets are generally secured by collateral in the form of security deposits and other forms of collateral security including bank guarantees, lien on liquid investment. In addition to the collateral as mentioned, the Company retains the right of lien on the assets leased out under lease.

Collateral securing each individual financial asset may not be adequate in relation to the value of the financial asset. All obligors must meet the Company's internal credit assessment procedures, regardless of whether the financial asset is secured.

Measurement of Expected Credit Losses

The Company has applied a three-stage approach to measure expected credit losses (ECL) on financial assets accounted for at amortised cost and FVOCI. Assets migrate through following three stages based on the changes in credit quality since initial recognition:

(a) Stage 1: 12- months ECL: For exposures where there is no significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12- months is recognized.

(b) Stage 2: Lifetime ECL, not credit-impaired: For credit exposures where there has been a significant increase in credit risk since initial recognition but are not credit-impaired, a lifetime ECL is recognized.

(c) Stage 3: Lifetime ECL, credit-impaired: Financial assets are assessed as credit impaired upon occurrence of one or more events that have a detrimental impact on the estimated future cash flows of that asset.

At each reporting date, the Company assesses whether there has been a significant increase in credit risk of its financial assets since initial recognition by comparing the risk of default occurring over the expected life of the asset. In determining whether credit risk has increased significantly since initial recognition, the Company uses information that is relevant and available without undue cost or effort. This includes the Company's internal credit rating grading system, external risk ratings and forward-looking information to assess deterioration in credit quality of a financial asset.

Probability of Default (PD)

The Company uses ratings issued by external credit rating agencies to determine the credit quality of its obligors. The Through the Cycle ("TTC") PD has been obtained from the master PD scale published by the external rating agencies. Ind AS 109 requires Point in Time ("PIT") PDs. The PIT PDs are obtained by adjusting the TTC PD with forward-looking macro-economic variable using Single Factor Vasicek approach.

Loss Given Default (LGD)

For the computation of LGD, the regulatory LGD rates prescribed by RBI or basis the internal management assessment have been used.

Exposure at default (EAD)

Exposure at default is the total value an entity is exposed to when a obligor defaults on its financial asset. It is the predicted amount of exposure that an entity may be exposed to when a borrower defaults. The outstanding principal, outstanding arrears reported as of the reporting date adjusted for security deposit held in cash, cash collateral and the WDV of the leased asset (only in case of operating leases) for computation of ECL is used as the EAD for all the portfolios.

Macroeconomic Scenarios

In addition, the Company uses reasonable and supportable information on future economic conditions including macroeconomic factors: e.g. GDP growth rate, Inflation rate, CPI etc. Since incorporating these forward looking information increases the judgment as to how the changes in these macroeconomic factor will affect ECL, the methodology and assumptions are reviewed regularly.

Modification/Debt restructuring

There are no financial assets restructured or modified during the current year.

Capsave Finance Private Limited

CIN : U67120MH1992PTC068062

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED MARCH 31,2023

(Amounts Rs in lakhs)

Note 40 - Financial risk management (continued)

Concentration of credit risk

The Company monitors concentrations of credit risk by external Credit Rating. An analysis of concentrations of credit risk is shown below:

Total Financial Asset

As at March 31, 2023

Credit Rating	Amount	(in %)
Secured by Cash Collateral (Unrated)	116,197.25	63.77%
High Rated	23,192.60	12.73%
Medium Rated	41,976.96	23.04%
Low Rated	854.85	0.47%
Total	182,221.66	100.00%

Total Financial Asset

As at March 31, 2022

Credit Rating	Amount	(in %)
Secured by Cash Collateral (Unrated)	63,612.63	59.58%
High Rated	22,400.23	20.98%
Medium Rated	19,489.96	18.26%
Low Rated	1,258.86	1.18%
Total	106,761.68	100.00%

Capsave Finance Private Limited

CIN : U67120MH1992PTC068062

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED MARCH 31, 2023

Note 40 - Financial risk management (continued)

Analysis of changes in the gross carrying amount and corresponding ECL allowances in relation to Loans is as follows:

(Amounts Rs in lakhs)

Particulars	Stage 1		Stage 2		Stage 3		Total	
	EAD	ECL	EAD	ECL	EAD	ECL	EAD	ECL
As at March 31, 2022	103,180.10	854.94	3,379.40	135.41	202.17	21.51	106,761.68	1,011.86
New credit exposures during the year	85,380.02	616.23	14,338.02	13.12	1,563.70	(34.24)	101,281.73	595.11
Account closed	(4,915.90)	(53.20)	(19.27)	(70.57)	(58.01)	(5.61)	(4,993.18)	(129.38)
Account Repaid	(20,397.55)	344.53	(323.54)	70.79	(107.46)	79.05	(20,828.55)	494.36
Assets written off during the year	-	-	-	-	-	-	-	-
Movement between stages								
Transfer from Stage 1 to Stage 2 and Stage 3	(742.13)	-	729.99	-	12.15	-	(0.00)	-
Transfer from Stage 2 to Stage 1 and Stage 3	528.91	(56.03)	(528.91)	56.03	-	-	-	-
Transfer from Stage 3 to Stage 1 and Stage 2	-	(1.22)	506.29	-	(506.29)	1.22	-	-
Change due to ECL parameters	-	-	-	-	-	-	-	-
As at March 31, 2023	163,033.45	1,705.25	18,081.97	204.78	1,106.25	61.93	182,221.69	1,971.97

