

# **CAPSATE FINANCE PRIVATE LIMITED**

**ANNUAL REPORT FOR THE FINANCIAL YEAR 2023 -2024**

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## Corporate Information (as of March 31, 2024)

### Board of Directors:

Name of the Director	Position
Mr. Toshiaki Ito	Chairman (appointed w.e.f. June 30, 2023)
Mr. Jinesh Jain	Managing Director
Mr. Bharat Bhise	Director (appointed w.e.f. August 14, 2023)
Mr. Praveen Chauhan	Whole Time Director
Mr. Hiroshi Nagamine	Director (appointed w.e.f. June 30, 2023)
Mr. Mitsuhiro Sakamoto	Director (appointed w.e.f. June 30, 2023)
Mr. Hiroshi Inui	Director (appointed w.e.f. June 30, 2023)
Mr. Hideki Takemoto	Director (appointed w.e.f. June 30, 2023)
Mr. Takahiro Hayashi	Director (appointed w.e.f. June 30, 2023)
Mr. A D M Chavali	Independent Director
Mr. Abraham Chacko	Independent Director
Ms. Sharon Dastoor	Nominee Director (resigned w.e.f. August 14, 2023)

### Key Managerial Personnel:

Name	Position
Mr. Jinesh Jain	Managing Director
Mr. Praveen Chauhan	Whole Time Director
Mr. Gautam Munish	Chief Executive Officer
Mr. Rajesh Maheshwari	Chief Financial Officer
Ms. Mayuri Joshi	Company Secretary

### Statutory Auditors

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

### Registrar & Share Transfer Agent

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

### Secretarial Auditors

M/s. S.S. Lunkad & Associates  
Company Secretaries

### Debenture Trustee

Axis Trustee Services Limited  
Catalyst Trusteeship Limited

## NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the 32<sup>nd</sup> Annual General Meeting of the Members of Capsave Finance Private Limited will be held on Thursday, September 12, 2024 at 10.00 am. 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, 2024

To consider, approve and adopt the audited financial statement of the Company comprising of the Balance Sheet as on March 31, 2024, Statement of Profit and Loss and Cash Flow Statement, and Notes thereto for the financial year ended March 31, 2024 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, 2024 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."

#### 2. Approval to issue non-convertible debentures on private placement basis

**"RESOLVED THAT** pursuant to the provisions of Section 42 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read together with the Companies (Prospectus and Allotment of Securities) Rules, 2014, including any modification, amendment, substitution or re-enactment thereof, for the time being in force and the provisions of the Memorandum of Association and the Articles of Association of the Company, the approval and consent of the members of the Company, be and is hereby accorded to the Board of Directors of the Company (**the "Board"**) to issue, and to make offer(s) and/or invitation(s) to eligible persons to subscribe to, non-convertible debentures: (i) listed or unlisted, (ii) senior or subordinated or unsubordinated, (iii) secured or unsecured, (iv) rated or unrated, (v) principal protected or not, (vi) market linked or not, (vi) any others as may be determined, of such face value as may be determined ("**Debentures**", "**NCDs**") in one or more tranches/issues / series ("**Tranches/Issues/Series**"), at such interest rate as may be determined, payable at such frequency as may be determined, subject to deduction of taxes at source in accordance with applicable law, with or without gross up, and for such maturity (subject to applicable law) as may be determined, on a private placement basis to eligible investors (including without limitation, any banks, financial institutions, mutual funds, foreign portfolio investors, individuals, or any other persons/entities in accordance with applicable law) ("**Investors**") for raising debt for such purposes as may be determined, for a period of one year from the date of passing of this resolution, provided that the outstanding amounts of all such NCDs at any time during the period shall not exceed Rs. 10,000.00 million.

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

By Order of the Board,

For Capsave Finance Private Limited

Sd/-

Jinesh Kumar Jain  
Managing Director  
(DIN: 06807613)

Date: August 08, 2024

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](mailto: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**

**Sd/-**

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

**Date: August 08, 2024  
Place: Mumbai**

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

## EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013:

Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 ("Prospectus and Allotment Rules") deals with private placement of securities by a company. Rule 14(1) of the Prospectus and Allotment Rules prescribes that in case of an offer or invitation to subscribe to securities, the Company shall obtain previous approval of its shareholders/members ("Members") by means of a special resolution. Rule 14(1) of the Prospectus and Allotment Rules further prescribes that in case of the issue of non-convertible debentures ("NCDs") exceeding the limits prescribed therein, it shall be sufficient to obtain such previous approval only once in a year for all the offers or invitations for such NCDs issued during a period of 1 (one) year from the date of passing of the aforementioned special resolution.

In order to augment resources for on-lending by the Company, repayment/refinance of existing debt, working capital requirement, purchase of assets, investments, general corporate purposes etc. the Company may invite subscription for non-convertible debentures: (i) listed or unlisted, (ii) senior or subordinated or unsubordinated, (iii) secured or unsecured, (iv) rated or unrated, (v) principal protected or not, (vi) market linked or not, (vi) any others as may be determined, of such face value as may be determined ("Debentures", "NCDs") in one or more tranches/issues / series ("Tranches/Issues/Series"), at such interest rate as may be determined, payable at such frequency as may be determined, subject to deduction of taxes at source in accordance with applicable law, with or without gross up, and for such maturity (subject to applicable law) as may be determined, on a private placement basis to eligible investors (including without limitation, any banks, financial institutions, mutual funds, foreign portfolio investors, individuals, or any other persons/entities in accordance with applicable law) ("Investors"). The NCDs proposed to be issued, may be issued either at par or at premium or at a discount to face value and the issue price (including premium, if any) shall be decided by the board of directors of the Company ("Board") on the basis of various factors including the interest rate/effective yield determined, based on market conditions prevailing at the time of the issue(s).

Pursuant to Rule 14(1) of the Prospectus and Allotment Rules, the following disclosures are being made by the Company to the Members:

<b>PARTICULARS OF THE OFFER INCLUDING DATE OF PASSING BOARD RESOLUTION</b>	<p>Rule 14(1) of the Prospectus and Allotment Rules prescribes that where the amount to be raised through offer or invitation of NCDs (as defined above) exceeds the limit prescribed, it shall be sufficient if the company passes a previous special resolution only once in a year for all the offers or invitations for such NCDs during the year.</p> <p>In view of this, pursuant to this resolution under Section 42 of the Companies Act, 2013, the specific terms of each offer/issue of NCDs (whether secured/unsecured/subordinated/senior, rated/unrated, listed/unlisted, redeemable (including market linked debentures) NCDs) shall be decided from time to time, within the period of 1 (one) year from the date of the aforementioned resolution. In line with Rule 14(1) of the Prospectus and Allotment Rules, the date of the relevant board resolution shall be mentioned/disclosed in the private placement offer and application letter for each offer/issue of NCDs.</p>
<b>KINDS OF SECURITIES OFFERED AND THE PRICE AT WHICH THE SECURITY IS BEING OFFERED</b>	<p>Non-convertible debt securities/NCDs.</p> <p>The NCDs will be offered/issued either at par or at premium or at a discount to face value, which will be decided by the Board or the Finance Committee (as applicable) for each specific issue, on the basis of the interest rate/effective yield determined, based on market conditions prevailing at the time of the respective issue.</p>

<b>BASIS OR JUSTIFICATION FOR THE PRICE (INCLUDING PREMIUM, IF ANY) AT WHICH THE OFFER OR INVITATION IS BEING MADE</b>	Not applicable, as the securities proposed to be issued (in multiple issues/tranches) are non-convertible debt instruments which will be issued either at par or at premium or at a discount to face value in accordance with terms to be decided by the Board or Finance Committee, in discussions with the relevant investor(s).
<b>NAME AND ADDRESS OF VALUER WHO PERFORMED VALUATION</b>	Not applicable as the securities proposed to be issued (in multiple issues/tranches) are non-convertible debt instruments.
<b>AMOUNT WHICH THE COMPANY INTENDS TO RAISE BY WAY OF SECURITIES</b>	The specific terms of each offer/issue of NCDs shall be decided from time to time, within the period of 1 (one) year from the date of the aforementioned resolution, provided that the amounts of all such NCDs at any time issued within the period of 1 (one) year from the date of passing of the aforementioned shareholders resolution shall not exceed the limit specified in the resolution under Section 42 of the Companies Act, 2013.
<b>MATERIAL TERMS OF RAISING OF SECURITIES, PROPOSED TIME SCHEDULE, PURPOSES OR OBJECTS OF OFFER, CONTRIBUTION BEING MADE BY THE PROMOTERS OR DIRECTORS EITHER AS PART OF THE OFFER OR SEPARATELY IN FURTHERANCE OF OBJECTS; PRINCIPLE TERMS OF ASSETS CHARGED AS SECURITIES</b>	The specific terms of each offer/issue of NCDs shall be decided from time to time, within the period of 1 (one) year from the date of the aforementioned resolution, in discussions with the respective investor(s). These disclosures will be specifically made in each private placement offer and application letter for each offer/issue.

Accordingly, consent of the Members is sought in connection with the aforesaid issue of NCDs and they are requested to authorize the Board to issue such NCDs during the year on private placement basis up to Rs. 10,000.00 million as stipulated above, in one or more tranches.

None of the directors and key managerial personnel of the Company and their relatives are concerned or interested, financially or otherwise, in this resolution except to the extent of their shareholding (if any) in the Company. The Board recommends the passing of the resolution as special resolution.

## Map Route:

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

Mumbai-400 063



## 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, 2024.

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

The Company's financial performance for the year ended March 31, 2024 is summarized as under:

(Rs. in million)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Total income	3,281.03	2,476.18
Total Expenses	2,201.43	1,516.85
Profit before exceptional items and tax	1,079.60	959.32
Exceptional Items	-	-
Profit before tax	1,079.60	959.32
Tax Expenses	297.00	203.77
Profit after tax	782.61	755.55
Total Comprehensive Income	781.72	755.54

### **2. Transfer to Reserves:**

During the year, the Company transferred 20% of its profits for the year amounting to Rs. 156.52 million 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, 2024.

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

The Company has reported total revenue of Rs. 3,281.03 million (y-o-y growth of 33%) and net profit after tax of Rs. 782.61 million (y-o-y growth of 4%) during the year ended March 31, 2024. The Company has made good progress on all the financial parameters 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 change to the nature of business of the Company.

**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:**

The shareholders of the parent company-Rent Alpha Private Limited (referred to as "RAPL") entered into an agreement with Mizuho Leasing Company, Limited, Japan (referred to as "Mizuho") under which Mizuho has taken 51% stake in RAPL from the existing shareholders. The Company had received the approval from RBI on May 29,2023. The Company is also a signatory to the agreement with Mizuho.

**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 - Middle Layer NBFC 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, 2024, the Authorized Share Capital of the Company increased from Rs. 177 million (Rupees One hundred and Seventy-seven million Only) divided into 17.70 million Equity Shares of Rs. 10 each to Rs. 200 million (Rupees Two hundred million Only) divided into 20.00 million Equity Shares of Rs. 10 each by the creation of an additional 2.30 million 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, 2024, no equity shares with differential voting rights were issued.

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

During the financial year ended March 31, 2024, no sweat equity shares were issued.

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

During the financial year ended March 31, 2024, 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, 2024, the Company made Rights issue of Rs. 1,750 million as under:

- 20,49,180 Equity Shares of Rs. 10/- each at a premium of Rs. 356 on rights basis fully paid-up aggregating to Rs. 750 million (Rupees Seven hundred and fifty million only) to the existing shareholder on right basis in the ratio of its shareholding in the Company on September 30, 2023.
- 27,32,240 Equity Shares of Rs. 10/- each at a premium of Rs. 356 on rights basis fully paid-up aggregating to Rs. 1,000 million (Rupees one thousand million Only) to the existing shareholder on right basis in the ratio of its shareholding in the Company on October 30, 2023.

**10. Capital adequacy:**

The Capital adequacy ratio of the Company is healthy at 26.89% as on March 31, 2024. (26.26% on March 31, 2023) 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 raised Rs 13,103.00 million from bank borrowings. The Company continued to expand its borrowing profile and onboarded 2 new lenders, while strengthened partnership with existing lenders by enhancing exposures by significant amounts. The Company's credit rating for its debt program was upgraded during the year to CRISIL AA+ from CRISIL A, up by 4 notches post conclusion of the transaction with Mizuho Leasing Company, Limited, Japan. During the year, the Company has also obtained credit rating from another credit rating Company, ICRA Limited, which is ICRA AA+ (stable).

**The Credit Rating obtained are as under:**

Instrument	Rating as on March 31, 2024	Rating as on March 31, 2023
Non-Convertible Debentures	CRISIL AA+/Stable	CRISIL A/Watch Positive
Principal protected Market Linked Debentures	CRISIL PPMLD AA+ / Stable	CRISIL PPMLD A r/ Watch Positive
Bank Lines	CRISIL AA+/ Stable	CRISIL A/ Watch Positive
Securitization (PTC)	CRISIL AAA (SO)	CRISIL AA (SO)
Commercial Paper	CRISIL A1+	-
Non-Convertible Debentures	[ICRA]AA+ (Stable)	-
Commercial Paper	[ICRA]A1+	-

**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 2023-24. 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. During the year, RBI inspection for financial year ended March 2023 was completed and their report with observations, if any, is awaited. As per Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 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, to enhance and retain investors' trust. The Company is conscious and continues to voluntarily formulate and comply with the best governance principle to ensure the creation of long-term value for its stakeholders on a 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:

<b>Sr. No</b>	<b>Name of the Director</b>	<b>Designation</b>	<b>No. of Board Meetings attended</b>
1.	Mr. Toshiaki Ito	Chairman	5
2.	Mr. Jinesh Jain	Managing Director	8
3.	Mr. Praveen Chauhan	Whole Time Director	7
4.	Mr. Bharat Bhise	Director	3
5.	Mr. A D M Chavali	Independent Director	8
6.	Mr. Abraham Chacko	Independent Director	8
7.	Mr. Hiroshi Nagamine	Director	1
8.	Mr. Hideki Takemoto	Director	5
9.	Mr. Mitsuhiro Sakamoto	Director	5
10.	Mr. Hiroshi Inui	Director	5
11.	Mr. Takahiro Hayashi	Director	5
12.	Ms. Sharon Dastoor	Director	4

During the year under review the Company appointed 7 (Seven) Directors i.e. Mr. Toshiaki Ito, Mr. Hiroshi Nagamine, Mr. Hideki Takemoto, Mr. Mitsuhiro Sakamoto, Mr. Hiroshi Inui and Mr. Takahiro Hayashi on June 30, 2023, and Mr. Bharat Bhise was appointed on August 14, 2023. Ms. Sharon Dastoor resigned on August 14, 2023, due to her personal commitments.

**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 there was no change in key managerial personnel (KMP).

Following are the Key Managerial Personnel of the Company as at March 31, 2024:

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 Eight (08) 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:

<b>Sr. no</b>	<b>Name of the members</b>	<b>Designation</b>	<b>Position</b>	<b>No. of Meetings attended</b>
1	Mr. A D M Chavali	Independent Director	Chairman	4
2	Mr. Abraham Chacko	Independent Director	Member	4
3	Mr. Toshiaki Ito*	Director	Member	3
4	Sharon Dastoor**	Nominee Director	Member	1

\*Mr. Toshiaki Ito was appointed on June 30, 2023

\*\*Ms. Sharon Dastoor resigned on August 14, 2023

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 May 22, 2023, August 11, 2023, November 1, 2023 and February 8, 2024. 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	2
2	Mr. A D M Chavali	Independent Director	Member	2
3	Mr. Toshiaki Ito*	Director	Member	1
4	Sharon Dastoor**	Nominee Director	Member	1

\*Mr. Toshiaki Ito was appointed on June 30, 2023

\*\*Ms. Sharon Dastoor resigned on August 14, 2023

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, evaluate the performance of KMP and Senior managerial personnel.

The Nomination and Remuneration Committee met two times during the financial year under review i.e., on April 27, 2023 and August 11, 2023.

### **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:

<b>Sr. No</b>	<b>Name of the members</b>	<b>Designation</b>	<b>Position</b>	<b>No. of Meetings attended</b>
1.	Mr. Gautam Munish*	Chief Executive Officer	Chairman	5
2.	Mr. Abraham Chacko**	Independent Director	Chairman	0
3.	Mr. Hideki Takemoto***	Director	Member	2
4.	Mr. Takahiro Hayashi***	Director	Member	2
5.	Mr. Dhriti Barman	Head – Credit & Risk	Member	5
6.	Mr. Ajay Agrawal	Head – Operations and IT	Member	5
7.	Ms. Sharon Dastoor***	Observer	Observer	1

\*Mr. Gautam Munish stepped down from the position of Chairman and member of Risk Management Committee w.e.f. February 08, 2024.

\*\*Mr. Abraham Chacko was appointed as Chairman of Risk Management Committee w.e.f. February 08, 2024.

\*\*\*Mr. Hideki Takemoto and Mr. Takahiro Hayashi were appointed as Members of Risk Management Committee w.e.f. June 30, 2023 and Ms. Sharon Dastoor was appointed as Observer of Risk Management Committee w.e.f. November 27, 2023.

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 five times during the financial year under review i.e., on May 15, 2023, May 19, 2023, August 7, 2023, October 30, 2023 and January 31, 2024.

### **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	9
2.	Mr. Hideki Takemoto*	Director	Member	7
3.	Mr. Takahiro Hayashi*	Director	Member	7
4.	Mr. Rajesh Maheshwari	Chief Financial Officer	Member	9
5.	Mr. Dhriti Barman	Head – Credit & Risk	Member	9
6.	Mr. Puneet Behrani	Head Treasury	Member	9

\*Mr. Hideki Takemoto and Mr. Takahiro Hayashi were appointed as Members of ALM Committee w.e.f. June 30, 2023.

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 nine times during the financial year under review i.e., on April 18, 2023, May 16, 2023, September 20, 2023, October 17, 2023, November 21, 2023, December 21, 2023, January 16, 2024, February 20, 2024 and March 19, 2024.