Particulars	Stage 1		Stage 2		Stage 3		Total	
	EAD	ECL	EAD	ECL	EAD	ECL	EAD	ECL
As at March 31, 2021	36,398.56	333.66	1,026.40	3.55	336.64	20.80	37,761.60	358.01
New credit exposures during the year	78,489.71	368.96	1,938.43	100.80	(240.58)	14.44	80,187.58	484.19
Account closed	(2,345.77)	(22.84)	(13.09)	-	-	(6.31)	(2,358.86)	(29.15)
Account Repaid	(8,614.42)	175.82	(127.95)	29.66	(86.27)	(8.89)	(8,828.64)	196.59
Assets written off during the year	-	-	-	-	-	-	-	-
Movement between stages								
Transfer from Stage 1 to Stage 2 and Stage 3	(1,114.26)	(0.97)	824.99	0.97	289.26	-	-	-
Transfer from Stage 2 to Stage 1 and Stage 3	269.39	-	(269.39)	-	-	-	-	-
Transfer from Stage 3 to Stage 1 and Stage 2	96.90	-	-	-	(96.90)	-	-	-
Change due to ECL parameters	-	0.31	-	0.44	-	1.46	-	2.21
As at March 31, 2022	103,180.10	854.94	3,379.40	135.41	202.17	21.51	106,761.68	1,011.86

Capsave Finance Private Limited

CIN : U67120MH1992PTC068062

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED MARCH 31, 2023

(Amounts Rs in lakhs)

Note 40 - Financial risk management (continued)

A. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Due to the dynamic nature of the underlying businesses, Company's treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Maturity Pattern

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

As at March 31, 2023

Particulars	Contractual cash flows							
	Carrying amount	Gross nominal inflow/ (outflow)	Upto 3 months	Over 3 months to 6 months	Over 6 months to one year	Over one year to 3 years	Over 3 to 5 years	Over 5 Years
Non-derivative financial liabilities								
Trade payables	291.46	291.46	291.46	-	-	-	-	-
Other payables	15.02	15.02	15.02	-	-	-	-	-
Debt securities*	35,530.58	34,133.20	6,653.40	5,113.40	10,966.40	11,400.00	-	-
Borrowings (other than debt securities)*	72,969.29	73,309.07	9,405.30	8,727.48	14,109.79	34,968.30	6,098.21	-
Deposits	14,000.74	14,000.74	14,000.74	-	-	-	-	-
Other financial liability	32,740.96	33,075.23	8,590.81	4,673.51	2,997.57	10,781.38	4,800.41	1,231.56
Total	155,548.06	154,824.72	38,956.73	18,514.39	28,073.75	57,149.68	10,898.62	1,231.56

As at March 31, 2022

Particulars	Contractual cash flows							
	Carrying amount	Gross nominal inflow/ (outflow)	Upto 3 months	Over 3 months to 6 months	Over 6 months to one year	Over one year to 3 years	Over 3 to 5 years	Over 5 Years
Non-derivative financial liabilities								
Trade payables	169.11	169.11	169.11	-	-	-	-	-
Other payables	5.32	5.32	5.32	-	-	-	-	-
Debt securities*	12,964.59	12,480.00	170.00	170.00	1,840.00	10,300.00	-	-
Borrowings (other than debt securities)*	45,090.86	45,228.94	7,794.89	5,905.11	8,783.82	18,245.12	4,500.00	-
Deposits	11,399.29	11,399.29	11,399.29	-	-	-	-	-
Other financial liability	22,140.35	21,925.82	5,600.39	392.92	693.82	7,332.05	6,699.45	1,207.19
Total	91,769.53	91,208.49	25,139.00	6,468.03	11,317.64	35,877.17	11,199.45	1,207.19

* Contractual cash flow is representing principal outflow.

Capsave Finance Private Limited

CIN : U67120MH1992PTC068062

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED MARCH 31, 2023

(Amounts Rs in lakhs)

The amounts in the table above have been compiled as follows:

Type of financial instrument	Basis on which amounts are compiled
Non-derivative financial liabilities	Undiscounted cash flows, which include estimated interest payments

As part of the management of liquidity risk arising from financial liabilities, the Company holds liquid assets comprising cash and cash equivalents, deposits with banks, investments in mutual funds and debt securities, which can be readily sold to meet liquidity requirements. In addition, the Company maintains agreed committed credit lines with banks.

The Company has access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Committed credit lines	3,253.02	4,813.00
Total	3,253.02	4,813.00

Capsave Finance Private Limited

CIN : U67120MH1992PTC068062

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED MARCH 31,2023

(Amounts Rs in lakhs)

Note 40 - Financial risk management (continued)

B. Price Risk

(a) Exposure details

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet as at fair value through profit or loss. As at reporting date, the company does not have any instrument which is exposed to price risk.