#### **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:

Name of the Director	Designation	Position	No. of meeting attended
Mr. Jinesh Jain	Managing Director	Chairman	3
Ms. Sharon Dastoor*	Nominee Director	Member	0
Mr. Toshiaki Ito*	Director	Member	3

\*Ms. Sharon Dastoor stepped down as member and Mr. Toshiaki Ito was elected as a member of the Committee w.e.f. June 30, 2023

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 three times during the financial year under review i.e., on July 27, 2023, September 18, 2023 and March 14, 2024.

#### **6. Information Technology (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	Independent Director	Chairman	2
Hideki Takemoto*	Director	Member	2
Takahiro Hayashi*	Director	Member	2
Gautam Munish	Chief Executive Officer	Member	2
Rajesh Maheshwari	Chief Financial Officer	Member	2
Ajay Agrawal	Head-Operations and IT	Member	2
Joydeb Mukherjee**	Chief Compliance Officer	Member	1
Dhriti Barman**	Head- Credit and Risk	Member	1
Dinesh Loke**	Head IT – Infra & Infosec	Member	1

\*Mr. Hideki Takemoto and Mr. Takahiro Hayashi were appointed as Members of Committee w.e.f. June 30, 2023

\*\*Mr. Joydeb Mukherjee, Mr. Dhriti Barman and Mr. Dinesh Loke were appointed as members of IT Strategy Committee w.e.f. February 08, 2024

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 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 twice during the year under review i.e., on September 27, 2023 and March 07, 2024.

#### **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. Asset Liability Management (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. Code of Conduct for Direct Selling Agent
23. Dividend Policy
24. Policy on appointment of Statutory Auditors
25. Internal Audit Policy
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 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 Organization 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:**

In compliance with Section 135 of the Act read with the Rules thereunder, the Company has adopted the 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:**

In compliance with Section 188 of the Act read with Rules thereunder, the Company has adopted 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 and Fit and Proper Policy:**

In compliance with Section 178 of the Act read with Rules thereunder, the Company has adopted a Nomination and Remuneration Policy and Fit and Proper criteria policy. The details of the said policies are available on the website of 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, 2024. 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 Private Limited (as Financial Creditor) had filed an application under section 7(1) of the Insolvency and Bankruptcy Code against one borrower before NCLT, Kolkata bench on May 20, 2022. The matter was disposed on September 25, 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.15.12 million.

The company entered into United States Dollar (USD) denominated Foreign Currency Non-Resident Borrowings (FCNRB) Loan arrangements with one of the lenders, having aggregate value of USD 14.43 million (outstanding USD 13.98 million as at March 31, 2024). This was done with the objective of achieving a reduction in the cost of borrowings. As per the risk management policy of the company, these loans have been fully hedged for foreign currency risk using forward contracts.

**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 to 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 there was no change in the registered office of the Company.

**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 reappointed as statutory auditors of the Company for the financial years 2023-24 and 2024-25.

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 2023-24.

## **2. Internal Auditors**

There were no changes in the internal auditors during the financial year under review. The existing auditors, M/s. Ambavat Jain and Associates LLP, Chartered Accountants (Firm Registration Number 109681W) were reappointed as internal auditors of the Company for the financial years 2023-24.

The Directors confirm that there are no disqualifications, reservations, adverse remarks or disclaimers in the internal auditor report issued by internal auditors for financial year 2023-24.

## **3. Secretarial Auditors**

The Board had appointed M/s. S. S. Lunkad & Associates, Practicing Company Secretary firm as Secretarial Auditor of the Company for the Financial Year 2023-24 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 2023-24 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 2023-24.

## **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 2022-23 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](mailto:debenturetrustee@axistrustee.com)

Website - [www.axistrustee.com](http://www.axistrustee.com)

2. Name of Debenture Trustee - Catalyst Trusteeship Limited

Address - 901, 9th floor, Tower B, PENINSULA BUSINESS PARK TOWER, Senapati Bapat Marg, Lower Parel, W, Mumbai, Maharashtra 400013

Tel. Nos - 022-49220555

Email address - [compliancectl-mumbai@ctltrustee.com](mailto: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)  
Managing Director

**Praveen Chauhan**  
(DIN: 06802734)  
Whole Time Director

**Place: Mumbai**  
**Date:**

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, 2024:

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

## **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 framed thereunder.

### **2. Composition of CSR Committee**

Following is the composition of the CSR Committee and during the year three CSR committee meetings were held as mentioned below were present:

Name of the Director	Designation	Position	No. of meeting attended
Mr. Jinesh Jain	Managing Director	Chairman	3
Ms. Sharon Dastoor*	Nominee Director	Member	0
Mr. Toshiaki Ito*	Director	Member	3

\*Ms. Sharon Dastoor stepped down as member and Mr. Toshiaki Ito was elected as a member of the Committee w.e.f. June 30, 2023.

### **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. 15.79 million.

6.
  - a) Two percent of average net profit of the Company as per Section 135(5): Rs. 15.79 million
  - 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. 15.79 million

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

**Total amount spent for the financial year 2023-2024 – Rs. 19.32 million**

**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 covered is	Local Area (Yes/No)	Location of the project	Amount spent for the project (Rs. In million)	Mode of implementation- Direct (Yes/No)	Mode of implementation through implementation agency (Name and Reg. No)
Vipla Foundation	Public Trust	Yes	Mumbai	0.63	Yes	-
Annanda	Public Trust	Yes	Thane	0.6	Yes	-
Salaam Bombay Foundation	Public Trust	Yes	Mumbai	0.61	Yes	-
National Society for the prevention of blindness	Public Trust	No	Bareilly	17.48	Yes	-

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

Sr. No	Particulars	Amount (Rs.in million)
(i)	2% of average net profit of the Company as per Section 135(5)	15.79
(ii)	Total amount spent for the financial year	19.32
(iii)	Excess amount spent for the financial year [(ii)-(i)]	3.53
(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)]	3.53

In the 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)  
Managing Director

**Praveen Chauhan**  
(DIN: 06802734)  
Whole Time Director

Place: Mumbai  
Date: May 20, 2024

**S S LUNKAD& ASSOCIATES**  
**Company Secretaries**

**SECRETARIAL AUDIT REPORT**

**Form No. MR-3**

**Secretarial Audit Report for the Financial Year ended 31<sup>st</sup> March, 2024**

*[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**

I 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 31<sup>st</sup> March, 2024 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:

I have examined the books, papers, minute books, forms and returns filed and the records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2024 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);
- 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;

I 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 above subject.

**I further report that:**

- The Board of Directors of the Company are:
  1. Mr. Toshiaki Ito - Chairman
  2. Mr. Jinesh Kumar Jain – Managing Director
  3. Mr. Praveen Chauhan – Whole Time Director
  4. Mr. Bharat Bhise – Director
  5. Mr. Hiroshi Nagamine – Director
  6. Mr. Mitsuhiro Shinichi Sakamoto – Director
  7. Mr. Hideki Takemoto – Director
  8. Mr. Hiroshi Inui – Director
  9. Mr. Abraham Chacko – Independent Director
  10. Mr. Agnihotra Dakshina Murty Chavali – Independent Director
  11. Mr. Takahiro Hayashi – Director

Following are the KMP of the Company:

1. Mr. Gautam Munish – Chief Executive Officer
2. Mr. Rajesh Radheyshyam 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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

- During the year under review, the Company has increased the Authorized Share Capital from 1,77,00,000 Equity shares of Rs. 10/- each to 2,00,00,000 Equity shares of Rs. 10/- each.
- During the year under review, the Company has made right Issue :
  1. 20,49,180 Equity Shares of Rs. 10/- each at a premium of Rs. 356/- each on 30<sup>th</sup> September, 2023;
  2. 27,32,240 Equity Shares of Rs. 10/- each at a premium of Rs. 356/- each on 08<sup>th</sup> November 2023
- Throughout the year under review, the Company diligently filed the required forms and returns with the Registrar of Companies (RoC) within the prescribed time frame. Additionally, it efficiently addressed any instances where additional fees were required for certain forms. 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 S S Lunkad & Associates,  
Practising Company Secretary**

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**Sushmita Swarup Lunkad  
Proprietor  
M. No: F12804/ COP No: 20418  
Peer Review No: 2815/2022  
UDIN: F012804F000302456**

**Date: 03/05/2024**

**Place: Jalgaon**

*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 S S Lunkad & Associates,  
Practising Company Secretary**

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**Sushmita Swarup Lunkad  
Proprietor  
M. No: F12804/ COP No: 20418  
Peer Review No: 2815/2022  
UDIN: F012804F000302456**

**Date: 03/05/2024**

**Place: Jalgaon**

## MANAGEMENT DISCUSSION AND ANALYSIS

Capsave Finance Private Limited (the Company) is a wholly owned subsidiary of Rent Alpha Private Limited. The Company is a non-deposit Systemically Important Non-Banking Financial Company (NBFC ND SI) registered with Reserve Bank of India (RBI) and classified under Middle Layer.

The Company's primary business operations revolve around equipment leasing and financing for corporate customers, as well as providing working capital finance. Key asset categories under leasing and financing include information technology assets, plant and machinery, furniture and fit out and medical equipment. The working capital finance is a short-term product aimed at funding corporate vendors through various financing programs. To facilitate underwriting and appraising proposals, the Company employs advanced technology with custom-made Loan Origination and Management Software.

### **Global, India economy and Industry Overview:**

The global economy exhibited remarkable resilience and divergence during 2023, defying fears of recession. Major central banks, led by the US Federal Reserve, have most likely reached their peak rate hikes. Expectations are for rate cut initiations during the later part of 2024, signaling cautious optimism for the global economy and financial markets.

India's economy has grown with real GDP growth of 8.2% in 2023-24, making it the fastest-growing major economy and the fifth largest globally. Structural reforms and domestic household demand are key drivers of India's growth. Inflation has eased, supported by monetary policy actions and supply-side interventions. India is expected to grow at 7.2% in financial year 2024-25.

The banking sector has seen improvements in earnings, governance, and balance sheets. Non-banking financial companies (NBFCs) also show sound performance, contributing to credit growth in the private sector. Prudent policies and regulatory measures aim to safeguard financial stability in India.

NBFCs cater to the diverse needs of the borrowers in an efficient manner, considering geographical scope and understanding of various financial requirements of the borrowers. The last few years have transformed the Indian financial services landscape. The NBFC sector has benefited from this and has shown resilience with a sound capital position, improved asset quality, adequate provisioning and higher profitability.

Demand for credit is likely to remain strong in India, especially among micro, small and medium enterprises (MSMEs). The Government of India has introduced a series of reforms and initiatives to bolster the MSME sector.

NBFCs 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.

The NBFC sector in India has undergone significant transformations, marked by growth, regulatory changes, and technological advancements. Despite challenges, the sector's future appears promising, with a projected CAGR of 18.5% between 2021 and 2026. As NBFCs adapt to the changing terrain, success in 2024 and beyond will hinge on strategic collaborations, embracing technological advancements, and a dedicated focus on promoting financial inclusivity.

The NBFC sector in India is poised for continued growth, driven by several factors. The government's commitment to financial inclusion, coupled with the sector's digital transformation, is expected to contribute to sustained demand for NBFC services.

The role of NBFCs in achieving the goals outlined in the Atmanirbhar Bharat vision is crucial. As businesses aim to expand capacities post- pandemic, NBFCs have the opportunity to facilitate the flow of credit to both businesses and households. The Budget 2024 presents an opportunity to establish targeted schemes, especially for micro- businesses, aligning with the government's push for economic recovery.

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 equipment leasing and commercial lending solutions to its customers across Corporates, SME and Start-ups.
- Key assets financed include Technology assets, Office infrastructure, Plant & machinery, Medical equipment. The Company also provides short term loan to corporates in form of Working Capital Finance.
- The Company is assigned rating of AA+ (Stable) by Crisil and ICRA.
- The Company grew its portfolio at Rs. 26,800 million (March 31, 2023: Rs. 18,727 million), growth of 43% y-o-y spread across 750+ clients.
- Capital Adequacy position is strong with Net worth of Rs. 7,543.69 million and CRAR (Tier I and Tier II at ~26.89% as on March 31, 2024 (March 31, 2023: Net worth of Rs. 5,011.98 million and CRAR at 26.26%) 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 Net worth) is 3.0 times as on March 31, 2024.
- 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 as key business area going forward.

##### **Threats:**

- Increase in competitive intensity in financing business
- Degrrowth 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 leasing solutions.
- A large part of the Company's target business segments includes well rated Indian corporates, Multinational companies, debt free clients which have good ability to withstand economic downturn. Further, equipment provided on lease are generally classified as business essential for the customers and hence the risk of non-payment of rental for these equipment is comparatively low. 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 credit risk from such clients.

### **Risks and concerns**

- The Company is exposed to various risks such as credit & concentration risk, operational risk, interest rate risk, financial & liquidity risk, regulatory & compliance risk, KYC & ALM risk, Information Technology risk, Reputational risk, outsourcing activity risk 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. Programs 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 3,281.03 million (March 2023 Rs 2,476.18 million) during the year ended March 31, 2024 depicting strong growth of 33%. Profit after tax of Rs. 782.61 million (March 2023 Rs 755.55 million) showed growth of 4%. The Company has made good progress in all the financial parameters due to all the efforts put in by the directors, management and employees of the Company. As on March 31, 2024, the asset-liability maturity (ALM) profile was comfortable with positive cumulative mismatches across all the buckets. The Company's financial performance as on March 31, 2024 is summarized as under:

Rs in Million

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Total Income	3,281.03	2,476.18
Total Expenses	2,201.43	1,516.85
Profit before exceptional items and tax	1,079.60	959.32
Exceptional Items	-	-
Profit before tax	1,079.60	959.32
Tax Expenses	297.00	203.77
Profit after tax	782.61	755.55
Paid up Debt Capital / Outstanding Debt	18,391.60	12,250.06
Debt Equity Ratio (times)	2.44	2.44
Debt Service Coverage Ratio (times)	0.20	0.25
Interest Service Coverage Ratio (times)	1.92	2.26
Non-convertible debentures Asset Cover	1.12	1.16
Gross NPA	0.84%	0.17%

### Positive ALM

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

### Segment-wise or product-wise performance

The Company is engaged in the business of Leasing and Financing segments and primarily in one geographical segment.

The Leasing segment (including receivable discounting) reported 24% growth over last year and total revenue increased to Rs. 1,839.28 million as compared to Rs 1,486.22 million of the previous year.

Working Capital Finance reported 65% growth and total revenue increased to Rs 1,294.03 million as compared to Rs 783.57 million of the previous year.

The total revenue for Equipment Finance and Term loan are Rs. 29.53 million (previous year Rs 33.26 million) and Rs. 54.69 million (previous year Rs 137.24 million) 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:

<b>Staging</b>	<b>Description of Category</b>	<b>Basis for recognition of expected credit loss provision</b>
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)

The Company has revised the ECL Policy and ECL model during the year.

## **Human Resources**

The Company had 106 employees as of March 31, 2024 (March 2023: 84 employees) During the financial year 2023-24, we have made significant strides in optimizing our manpower and increasing per-person productivity. Through the implementation of improved processes and the development of advanced IT systems, we have been able to automate certain business functions, allowing our employees to focus on higher-value tasks and strategic initiatives.

This strategic shift has not only enhanced our operational efficiency but has also empowered our team to contribute more meaningfully to the growth and success of our organization. By providing our employees with the tools and resources they need to thrive, we have fostered a culture of innovation, collaboration, and continuous improvement.

In addition to our focus on robust internal governance, our employees have been actively engaged in meaningful social impact initiatives. Recently, our teams spent valuable social hours collaborating with local NGOs to impart financial literacy training for underprivileged children. This initiative has empowered these young individuals with essential money management skills, opening new opportunities for their future.

These efforts are a testament to the values that define our company culture. By aligning our HR policies with the principles of good governance and actively engaging in corporate social responsibility (CSR) initiatives, we are not only strengthening our internal processes but also making a tangible difference in the lives of those around us.

## **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.

## **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, 2024, 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, 2024 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 the 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.

#### **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 except for the matters stated in the paragraph 2(i)(vi) below on reporting under Rule 11(g).
  - 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, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 2(b) above on reporting under Section 143(3)(b) and paragraph 2(i)(vi) below on reporting under Rule 11(g).
  - g) 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**".

h) 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.

i) 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.

vi. The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1 April 2023.

Based on our examination which included test checks, the Company has used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software, except for the feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting softwares used for maintaining the books of account relating to loans, revenue, payroll and general ledger.

**For V. C. Shah & Co.**  
Chartered Accountants  
ICAI Firm Registration Number: 109818W

**Viral J. Shah**  
Partner  
Membership No.: 110120  
UDIN:  
Place : Mumbai  
Date : May 20, 2024

**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, 2024 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 is a registered Non-Banking Financial Institution and its principal business is to give loans. Accordingly, the provisions of Clause (iii)(a) of paragraph 3 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, 2024 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.
- (e) The Company's principal business is to give loans. Accordingly, the provisions of Clause (iii) (e) of paragraph 3 of the Order are not applicable to the Company.
- (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 explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186(1) of the Act. The other sub-sections of Section 186 of the Act 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, 2024 for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us and examination of records of the Company, the outstanding dues of income-tax, goods and service tax, customs duty, cess and any other statutory dues on account of any dispute, is as follows:

Name of the statute	Nature of the dues	Amount under dispute (Rs in Mn)	Period to which the amount relates	Forum where dispute is pending
CGST/SGCT Act, 2017	Goods and service tax	3.82*	F.Y. 2017-2018	Deputy Commissioner - Appeal

\*amount paid against disputed dues of GST Rs. 0.34 Mn.

- 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.

(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') and has obtained the certificate of registration under section 45 IA of the Reserve Bank of India Act, 1934 (2 of 1934). The Company, being a registered NBFC, categorized as NBFC-ML the 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. There has been no resignation of the statutory auditors during the period. Accordingly, reporting under clause (xviii) of paragraph 3 of the Order is not applicable.