To manage its price risk arising from investments in equity securities and mutual funds, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

C. Interest rate risk

The Company provides loans to customers on fixed rate and hence there is no interest rate risk on loan exposure. However, certain borrowings are at floating rate and hence exposed to Interest rate risk.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported by the management is as follows.

	Nominal amount	
	As at March 31, 2023	As at March 31, 2022
Variable-rate instruments		
Borrowings (Other than debt securities)	67,036.49	23,840.02
Total	<u>67,036.49</u>	<u>23,840.02</u>

The Company has certain floating rate bank borrowings which are sensitive to change in the benchmark rate. The change in 100 basis point in such benchmark may affect the profit and loss account and equity of the company by following amounts -

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit or loss (Pre tax Impact)		Equity (Pre tax Impact)
	100 bp increase	100 bp decrease	100 bp increase
For the year ended March 31,2023			
Variable-rate instruments	(331.71)	331.71	(331.71)
Cash flow sensitivity (net)	<u>(331.71)</u>	<u>331.71</u>	<u>(331.71)</u>
For the year ended March 31,2022			
Variable-rate instruments	(93.08)	93.08	(93.08)
Cash flow sensitivity (net)	<u>(93.08)</u>	<u>93.08</u>	<u>(93.08)</u>

Capsave Finance Private Limited

CIN : U67120MH1992PTC068062

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED MARCH 31,2023

(Amounts Rs in lakhs)

NOTE 41 - Disclosures in terms of RBI Master Direction for Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and Master Direction- Core Investment Companies (Reserve Bank) Directions , 2016 have been given under:

I. Disclosures relating to Securitisation

(i) Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

Sr no	Particulars	Year ended March 31,2023	Year ended March 31,2022
(i)	No. of accounts	-	-
(ii)	Aggregate value (net of provisions) of accounts sold to Securitisation / Reconstruction Companies	-	-
(iii)	Aggregate consideration	-	-
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v)	Aggregate gain / (loss) over net book value	-	-

(ii) Details of Assignment transactions undertaken by applicable NBFCs

Sr no	Particulars	Year ended March 31,2023	Year ended March 31,2022
(i)	No. of accounts	14	2
(ii)	Aggregate value (net of provisions) of accounts sold	13,994.47	1,310.34
(iii)	Aggregate consideration	14,865.86	1,424.98
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v)	Aggregate gain / (loss) over net book value	871.39	114.64

II. Details of non-performing financial assets purchased / sold

(i). Details of non-performing financial assets purchased :

Sr no	Particulars	Year ended March 31,2023	Year ended March 31,2022
(i)	(a) No. of accounts purchased during the year	-	-
	(b) Aggregate outstanding	-	-
(ii)	(a) Of these, number of accounts restructured during the year	-	-
	(b) Aggregate outstanding	-	-

(ii). Details of Non-performing Financial Assets sold :

Sr no	Particulars	Year ended March 31,2023	Year ended March 31,2022
(i)	No. of accounts sold	-	-
(ii)	Aggregate outstanding	-	-
(iii)	Aggregate consideration received	-	-

III. Asset Liability Management Maturity pattern of certain items of Assets and Liabilities

As at March 31,2023

	Upto 1 month	Over 1 month upto 2 Month	Over 2 months upto 3 months	Over 3 month & up to 6 month	Over 6 Month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	0.74	-	14,000.00	-	-	-	-	-	14,000.74
Advances#	20,060.43	30,366.91	18,976.71	28,096.77	20,912.83	49,935.78	12,906.71	965.54	182,221.66
Investments	-	-	-	-	-	-	-	-	-
Borrowings*	2,970.78	1,740.55	11,724.72	14,045.66	25,574.37	46,390.88	6,052.91	-	108,499.87
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-

* Borrowings include Debt securities & other than debt securities as per Note 13 & 14

Includes Loan and advances as per Note 6

As at March 31,2022

	Upto 1 month	Over 1 month upto 2 Month	Over 2 months upto 3 months	Over 3 month & up to 6 month	Over 6 Month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	-	-	11,399.29	-	-	-	-	-	11,399.29
Advances#	14,059.95	10,424.53	14,573.07	7,910.12	11,858.68	34,864.66	12,196.98	873.68	106,761.68
Investments	-	-	-	-	-	-	-	-	-
Borrowings*	2,364.82	2,526.72	3,073.35	5,384.42	11,314.51	28,170.12	5,221.51	-	58,055.45
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-

* Borrowings include Debt securities & other than debt securities as per Note 13 & 14

Includes Loan and advances as per Note 6

Capsave Finance Private Limited

CIN : U67120MH1992PTC068062

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED MARCH 31, 2023

(Amounts Rs in lakhs)

Note 41 - Disclosures in terms of RBI Master Direction for Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and Master Direction- Core Investment Companies (Reserve Bank) Directions, 2016 have been given under:

IV. Concentration of Deposits, Advances, Exposures and NPAs
(i) Concentration of Advances

Particulars	As at March 31, 2023	As at March 31, 2022
Total Advances to twenty largest Customers	57,103.19	36,395.21
Percentage of Advances to twenty largest customers to Total Advances	31.34%	34.09%

(ii) Concentration of Exposures

Particulars	As at March 31, 2023	As at March 31, 2022
Total net exposure to twenty largest Customers	39,668.87	25,272.15
Percentage of net exposure to twenty largest customers to Total Advances	21.77%	23.67%

(i) Concentration of NPAs

Particulars	As at March 31, 2023	As at March 31, 2022
Total Exposure to top four NPA accounts	202.39	138.47

(iv) Sector-wise NPAs

Sr No	Sector	Percentage of NPAs to Total Advances in that sector	
		As at March 31, 2023	As at March 31, 2022
(i)	Agriculture & allied activities	-	-
(ii)	MSME	0.99%	0.01%
(iii)	Corporate borrowers	0.02%	0.02%
(iv)	Services	-	-
(v)	Unsecured personal loans	-	-
(vi)	Auto loans	-	-
(vii)	Other personal loans	-	-

V. Movement of NPAs

Sr No	Particulars	As at March 31, 2023	As at March 31, 2022
(i)	Net NPAs to Net Advances (%)	0.10%	0.12%
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	138.47	-
	(b) Additions during the year	199.86	138.47
	(c) Reductions during the year	(12.15)	-
	(d) Closing balance	326.18	138.47
(iii)	Movement of Net NPAs		
	(a) Opening balance	124.62	-
	(b) Additions during the year	79.35	124.62
	(c) Reductions during the year	(10.93)	-
	(d) Closing balance	193.05	124.62
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	13.85	-
	(b) Provisions made during the year	120.50	13.85
	(c) Write-off / write-back of excess provisions	(1.22)	-
	(d) Closing balance	133.13	13.85

VI. Customer Complaints

Sr No	Particulars	As at March 31, 2023	As at March 31, 2022
1	No. of complaints pending at the beginning of the year	-	-
2	No. of complaints received during the year	-	-
3	No. of complaints redressed during the year	-	-
4	No. of complaints pending at the end of the year	-	-
	Maintainable complaints received by the NBFC from Office of Ombudsman		
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman	-	-
5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	-	-
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	-	-
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

Capsave Finance Private Limited

CIN : U67120MH1992PTC068062

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED MARCH 31, 2023

(Amounts Rs in lakhs)

Top five grounds of complaints received by the NBFCs from customers :

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Current Year					
Ground - 1					
Ground - 2					
Ground - 3					
Ground - 4					
Ground - 5					
Others					
Total					
Previous Year					
Ground - 1					
Ground - 2					
Ground - 3					
Ground - 4					
Ground - 5					
Others					
Total					

VII. Investments

Sr No	Particulars	As at March 31, 2023	As at March 31, 2022
(i)	Value of Investments		
	(i) Gross Value of Investments		
	(a) In India	-	-
	(b) Outside India	-	-
	(ii) Provisions for Depreciation		
	(a) In India	-	-
	(b) Outside India	-	-
	(iii) Net Value of Investments		
	(a) In India	-	-
	(b) Outside India	-	-
(ii)	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	-	-

VIII. Forward Rate Agreement / Interest Rate Swap

Particulars	As at March 31, 2023	As at March 31, 2022
(i) The notional principal of swap agreements	-	-
(ii) Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	-	-
(iii) Collateral required by the applicable NBFC upon entering into swaps	-	-
(iv) Concentration of credit risk arising from the swaps	-	-
(v) The fair value of the swap book	-	-

IX. Exchange Traded Interest Rate (IR) Derivatives

Sr No	Particulars	As at March 31, 2023	As at March 31, 2022
(i)	Notional principal amount of exchange traded IR derivatives undertaken during the year	-	-
(ii)	Notional principal amount of exchange traded IR derivatives outstanding	-	-
(iii)	Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective"	-	-
(iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective"	-	-

X. Disclosures on Risk Exposure in Derivatives Qualitative Disclosure

Sr No	Particulars	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)		
	For hedging	-	-
(ii)	Marked to Market Positions		
	(a) Asset (+)	-	-
	(b) Liability (-)	-	-
(iii)	Credit Exposure	-	-
(iv)	Unhedged Exposures	-	-

Capsave Finance Private Limited

CIN : U67120MH1992PTC068062

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED MARCH 31, 2023

(Amounts Rs in lakhs)

XI. Exposure to real estate sector

Category	As at March 31, 2023	As at March 31, 2022
i) Direct exposure	-	-
a) Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.	-	-
b) Commercial Real Estate - Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development, and construction, etc.). Exposure would also include non-fund based (NFB) limits.	-	-
c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures -		
i. Residential	-	-
ii. Commercial Real Estate	-	-
ii) Indirect Exposure	-	-
Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	-	-
Total Exposure to Real Estate Sector	-	-

XII. Exposure to Capital Market

Sr No	Particulars	As at March 31, 2023	As at March 31, 2022
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
(ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	Bridge loans to companies against expected equity flows / issues;	-	-
(viii)	Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
(ix)	Financing to stockbrokers for margin trading	-	-
(x)	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
	Total Exposure to Capital Market	-	-