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:  
Place : Mumbai  
Date : May 20, 2024

**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, 2024 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, 2024, 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:  
Place : Mumbai  
Date : May 20, 2024

**Capsave Finance Private Limited**

CIN : U67120MH1992PTC068062

**Balance Sheet as at March 31, 2024**

Particulars	Note	Rs in Millions		
		As at March 31, 2024	As at March 31, 2023	
<b>ASSETS</b>				
<b>Financial assets</b>				
Cash and cash equivalents	4	2,251.85	985.23	
Bank balance other than cash and cash equivalents	4.1	24.82	74.90	
Receivables				
Trade receivables	5	214.29	94.27	
Loans	6	26,406.42	18,228.03	
Other financial assets	7	7.62	4.93	
<b>Total financial assets</b>		<b>28,905.00</b>	<b>19,387.36</b>	
<b>Non-financial Assets</b>				
Current tax assets (Net)	8	39.04	2.15	
Deferred tax assets (Net)	9	121.29	95.14	
Property, plant and equipment and Intangible assets	10	351.56	527.04	
Intangible assets under development	10	-	11.23	
Right of use asset	10A	47.22	58.68	
Other non-financial assets	11	627.05	638.77	
<b>Total non-financial assets</b>		<b>1,186.16</b>	<b>1,333.01</b>	
<b>TOTAL ASSETS</b>		<b>30,091.16</b>	<b>20,720.37</b>	
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
<b>Financial liabilities</b>				
Payables	12			
(I) Trade payables				
(i) Total outstanding dues of micro enterprises and small enterprises		1.10	-	
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		34.67	29.15	
(II) Other payables				
(i) Total outstanding dues of micro enterprises and small enterprises		-	-	
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		1.90	1.50	
Debt securities	13	1,035.50	3,553.06	
Borrowings (other than debt securities)	14	15,406.10	7,296.93	
Deposits	14.1	1,950.00	1,400.07	
Other financial liabilities	15	3,965.31	3,274.10	
Lease Liability	15.1	51.05	59.12	
<b>Total financial liabilities</b>		<b>22,445.63</b>	<b>15,613.93</b>	
<b>Non-financial liabilities</b>				
Provisions	16	15.40	10.84	
Other non-financial liabilities	17	86.44	83.62	
<b>Total non-financial liabilities</b>		<b>101.84</b>	<b>94.46</b>	
<b>EQUITY</b>				
Equity share capital	18	189.62	141.81	
Other equity	19	7,354.07	4,870.18	
<b>Total equity</b>		<b>7,543.69</b>	<b>5,011.98</b>	
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>30,091.16</b>	<b>20,720.37</b>	

Summary of material 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

Praveen Chauhan  
Whole time Director  
DIN: 06802734

**Capsave Finance Private Limited**

CIN : U67120MH1992PTC068062

**Statement of Profit and Loss for the year ended March 31, 2024**

Particulars	Note	Rs in Millions	
		Year Ended March 31, 2024	Year Ended March 31, 2023
<b>Revenue from operations</b>			
Income from operations	20	3,217.53	2,440.70
Net gain on fair value changes	21	43.01	18.78
<b>Total revenue from operations</b>		<b>3,260.54</b>	<b>2,459.48</b>
Other income	22	20.49	16.70
<b>Total income</b>		<b>3,281.03</b>	<b>2,476.18</b>
<b>Expenses</b>			
Finance costs	23	1,319.24	855.75
Impairment on financial instruments	24	65.89	97.70
Employee benefit expenses	25	445.16	287.64
Depreciation and amortization	10 & 10A	108.75	131.69
Other expenses	26	262.39	144.08
<b>Total Expenses</b>		<b>2,201.43</b>	<b>1,516.85</b>
<b>Profit before tax</b>		<b>1,079.60</b>	<b>959.32</b>
Tax expense:	27		
(1) Current tax		321.99	277.07
(2) Short/(Excess) Provision of Tax for Earlier Years		0.86	(35.43)
(3) Deferred tax		(25.85)	(37.88)
<b>Total tax expense</b>		<b>297.00</b>	<b>203.77</b>
<b>Profit after tax</b>		<b>782.61</b>	<b>755.55</b>
<b>Other comprehensive income</b>			
<b>(i) Items that will not be reclassified to profit or loss</b>			
(a) Re-measurement of defined benefit plan		0.44	(0.01)
(b) Income tax relating to items that will not be reclassified to profit or loss		(0.11)	0.00
<b>(ii) Items that will be reclassified to profit or loss</b>			
(a) Cash Flow Hedges		(1.63)	-
(b) Income tax relating to items that will be reclassified to profit or loss		0.41	-
<b>Other comprehensive income</b>		<b>(0.89)</b>	<b>(0.01)</b>
<b>Total comprehensive income for the year</b>		<b>781.72</b>	<b>755.54</b>

**Earnings per equity share (Face value per share Rs.10/-) Basic and Diluted** 28 48.06 56.95

Summary of material 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

Praveen Chauhan  
Whole time Director  
DIN: 06802734

Place : Mumbai  
Date : May 20, 2024

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, 2024**

Rs in Millions

**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 of the year	Changes in equity share capital during the year	Balance at the end of the year
As at March 31, 2023	123.23	-	-	18.58	141.81
As at March 31, 2024	141.81	-	-	47.81	189.62

**B. Other equity**

Particulars	Reserves and surplus				
	Securities premium	Special Reserve under Section 45-IC of the Reserve Bank of India Act, 1934	Retained earnings	Cash flow hedge reserve	Total other equity
<b>As at April 1, 2022</b>	<b>2,107.37</b>	<b>286.78</b>	<b>1,139.06</b>	<b>-</b>	<b>35,332.09</b>
Profit for the year	-	-	755.55	-	755.55
Other comprehensive income	-	-	(0.01)	-	(0.01)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>755.54</b>	<b>-</b>	<b>755.54</b>
Transfer to special reserve	-	151.11	(151.11)	-	-
Additions	581.43	-	-	-	581.43
<b>As at March 31, 2023</b>	<b>2,688.80</b>	<b>437.89</b>	<b>1,743.49</b>	<b>-</b>	<b>4,870.19</b>
Profit for the year	-	-	782.61	-	782.61
Other comprehensive income	-	-	0.33	(1.22)	(0.89)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>782.94</b>	<b>(1.22)</b>	<b>781.72</b>
Transfer to special reserve	-	156.52	(156.52)	-	-
Additions	1,702.17	-	-	-	1,702.17
<b>As at March 31, 2024</b>	<b>4,390.97</b>	<b>594.41</b>	<b>2,369.91</b>	<b>(1.22)</b>	<b>7,354.07</b>

Summary of material 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

Praveen Chauhan  
Whole time Director  
DIN: 06802734

Place : Mumbai  
Date : May 20, 2024

Rajesh Maheshwari  
Chief Financial Officer

Mayuri Joshi  
Company Secretary

**Capsave Finance Private Limited**

CIN : U67120MH1992PTC068062

**Cash Flow Statement for the year ended March 31, 2024**

Particulars	Rs in Millions	
	Year Ended March 31, 2024	Year Ended March 31, 2023
<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Profit before tax:	1,079.60	959.32
<b>Adjustments :</b>		
Depreciation and amortisation	108.75	131.69
Interest income on bank deposit	(4.53)	(4.47)
Interest Expense on security deposit and rebate to renters	137.15	90.37
Interest Income on security deposit and rebate to renters	(106.69)	(86.64)
Interest expense on bank borrowing and debt securities	1,175.31	760.71
Interest expense on lease liability	5.55	3.94
Impairment on financial instruments	65.89	97.70
<b>Operating profit before working capital changes</b>	<b>2,461.03</b>	<b>1,952.63</b>
<b>Operational cash flow from interest</b>		
Interest income on bank deposit	4.53	4.47
Interest Expense on security deposit and rebate to renters	(137.15)	(90.37)
Interest Income on security deposit and rebate to renters	131.21	86.64
Interest expense on bank borrowing and debt securities	(1,171.71)	(760.71)
<b>Adjustments for (increase)/ decrease in operating assets:</b>		
Property, plant and equipments	124.18	(141.41)
Trade receivables	(120.02)	(58.97)
Loans	(8,244.28)	(7,598.80)
Bank balance other than cash and cash equivalents	50.08	92.12
Other financial assets	(2.69)	(2.98)
Other non financial assets	11.71	(184.17)
<b>Adjustments for increase/ (decrease) in operating liabilities</b>		
Trade payables	5.52	12.24
Other payables	0.39	0.97
Provisions	5.00	5.67
Other financial liabilities	637.24	2,072.10
Other non financial liabilities	(2.35)	(76.94)
Cash generated from operations	(6,247.31)	(4,687.53)
Less : Income taxes (paid) / net of refund	(360.15)	(287.28)
<b>Net cash outflow from operating activities</b>	<b>(6,607.46)</b>	<b>(4,974.80)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Property, plant and equipments and Intangibles under development	(0.24)	(30.76)
<b>Net cash flow (used in) from investing activities</b>	<b>(0.24)</b>	<b>(30.76)</b>

**Capsave Finance Private Limited**

CIN : U67120MH1992PTC068062

**Cash Flow Statement for the year ended March 31, 2024**

Particulars	Rs in Millions	
	Year Ended March 31, 2024	Year Ended March 31, 2023
<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from bank borrowings	13,103.00	5,498.50
(Repayment) of bank borrowings	(4,997.42)	(3,307.75)
Proceeds from Debt Securities	-	2,650.00
(Repayment) of Debt Securities	(2,517.56)	(632.99)
Proceeds from issue of equity share capital (Including securities premium)	1,750.00	600.00
Proceeds from Inter corporate deposit	6,099.93	1,575.01
(Repayment) of Inter corporate deposit	(5,550.00)	(1,314.87)
Lease rental paid	(13.63)	(10.32)
<b>Net cash flow (used in) from financing activities</b>	<b>7,874.32</b>	<b>5,057.58</b>
<b>NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES</b>		
Cash and cash equivalents at beginning of the year	985.23	933.21
<b>Cash and cash equivalents at end of the year</b>	<b>2,251.85</b>	<b>985.23</b>
<b>Components of Cash and Cash Equivalents</b>		
Cash on hand	-	-
Balance with banks:		
- In current accounts	2,251.85	985.23
- In fixed deposits	-	-
	<b>2,251.85</b>	<b>985.23</b>

Summary of material 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

Praveen Chauhan  
Whole time Director  
DIN: 06802734

Place : Mumbai  
Date : May 20, 2024

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, 2024**

### **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 2023-24. 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 31,2024**

#### **2.2. STATEMENT OF COMPLIANCE**

The financial statements have been prepared in accordance 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 millions, 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.

#### **SUMMARY OF MATERIAL ACCOUNTING POLICIES:**

#### **2.5. REVENUErecognition**

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

# **Capsave Finance Private Limited**

CIN: U67120MH1992PTC068062

## **NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED MARCH 31,2024**

promised goods or services to a customer, excluding amounts collected on behalf of third parties.

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

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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, 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.

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#### **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 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.

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### **NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED MARCH 31,2024**

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.

#### **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

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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.

### **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)

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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.

### **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

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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.

#### **(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. HEDGE ACCOUNTING**

The Company designates certain hedging instruments, which include derivatives, embedded derivatives, and non-derivatives in respect of foreign currency, interest rate and commodity risk, as either cash flow hedge, fair value hedge. Hedges of foreign currency risk on firm commitments are accounted for as cash flow hedges. At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to hedged risk.

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### **Cash flow hedges**

The effective portion of changes in fair value of derivatives and non-derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in Statement of profit and loss.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to effective portion as described above are reclassified to profit and loss in the years when the hedged item affects profit and loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains or losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit and loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit and loss.

## **2.11. 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 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)

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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.

## **2.12. IMPAIRMENT OF FINANCIAL ASSET**

### **(i) Updation of ECL Model**

During the year the Company has updated the Expected Credit Loss model (ECL) with the latest set of data inputs on reasonable periodic intervals to capture the expected significant changes in macro-economic growth prospects and shifts in market drivers and changes in risk profile of customer credit exposures. During the year, the Company has updated its ECL model by including multi-factor macro-economic variables and used industry level benchmark allowance rate, which has been recommended by the Audit Committee and approved by Board of Directors. The Company holds provision towards expected credit loss on loans as at 31 March 2024 aggregating to Rs.265.25 Millions (as at 31 March 2023: Rs. 199.36 Millions).

### **(ii) 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:

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**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 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.

### **(iii) Calculation of ECL's**

The Company calculates ECL's based on 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

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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.

### **2.13. 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 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.

### **2.14. 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.

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#### **2.15. 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.

#### **2.16. 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 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:

<b>Useful life of Assets under operating lease</b>	<b>Life Assessed</b>	<b>Life as per Schedule II 2013</b>
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.

#### **2.17. 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.

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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.

### **2.18. 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.

### **2.19. 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

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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.

### **(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.

## **2.20. 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

## **Capsave Finance Private Limited**

CIN: U67120MH1992PTC068062

### **NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED MARCH 31,2024**

does not recognize a contingent liability but discloses its existence in the financial statements.

#### **2.21. 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 business segments Leasing and 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.

#### **2.22. 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.

#### **2.23. 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).

##### **Rounding Off**

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

# **Capsave Finance Private Limited**

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## **NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED MARCH 31,2024**

### **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 31,2024**

#### **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, 2024

(Rs in Millions)

**Note 4 - Cash and Cash Equivalents**

Particulars	As at March 31, 2024	As at March 31, 2023
Cash on hand	-	-
Balance with banks		
- In current accounts	2,251.85	985.23
<b>Total</b>	<b>2,251.85</b>	<b>985.23</b>

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

Particulars	As at March 31, 2024	As at March 31, 2023
Fixed deposit with Banks	24.82	74.90
<b>Total</b>	<b>24.82</b>	<b>74.90</b>

**Note 5 - Trade Receivables**

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables (Gross) - Amortised Cost	217.19	96.43
	217.19	96.43
Secured - Considered good	-	-
Unsecured - Considered good	217.19	96.43
Receivables which have significant increase in Credit Risk	-	-
Receivables - credit impaired	-	-
<b>Total - Gross</b>	<b>217.19</b>	<b>96.43</b>
(Less): Impairment loss allowance	(2.90)	(2.16)
<b>Total - Net</b>	<b>214.29</b>	<b>94.27</b>

**Ageing of Trade receivables as at March 31, 2024**

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	217.19	-	-	-	-	217.19
(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	-	-	-	-	-	-
<b>Total</b>	<b>217.19</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>217.19</b>

**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	96.43	-	-	-	-	96.43
(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	-	-	-	-	-	-
<b>Total</b>	<b>96.43</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>96.43</b>

**Note 6 - Loans**

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Loans at amortised cost</b>		
Assets under finance	11,043.96	8,691.87
Receivable Discounting Facility	1,468.95	721.81
Working Capital Finance	13,922.69	8,526.96
Equipment Finance	171.59	278.20
Term Loan	61.58	206.39
<b>Total - Gross</b>	<b>26,668.77</b>	<b>18,425.23</b>
(Less): Impairment loss allowance	(262.35)	(197.20)
<b>Total - Net</b>	<b>26,406.42</b>	<b>18,228.03</b>
Secured by tangible assets	17,475.49	13,016.05
Secured by bank guarantees and other cash collateral	4,865.18	3,848.33
Unsecured	4,328.10	1,560.85
<b>Total - Gross</b>	<b>26,668.77</b>	<b>18,425.23</b>
(Less): Impairment loss allowance (Refer Note 40)	(262.35)	(197.20)
<b>Total - Net</b>	<b>26,406.42</b>	<b>18,228.03</b>
Loans in India		
- Public sector	-	-
- Others	26,668.77	18,425.23
<b>Loans within India - Gross</b>	<b>26,668.77</b>	<b>18,425.23</b>
(Less): Impairment loss allowance (Refer Note 40)	(262.35)	(197.20)
<b>Loans within India - Net - (A)</b>	<b>26,406.42</b>	<b>18,228.03</b>
<b>Loans Outside India</b>		
(Less): Impairment loss allowance	-	-
<b>Loans Outside India - Net - (B)</b>	<b>-</b>	<b>-</b>
<b>Total - Net [(A) + (B)]</b>	<b>26,406.42</b>	<b>18,228.03</b>

# Capsave Finance Private Limited

CIN : U67120MH1992PTC068062

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED MARCH 31, 2024

(Rs in Millions)

### Note 7 - Other Financial Assets

Particulars	As at March 31, 2024	As at March 31, 2023
Deposits for Lease premises	5.30	4.93
Derivative Financial Instrument	2.32	-
<b>Total</b>	<b>7.62</b>	<b>4.93</b>

### Note 8 - Current tax assets (Net)

Particulars	As at March 31, 2024	As at March 31, 2023
Advance Tax and Tax deducted at source	638.10	845.11
Less: Provision for tax	(599.06)	(842.96)
<b>Total</b>	<b>39.04</b>	<b>2.15</b>

### Note 9 - Deferred tax assets (Net)

Particulars	As at March 31, 2024	As at March 31, 2023
Disallowance on account of Section 43B	1.14	2.70
Expected credit loss provisioning	66.76	50.01
Disallowance on account of Section 35D	-	1.40
Expense allowed on payment basis	0.65	-
Ind AS Adjustment Impact	9.07	13.13
Depreciation/ Amortisation	43.67	27.90
<b>Total</b>	<b>121.29</b>	<b>95.14</b>

**Capsave Finance Private Limited**

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**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**

FOR THE YEAR ENDED MARCH 31, 2024

(Rs in Millions)

**Note 10 - Property, plant and equipment and Intangible assets**

FY 2023-24	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at April 01, 2023	Additions	Deletions/ Adjustments	As at March 31, 2024	As at April 01, 2023	For the year ended March 31, 2024	Deductions/ Adjustments	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023
<b>Tangible Assets</b>										
Laptop and Desktop	1.45	0.10	-	1.55	0.31	0.46	-	0.77	0.78	1.15
Mobile Phone	0.35	-	-	0.35	0.10	0.11	-	0.22	0.13	0.24
Server	0.64	-	-	0.64	0.17	0.20	-	0.37	0.27	0.47
Furniture	0.22	0.14	-	0.35	0.02	0.04	-	0.05	0.30	0.20
Leasehold Improvements	20.66	-	-	20.66	2.94	4.14	-	7.08	13.58	17.72
<b>Intangible Assets</b>										
Software	7.73	11.23	-	18.96	5.44	5.26	-	10.70	8.26	2.29
<b>Assets given on Lease</b>										
Plant and Machinery	371.41	-	(130.11)	241.30	137.93	36.07	(79.85)	94.15	147.14	233.48
Furniture and Fixtures	389.63	-	(80.91)	308.72	139.37	46.74	(46.17)	139.94	168.79	250.27
IT-Hardware	201.26	-	(95.00)	106.26	180.05	4.27	(90.37)	93.96	12.30	21.21
<b>Total</b>	<b>993.35</b>	<b>11.47</b>	<b>(306.02)</b>	<b>698.78</b>	<b>466.32</b>	<b>97.29</b>	<b>(216.38)</b>	<b>347.24</b>	<b>351.56</b>	<b>527.04</b>
<b>Intangible Assets under development</b>	<b>11.23</b>	<b>-</b>	<b>11.23</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11.23</b>