XIII Sectoral Exposure

Sectors	As at March 31, 2023			As at March 31, 2022		
	Total Exposure (Includes on balance sheet and off-balance sheet exposure)	Gross NPA	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (Includes on balance sheet and off-balance sheet exposure)	Gross NPA	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	6,650.92	117.82	1.77%	1,190.92	112.12	9.41%
2. Industry	259.22	-	0.00%	99.29	-	0.00%
3. Services	76,679.27	184.50	0.24%	51,642.27	12.15	0.02%
4. Personal Loans	-	-	0.00%	-	-	0.00%
5. Others	98,632.25	23.86	0.02%	53,829.19	14.21	0.03%
	182,221.66	326.18	0.18%	106,761.68	138.47	0.13%

(Amounts Rs in lakhs)

Note 41 - Disclosures in terms of RBI Master Direction for Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and Master Direction- Core Investment Companies (Reserve Bank) Directions , 2016 have been given under:

XIV Details of financing of parent company products : Nil

XV Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the applicable NBFC : Nil

XVI Unsecured Advances

- Refer Note no. 6 to the financial statements
- The Company has not granted any advances against intangible securities (March 31, 2022 : Nil)

XVII Intra-group exposures

Particulars	As at March 31, 2023	As at March 31, 2022
i) Total amount of intra-group exposures	-	-
ii) Total amount of top 20 intra-group exposures	-	-
iii) Percentage of intra-group exposures to total exposure of the NBFC on borrowers / customers	0.00%	0.00%

XVIII Unhedged Foreign Currency Exposure

Particulars	As at March 31, 2023	As at March 31, 2022
Foreign Currency Exposures (FCE)	289.58	-
Total credit exposures (sanctioned) from banking system (in foreign currency)	-	-

XIX No registration obtained from other financial sector regulators.

XX Penalties imposed by RBI and other regulators : Nil

XXI Related Party Transaction : Refer Note No. 35

XXII Overseas Assets : Nil

XXIII Off-balance Sheet SPVs sponsored : Nil

XXIV Ratings assigned by credit rating agencies and migration of ratings during the year

Instrument	As on March 31, 2023	As on March 31, 2022
Bank Loan Facilities	CRISIL A / Watch Positive	CRISIL A / Stable
Principal Protected Market Linked Debentures	CRISIL PPMLD A / Watch Positive	CRISIL PPMLD A / Stable
Non Convertible Debentures	CRISIL A / Watch Positive	CRISIL A / Stable
Non Convertible Debentures	ACUITE A / Rating Watch with Developing Implications	ACUITE A / Stable
Series A1 PTCs (Nova Trust 2021)	CRISIL AA (SO)	CRISIL AA (SO)
Series A1 PTCs (Nova Trust 2)	CRISIL AA- (SO)	CRISIL AA- (SO)

XXV Remuneration of Directos and Transaction with non executive directors: Refer Note no. 35 to the financial statements

XXVI Impact of prior period items on current year's profit and loss : Nil

XXVII Circumstances in which Revenue Recognition has been postponed : Nil

XXVIII Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head expenses in Statement of Profit and Loss	Year ended March 31, 2023	Year ended March 31, 2022
Provisions for Standard Assets	856.51	644.73
Provisions towards NPA*	120.50	13.85
Total Provisions and Contingencies	977.01	658.58
Provision made towards Income Tax	2,037.70	1,872.75

*Provisions for Stage 3 assets

XXIX Draw Down from Reserves : Nil

XX Details of Fraud :

During the year under review, one fraud incident has occurred on Company, on account of Misappropriation of funds and Criminal Breach of Trust by Equipment dealer and borrower. The Company has marked the said incident as fraud and made 100% Expected Credit Loss Provision in the books and classified account as credit impaired as per RBI guidelines. The total amount involved is Rs. 59.84 Lakhs and subsequent recovery made by the company to the extent of Rs.11.14 lakhs.

This fraud was reported to Audit Committee and Board of Directors and to the RBI through prescribed returns.

(Amounts Rs in lakhs)

42. Disclosure requirements as per RBI circular dated March 13, 2020 having reference number RBI/2019-20/170 , DOR (NBFC),CC.PD.No.109/22.10.106/2019-20 as per para 2 of Prudential Floor of ECL