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**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**

FOR THE YEAR ENDED MARCH 31, 2024

(Rs in Millions)

FY 2022-23	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at April 1, 2022	Additions	Deletions/ Adjustments	As at March 31, 2023	As at April 1, 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
<b>Tangible Assets</b>										
Laptop and Desktop	0.16	1.29	-	1.45	0.05	0.25	-	0.31	1.16	0.11
Mobile Phone	0.11	0.24	-	0.35	0.01	0.10	-	0.10	0.24	0.10
Server	0.23	0.41	-	0.64	0.01	0.15	-	0.17	0.47	0.22
Furniture	-	0.22	-	0.22	-	0.02	-	0.02	0.20	-
Leasehold Improvements	-	20.66	-	20.66	-	2.94	-	2.94	17.72	-
<b>Intangible Assets</b>										
Software	7.73	-	-	7.73	2.99	2.45	-	5.44	2.29	4.73
Assets given on Lease										
Plant and Machinery	421.31	29.26	(79.16)	371.41	136.73	52.64	(51.45)	137.93	233.48	284.58
Furniture and Fixtures	483.02	12.74	(106.13)	389.63	150.81	54.12	(65.57)	139.36	250.27	332.22
IT-Hardware	225.76	11.93	(36.44)	201.26	205.04	9.56	(34.54)	180.05	21.21	20.72
<b>Total</b>	<b>1,138.32</b>	<b>76.75</b>	<b>(221.73)</b>	<b>993.35</b>	<b>495.65</b>	<b>122.23</b>	<b>(151.56)</b>	<b>466.31</b>	<b>527.04</b>	<b>642.67</b>
<b>Intangible Assets under development</b>	<b>3.30</b>	<b>7.93</b>	<b>-</b>	<b>11.23</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11.23</b>	<b>3.30</b>

Intangible assets under development	Projects in progress		Projects temporarily suspended	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Less than 1 year	-	11.23	-	-
1 - 2 Years	-	-	-	-
2 - 3 years	-	-	-	-
More than 3 years	-	-	-	-
<b>Total</b>	<b>-</b>	<b>11.23</b>	<b>-</b>	<b>-</b>

**Note 10A - Right of Use Asset**

FY 2023-24	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at April 01, 2023	Additions	Deletions/ Adjustments	As at March 31, 2024	As at April 01, 2023	For the year ended March 31, 2024	Deductions/ Adjustments	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023
Premises	67.08	-	-	67.08	8.40	11.46	-	19.86	47.22	58.68

FY 2022-23	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at April 1, 2022	Additions	Deletions/ Adjustments	As at March 31, 2023	As at April 1, 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
Premises	20.02	67.08	(20.02)	67.08	3.73	9.47	(4.80)	8.40	58.68	16.30

(Rs in Millions)

**Note 11 - Other Non financial Assets**

Particulars	As at March 31, 2024	As at March 31, 2023
Prepaid expenses	22.74	14.31
Balance with Government Authorities	589.17	597.96
Advance to Suppliers	-	0.01
Deferred Input Tax Credit	2.63	2.63
Deferred Rebate to Renters	12.51	23.86
<b>Total</b>	<b>627.05</b>	<b>638.77</b>

**Note 12 - Payables**

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Trade Payables</b>		
a) Total outstanding dues of micro enterprises and small enterprises	1.10	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	34.67	29.15
<b>Other payables</b>		
a) Total outstanding dues of micro enterprises and small enterprises	-	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	1.90	1.50
<b>Total</b>	<b>37.67</b>	<b>30.65</b>

**Ageing of Trade and other payables as at March 31, 2024**

Particulars	Less than 6 months	6 months - 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	Total
(i) Undisputed Dues - MSME	1.10	-	-	-	-	1.10
(ii) Undisputed Dues - Others	36.37	0.20	-	-	-	36.57
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>37.47</b>	<b>0.20</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37.67</b>

**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	29.98	0.07	0.60	-	-	30.65
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>29.98</b>	<b>0.07</b>	<b>0.60</b>	<b>-</b>	<b>-</b>	<b>30.65</b>

**Note 13 - Debt securities**

Particulars	As at March 31, 2024	As at March 31, 2023
<b>At amortised cost</b>		
Debentures (Secured)	1,035.50	3,553.06
<b>Total (A)</b>	<b>1,035.50</b>	<b>3,553.06</b>
Debt securities in India	1,035.50	3,553.06
Debt securities outside India	-	-
<b>Total (B)</b>	<b>1,035.50</b>	<b>3,553.06</b>

(Rs in Millions)

**Secured non convertible debentures as on March 31, 2024**

Series details	Face value per debenture	Date of Maturity	Balance as at March 31, 2024	Interest rate % p.a
INE0DBJ07143	5,00,002	06-09-2025	149.85	9.35%
INE0DBJ07150	10,00,000	12-09-2024	455.56	9.30%
INE0DBJ07168	10,00,000	12-06-2024	339.71	9.15%
INE0DBJ07176	20,000	05-06-2024	90.38	9.00%
<b>Total</b>			<b>1,035.50</b>	

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, 2023**

Series details	Face value per debenture	Date of Maturity	Balance as at March 31, 2023	Interest rate % p.a
INE0DBJ07036	1,00,000	31-07-2023	267.15	10.40%
INE0DBJ07028	1,00,000	30-07-2023	106.89	10.40%
INE0DBJ07044	1,00,000	20-08-2023	30.09	9.18%
INE0DBJ07051	1,00,000	17-06-2023	154.45	10.41%
INE0DBJ07069	1,00,000	21-04-2023	157.35	9.75%
INE0DBJ07101	1,00,000	26-11-2023	856.92	9.15%
INE0DBJ07093	1,000	11-06-2023	220.05	9.71%
INE0DBJ07127	667	01-03-2024	134.91	9.30%
INE0DBJ07135	1,00,000	02-09-2024	199.31	7.80%
INE0DBJ07143	83,333	06-09-2025	248.99	9.35%
INE0DBJ07150	1,00,000	12-09-2024	416.98	9.30%
INE0DBJ07168	1,00,000	12-06-2024	309.68	9.15%
INE0DBJ07176	10,000	05-06-2024	450.30	9.00%
<b>Total</b>			<b>3,553.06</b>	

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, 2024	As at March 31, 2023
<b><u>Secured</u></b>		
Term loans		
From Banks	9,134.47	5,340.28
From Bank in Foreign Currency	1,175.55	-
Other than banks	1,061.26	1,182.48
Working Capital Demand Loans (from banks)	1,572.32	749.47
<b><u>Unsecured</u></b>		
Term loans		
From Banks	1,462.50	-
Working Capital Demand Loans (from bank)	1,000.00	-
Cash Credit from Bank	-	24.70
<b>Total (A)</b>	<b>15,406.10</b>	<b>7,296.93</b>
Borrowings in India	15,406.10	7,296.93
Borrowings outside India	-	-
<b>Total (B)</b>	<b>15,406.10</b>	<b>7,296.93</b>

**Maturity pattern of Loans -**

Repayable within 1 year	6,938.62	3,216.51
Repayable between 1-3 years	6,448.32	3,475.13
Repayable between 3-5 years	2,019.16	605.29
<b>Total</b>	<b>15,406.10</b>	<b>7,296.93</b>

(Rs in Millions)

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.

Working capital demand loan from banks are secured by way of charge on specific receivables.

The interest cost for the above loans are in the range of 7.23 % p.a. - 11.15% p.a. (March 31, 2023 - 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.

**Note 14.1 - Deposits**

Particulars	As at March 31, 2024	As at March 31, 2023
Others		
Inter corporate deposit (Unsecured)	1,950.00	1,400.07
<b>Total</b>	<b>1,950.00</b>	<b>1,400.07</b>

Inter corporate deposits is taken from holding company @ 7.50% p.a. (March 31, 2023 7.50% p.a.)