As at March 31, 2023

Asset Classification as per RBI Norms (1)	Asset classification as per Ind AS 109 (2)	Gross Carrying Amount as per Ind AS (3)	Loss Allowances (Provisions) as required under Ind AS 109 (4)	Net Carrying Amount (5)=(3)-(4)	Provisions required as per IRACP norms (6)	Provisions required as per IRACP norms (7)=(4)-(6)
Performing Assets						
Standard	Stage 1	163,929.47	1,656.15	162,273.32	651.84	1,004.31
	Stage 2*	18,054.00	184.26	17,869.74	72.10	112.16
	Stage 3*	924.76	20.06	904.69	3.74	16.32
Non-Performing Assets (NPA)						
Substandard	Stage 1	72.05	62.21	9.85	57.28	4.92
	Stage 2*	57.86	23.14	34.72	5.79	17.36
	Stage 3*	68.31	20.16	48.15	6.83	13.33
Doubtful - Upto 1 year	Stage 3	127.96	27.62	100.34	25.59	2.03
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		127.96	27.62	100.34	25.59	2.03
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		326.18	133.13	100.34	25.59	2.03
Other items such as guarantees, loan commitments, etc which are in the scope of IND AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	163,033.44	1,705.25	161,328.19	651.84	1,053.41
	Stage 2	18,081.97	204.78	17,877.19	3.74	201.03
	Stage 3	1,106.25	61.93	1,044.32	25.59	36.34
	Total		182,221.66	1,971.96	180,249.70	681.17

* Standard and Substandard Assets falling under Stage 1 and 2 is on account of movement in Credit Rating and Days Past Due as mentioned in ECL policy.

As at March 31, 2022

Asset Classification as per RBI Norms (1)	Asset classification as per Ind AS 109 (2)	Gross Carrying Amount as per Ind AS (3)	Loss Allowances (Provisions) as required under Ind AS 109 (4)	Net Carrying Amount (5)=(3)-(4)	Provisions required as per IRACP norms (6)	Provisions required as per IRACP norms (7)=(4)-(6)
Performing Assets						
Standard	Stage 1	103,565.93	858.18	102,707.74	412.69	445.50
	Stage 2*	3,403.33	135.44	3,267.90	13.52	121.92
	Stage 3*	68.61	9.12	59.49	0.29	8.84
Non-Performing Assets (NPA)						
Substandard	Stage 3	138.47	13.85	124.62	13.85	0.00
Doubtful - Upto 1 year	Stage 3	138.47	13.85	124.62	13.85	0.00
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		138.47	13.85	124.62	13.85	0.00
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		138.47	13.85	124.62	13.85	0.00
Other items such as guarantees, loan commitments,etc which are in the scope of IND AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	103,180.10	854.94	102,325.16	412.69	442.25
	Stage 2	3,379.40	135.41	3,244.00	0.29	135.12
	Stage 3	202.17	21.51	180.66	13.85	7.67
	Total		106,761.68	1,011.86	105,749.81	426.82

* Standard and Substandard Assets falling under Stage 1 and 2 is on account of movement in Credit Rating and Days Past Due as mentioned in ECL policy.

Capsave Finance Private Limited

CIN : U67120MH1992PTC068062

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED MARCH 31, 2023

(Amounts Rs in lakhs)

43. Schedule to the Balance Sheet (as required in terms of Paragraph 18 of Non-Banking Financial Company - Non-Systemically Important Non-Deposit Taking Company (Reserve Bank) Directions, 2016

<u>LIABILITIES SIDE:</u>		March 31, 2023		March 31, 2022	
		Amount Outstanding (Rs.)	Amount Overdue (Rs.)	Amount Outstanding (Rs.)	Amount Overdue (Rs.)
1	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:				
a)	Debentures				
	Secured	-	-	-	-
	Unsecured	-	-	-	-
	<i>(other than falling within the meaning of public deposits*)</i>				
b)	Deferred Credits	-	-	-	-
c)	Term Loans	72,969.29	-	45,090.86	-
d)	Inter-corporate loans and borrowing	14,000.74	-	11,399.29	-
e)	Commercial Paper	-	-	-	-
f)	Public Deposits	-	-	-	-
g)	Debt Securities	35,530.58	-	12,964.59	-
2	Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :				
a)	In the form of Unsecured debentures	-	-	-	-
b)	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
c)	Other public deposits	-	-	-	-
<u>ASSET SIDE :</u>					
3	Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :				
a)	Secured	166,586.37		75,390.10	
b)	Unsecured	13,663.32		30,359.72	
4	Break up of Leased Assets and stock on hire and other assets counting towards AFC activities				
i)	Lease assets including lease rentals under sundry debtors :				
	a) Financial lease	-		-	
	b) Operating lease	-		-	
ii)	Stock 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	-		-	
5	Break-up of Investments :				
<u>Current investments :</u>					
1)	Quoted :				
	i) Shares :				
	(a) Equity	-		-	
	(b) Preference	-		-	
	ii) Debentures and Bonds	-		-	
	iii) Units of mutual funds	-		-	
	iv) Government Securities	-		-	
	v) Others (please specify)	-		-	
2)	Unquoted :				
	i) Shares :				
	(a) Equity	-		-	
	(b) Preference	-		-	
	ii) Debentures and Bonds	-		-	
	iii) Units of mutual funds	-		-	
	iv) Government Securities	-		-	
	v) Others (please specify)	-		-	

Capsave Finance Private Limited

CIN : U67120MH1992PTC068062

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED MARCH 31, 2023

(Amounts Rs in lakhs)

<u>Long Term Investments :</u>	<u>March 31, 2023</u>	<u>March 31, 2022</u>
	<u>Amount</u>	<u>Amount</u>
	<u>Outstanding</u>	<u>Outstanding</u>
	<u>(Rs.)</u>	<u>(Rs.)</u>
1) Quoted :		
i) Shares :		
(a) Equity	-	-
(b) Preference	-	-
ii) Debentures and Bonds	-	-
iii) Units of mutual funds	-	-
iv) Government Securities	-	-
v) Others (please specify)	-	-
2) Unquoted :		
i) Shares :		
(a) Equity	-	-
(b) Preference	-	-
ii) Debentures and Bonds	-	-
iii) Units of mutual funds	-	-
iv) Government Securities	-	-
v) Investment in Property	-	-
Total Investments	-	-

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

Category	March 31, 2023			March 31, 2022		
	Amount Net of Provisions		Total (Rs.)	Amount Net of Provisions		Total (Rs.)
	Secured (Rs.)	Unsecured (Rs.)		Secured (Rs.)	Unsecured (Rs.)	
1). Related Parties						
a). Subsidiaries	-	-	-	-	-	-
b). Companies in the same group	-	-	-	-	-	-
c). Other related parties	-	-	-	-	-	-
2). Other than related parties	166,586.37	13,663.32	180,249.69	75,390.10	30,359.72	105,749.82
Total	166,586.37	13,663.32	180,249.69	75,390.10	30,359.72	105,749.82

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

Category	March 31, 2023		March 31, 2022	
	Market Value/ Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value/ Break up or fair value or NAV	Book Value (Net of Provisions)
	1) Related Parties			
a) Subsidiaries	-	-	-	-
b) Companies in the same group	-	-	-	-
c) Other related parties	-	-	-	-
2) Other than related parties	-	-	-	-
Total	-	-	-	-

8 Other information

Particulars	March 31, 2023		March 31, 2022	
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
i) Gross Non-Performing Assets				
a) Related parties	-	-	-	-
b) Other than related parties	326.18	326.18	138.47	138.47
ii) Net Non-Performing Assets				
a) Related parties	-	-	-	-
b) Other than related parties	193.05	193.05	124.62	124.62
iii) Assets acquired in satisfaction of debt	-	-	-	-

Capsave Finance Private Limited

CIN : U67120MH1992PTC068062

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED MARCH 31, 2023

(Amounts Rs in lakhs)

Note 44 - Other Disclosures

A. Ratio analysis

Particulars	March 31, 2023	March 31, 2022	Remarks*	% movement
a) Current ratio (Times)	1.58	1.77		(0)
b) Debt-Equity ratio (Times)	2.44	1.90	Y-o-Y increase in borrowings from Rs.694.55 Lakhs to Rs.1,225.01 Lakhs	29%
c) Debt service coverage ratio (Times)	0.25	0.30		-17%
d) Return on equity ratio	17.43%	17.28%		1%
e) Inventory turnover ratio	-	-		-
f) Trade receivables turnover ratio (Times)	34.89	40.44		-14%
g) Trade payables turnover ratio	-	-		-
h) Net capital turnover ratio (Times)	0.57	0.52		9%
i) Net profit ratio	30.73%	33.29%		-8%
j) Return on capital employed	12.35%	13.46%		(0)
k) Return on investment	-	-		-

*YoY deviation of more than 25% is explained with remarks.

Notes :

Formulas for the ratios given above

A) Current ratio represents total Financial assets / total Financial liabilities receivable / payable within 12 months (Refer note no.32)

b) Debt-Equity ratio represents closing total debt / closing total net worth

c) Debt service coverage Ratio = (Profit before Tax + Interest Expense) / (Interest on Loans + Principal Repayable in next 12 months + Loan payable on demand). This calculation does not include principal recoveries from underlying loans and advances

d) Return on equity ratio represents Profit After Tax / Average of opening and closing balances of networth

e) Inventory turnover ratio - Not applicable

f) Trade receivable turnover represents Revenue from operations / Average of opening and closing balances of Trade Receivables

g) Trade payables turnover ratio - Not applicable

h) Net capital turnover ratio represents total revenue / Average of opening and closing balances of net worth

i) Net profit ratio represent profit after tax / Total revenue

j) Return on capital employed represents EBIT (Earnings before interest and tax) / Average Capital employed (Net worth + Debt) without giving impact of timing of borrowing and capital infusion

k) Return on investment - Not applicable

Capsave Finance Private Limited

CIN : U67120MH1992PTC068062

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED MARCH 31, 2023

(Amounts Rs in lakhs)

Note 44 - Other Disclosures - (Continued)

B. Other notes

- (i) As of March 31, 2023 there were no foreign currency exposures hedged by a derivative instrument or otherwise (March 31, 2022 : NIL).
- (ii) The Company does not have any long-term contracts where there are material foreseeable losses as on March 31, 2023 (March 31, 2022 : NIL). The Company does not have any derivative contracts as on March 31, 2023 (March 31, 2022 : NIL).
- (iii) There are no pending litigations against the company which affects its financial position as on March 31, 2023 (March 31, 2022 : NIL).
- (iv) The Company is not declared wilful defaulter by any bank or financial Institutions or other lender.
- (v) The Company is not required to transfer any amount into the Investor Education & Protection Fund for the year (March 31, 2022 : NIL).
- (vi) There are no charges or satisfaction yet to be registered with ROC beyond statutory period.
- (vii) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- (viii) No Scheme of Arrangements has been approved by the Competent Authority in terms of Sections 230 to 237 of the Companies Act, 2013.
- (ix) No transactions has been recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (x) The Company has not traded or invested in Crypto currency or Virtual currency during the financial year.
- (xi) There is no proceedings pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- (xii) There are no transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.
- (xiii) Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.
- (xiv) The Company has complied with Companies Act 2013.
- (xv) There is not breach of covenants in case of any loan availed or debt securities.
- (xvi) The Company has not revalued Property, Plant and Equipment and Intangible assets during the year.
- (xvii) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (xviii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (xix) During the year, the Rent Alpha Private Limited ("Holding Company") has entered into Share Purchase Agreement with Mizuho Leasing Company, Japan (referred to as "MHLS") for sale of 51% shareholding in the Company (referred to as the "Transaction"). Considering that the Transaction shall result in majority ownership of MHLS in the Holding Company and indirect change of control in Capsave Finance Private Limited. An application alongwith all the necessary information was made to Reserve Bank of India to grant approval for this transaction and indirect change of control.

Capsave Finance Private Limited

CIN : U67120MH1992PTC068062

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED MARCH 31, 2023

C) Breach of covenant

Breach of covenant of loan availed or debt securities issued: NIL

D) Divergence in Asset Classification and Provisioning : NIL

Public disclosure on liquidity risk

(i) Funding Concentration based on significant counterparty (both deposits and borrowings)

Sr No.	Number of Significant Counterparties	Amount (Rs. In Lakhs)	% of Total Deposit	% of Total Outside Liabilities
1	26	118,610.61	NA	75.40%

(ii) Top 20 large deposits (amount in Rs. crore and % of total deposits) -Not Applicable

(iii) Top 10 borrowings (amount in Rs. crore and % of total borrowings)

Amount Outstanding(Rs. In Lakhs)	% of Total Borrowing
82,079.00	67.00%

(iv) Funding Concentration based on significant instrument/product

Sr No.	Name of the instrument/product	Amount (Rs. Lakhs)	% of Total Liabilities
1	NCDs	35,530.58	22.59%
2	Term Loan	64,035.29	40.71%
3	WCDL / CC / Short Term Facilities	7,742.00	4.92%
4	Others (PTC)	1,192.00	0.76%
5	Others (ICD)	14,000.74	8.90%
	Total	122,500.61	77.88%

(v) Stock Ratios:

(a) Commercial papers as a % of total public funds, total liabilities and total assets : NIL

(b) Non-convertible debentures (original maturity of less than one year) as a % of total public funds, total liabilities and total assets : NIL

(c) Other short-term liabilities, if any as a % of total public funds, total liabilities and total assets

Particulars	Ratio
Other Short Term Liability as a % of Public Funds	6.32%
Other Short Term Liability as a % of Total Outside Liabilities	4.92%
Other Short Term Liability as a % of Total Assets	3.73%

(vi) Institutional set-up for liquidity risk management

The Board of Directors of Capsave Finance Private Limited (the Company) has an overall responsibility and oversight for the management of all the risks, including liquidity risk, to which the Company is exposed to in the course of conducting its business.

The Board has constituted Asset Liability Management Committee (ALCO) for this purpose to frame required policies and guide the ALM and Liquidity Risk management process. Further, the ALCO has constituted the ALM Support Group (ASG) and delegated the authority for execution of the stated policies and direction of the ALCO and Board.

Notes:

- 1 Significant Counterparty: A Significant counterparty as per RBI circular DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated 4 Nov 2019 is defined as a single counterparty or group of connected counterparties accounting in aggregate for more than 1% of the Company's total liabilities.
- 2 Funding/Borrowing: Refers to on outstanding principal balances of External Debt from Banks and Non-Bank lenders, and Inter-Corporate Deposit (ICD) from parent company.
- 3 Total Outside Liabilities: Refers to the aggregate of financial and non - financial liabilities as per balance sheet.
- 4 Total Public Funds: Includes funds raised either directly or indirectly through public deposits, inter-corporate deposits, bank finance and all funds received from outside sources such as funds raised by issue of Commercial Papers, debentures etc. but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 5 years from the date of issue.
- 5 Short Term Liability: Borrowings with original maturity of less than 12 months, except for ICDs.

Capsave Finance Private Limited

CIN : U67120MH1992PTC068062

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED MARCH 31, 2023

Figures of the previous year are regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date.

For V.C. Shah & Co.
Chartered Accountants
Firm Registration No.109818W

For and on behalf of the Board of Directors

Viral J. Shah
Partner
Membership No. 110120

Jinesh Jain
Managing Director
DIN: 06807613

Sharon Dastoor
Director
DIN: 07072060

Place : Mumbai
Date : May 22, 2023

Gautam Munish
Chief Executive Officer

Rajesh Maheshwari
Chief Financial Officer

Mayuri Joshi
Company Secretary