**Net debt reconciliation**

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

Particulars	Net debt as at April 01, 2023	Net Movement	Net debt as at March 31, 2024
Borrowings other than debt securities	7,296.93	8,109.17	15,406.10
Deposits	1,400.07	549.93	1,950.00
<b>Total</b>	<b>8,697.00</b>	<b>8,659.10</b>	<b>17,356.10</b>

Particulars	Net debt as at April 01, 2022	Net Movement	Net debt as at March 31, 2023
Borrowings other than debt securities	4,509.09	2,787.84	7,296.93
Deposits	1,139.93	260.14	1,400.07
<b>Total</b>	<b>5,649.02</b>	<b>3,047.99</b>	<b>8,697.00</b>

**Note 15 - Other financial liabilities**

Particulars	As at March 31, 2024	As at March 31, 2023
Security deposits from Lessee	1,836.48	1,436.27
Outstanding Rebate to Lessee	1,170.62	947.91
Deferred Income - Security Deposits	265.40	236.24
Payable towards Loan	0.05	15.02
Payables towards purchase of fixed assets	496.13	534.04
Provision for expenses	22.71	5.62
Provision for Variable pay	173.92	99.00
<b>Total</b>	<b>3,965.31</b>	<b>3,274.10</b>

**Note 15.1 - Lease Liability**

Particulars	As at March 31, 2024	As at March 31, 2023
Lease liability	51.05	59.12
<b>Total</b>	<b>51.05</b>	<b>59.12</b>

**Note 16 - Provisions**

Particulars	As at March 31, 2024	As at March 31, 2023
Provisions for employee benefits		
Gratuity	8.36	5.66
Leave Encashment	7.04	5.18
<b>Total</b>	<b>15.40</b>	<b>10.84</b>

**Note 17 - Other non financial liabilities**

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory dues payable	12.60	15.55
Advance from customers	10.41	15.59
Unearned Income	63.43	52.48
<b>Total</b>	<b>86.44</b>	<b>83.62</b>

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**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**

FOR THE YEAR ENDED MARCH 31, 2024

(Rs in Millions)

**Note 18 - Equity Share Capital**

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number (in Millions)	Rs in Millions	Number (in Millions)	Rs in Millions
<b>Authorised shares</b> 20.00 Millions (Previous year 17.70 Millions) Equity Shares of the face value of Rs.10 each	20.00	200.00	17.70	177.00
<b>Issued, subscribed &amp; fully paid-up shares</b> 18.96 Millions (Previous year 14.18 Millions) Equity Shares fully paid up of Rs.10 each	18.96	189.62	14.18	141.81
<b>Total</b>	<b>18.96</b>	<b>189.62</b>	<b>14.18</b>	<b>141.81</b>

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

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number (in Millions)	Rs in Millions	Number (in Millions)	Rs in Millions
Outstanding at the beginning of the year	14.18	141.81	12.32	123.23
Add: Shares issued during the year	4.78	47.81	1.86	18.58
<b>Outstanding at the end of the year</b>	<b>18.96</b>	<b>189.62</b>	<b>14.18</b>	<b>141.81</b>

**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, 2024		As at March 31, 2023	
	Number (in Millions)	% of Holding	Number (in Millions)	% of Holding
Rent Alpha Private Limited	18.96	100.00	14.18	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, 2024		As at March 31, 2023	
	Number (in Millions)	% of Holding	Number (in Millions)	% of Holding
Rent Alpha Private Limited	18.96	100.00	14.18	100.00

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

Name of shareholder	As at March 31, 2024		As at March 31, 2023	
	Number (in Millions)	% of Holding	Number (in Millions)	% of Holding
Rent Alpha Private Limited	18.96	100.00	14.18	100.00
Jinesh Kumar Jain*	0.00	-	0.00	-

\* One share held by Managing Director.

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

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

# Capsave Finance Private Limited

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## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED MARCH 31, 2024

(Rs in Millions)

### Note 19 - Other equity

Particulars	As at March 31, 2024	As at March 31, 2023
Securities premium	4,390.97	2,688.80
Retained earnings	2,369.91	1,743.49
Special Reserve under Section 45 IC of RBI Act, 1934	594.41	437.89
Cash flow hedge reserve	(1.22)	-
<b>Total</b>	<b>7,354.07</b>	<b>4,870.18</b>

  

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Securities premium</b>		
Opening balance	2,688.80	2,107.37
Add- Received during the year	1,702.17	581.43
Closing balance	<b>4,390.97</b>	<b>2,688.80</b>
<b>Retained earnings</b>		
Opening balance	1,743.49	1,139.06
Add: Profit for the year	782.61	755.55
Add: Other comprehensive income for the year	0.33	(0.01)
Less: Transfer to Special Reserve under Section 45 IC of RBI Act, 1934	(156.52)	(151.11)
Closing balance	<b>2,369.91</b>	<b>1,743.49</b>
<b>Special Reserve under Section 45 IC of RBI Act, 1934</b>		
Opening balance	437.89	286.78
Add: Transfer from Retained earnings	156.52	151.11
Closing balance	<b>594.41</b>	<b>437.89</b>
<b>Cash flow hedge reserve</b>		
Opening balance	-	-
Add: Recognition through other comprehensive income	(1.22)	-
Closing balance	<b>(1.22)</b>	-
<b>Total</b>	<b>7,354.07</b>	<b>4,870.19</b>

### 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.

#### d) Cash flow hedge reserve

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. Such gains or losses will be reclassified to statement of profit and loss in the period in which the underlying hedged transaction occurs.

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**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**

FOR THE YEAR ENDED MARCH 31, 2024

(Rs in Millions)

**Note 20 - Income from operations**

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
<b>Interest / Finance Income</b>		
- On assets on Finance	1,396.93	1,060.70
- On Receivable Discounting Facility	138.17	94.81
- On Overdue Interest	86.91	20.73
- On Working Capital Finance	1,135.25	699.21
- On Equipment Finance	29.45	28.39
- On Term Loan	21.28	50.10
Rental Income	249.46	331.83
<b>Gain / Loss on Foreclosure of Contracts</b>		
- On assets on Finance	41.80	11.05
Profit / (Loss) on Sale of Assets	12.92	(13.72)
Profit on Assignment of Loan	33.41	87.14
Processing Fees	71.95	70.46
<b>Total</b>	<b>3,217.53</b>	<b>2,440.70</b>

**Note 21 - Net gain on fair value changes**

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
<b>Net gain on financial instruments at FVTPL</b>		
Gain on Mutual Fund	43.01	18.78
<b>Total (A)</b>	<b>43.01</b>	<b>18.78</b>
<b>Fair Value changes:</b>		
Realised	43.01	18.78
Unrealised	-	-
<b>Total (B)</b>	<b>43.01</b>	<b>18.78</b>

**Note 22 - Other income**

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Interest Income on Fixed Deposits	4.53	4.47
Exchange Gain on Foreign payments	-	9.46
Miscellaneous income	15.96	2.77
<b>Total</b>	<b>20.49</b>	<b>16.70</b>

**Note 23 - Finance costs**

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Interest on Loans	1,175.31	760.71
Interest Expense on Security Deposits	134.67	87.20
Interest unwinding on rebate to renters	2.47	3.18
Interest Expense on Lease Liability	5.55	3.94
Bank Charges	0.84	0.65
Interest Others	0.40	0.07
<b>Total</b>	<b>1,319.24</b>	<b>855.75</b>

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**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**

FOR THE YEAR ENDED MARCH 31, 2024

(Rs in Millions)

**Note 24 - Impairment on financial instruments**

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
<b>On financial instruments measured at amortised cost:</b>		
Provision for expected credit loss	65.89	97.70
<b>Total</b>	<b>65.89</b>	<b>97.70</b>

**Note 25 - Employee benefit expenses**

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Salaries and Wages	432.04	276.06
Contribution to Provident Fund and Other Funds	4.10	3.43
Leave Encashment	2.61	2.94
Gratuity	3.14	2.50
Staff Welfare	3.27	2.71
<b>Total</b>	<b>445.16</b>	<b>287.64</b>

**Note 26 - Other expenses**

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Office Rent	6.75	3.46
Rates & Taxes	33.62	2.15
Legal and Professional Fees	48.96	37.59
Brokerage and Commission	81.55	21.00
Information Technology Expenses	36.05	22.55
Travelling & Conveyance	9.42	6.57
Auditors Remuneration	2.60	1.79
Insurance Expense	0.78	0.06
Corporate Social Responsibility Expenses	15.79	10.68
Rebate to Renters	14.18	29.17
Repairs and Maintenance	1.50	3.74
Miscellaneous Expenses	11.19	5.32
<b>Total</b>	<b>262.39</b>	<b>144.08</b>

**Breakup of Auditors' remuneration (excluding GST)**

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Statutory Audit	2.35	1.78
Other Service	0.25	0.01
<b>Total</b>	<b>2.60</b>	<b>1.79</b>

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**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED MARCH 31, 2024**

(Rs in Millions)

**Note 27 - Tax expenses**

a. The components of income tax expense for the year ended March 31, 2024 and March 31, 2023 are as under:

	Year Ended March 31, 2024	Year Ended March 31, 2023
Current tax	321.99	277.07
Short / (Excess) provision of Tax for earlier years	0.86	(35.43)
Deferred tax	(25.85)	(37.88)
<b>Total tax charge</b>	<b>297.00</b>	<b>203.77</b>
Current tax	322.85	241.65
Deferred tax	(25.85)	(37.88)

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 year ended March 31, 2024 and March 31, 2023 are as follows:

	Year Ended March 31, 2024	Year Ended March 31, 2023
Accounting profit before tax	1,079.60	959.32
Applicable tax rate	25.17%	25.17%
<b>Computed tax expense</b>	<b>271.71</b>	<b>241.44</b>
<b>Tax effect of :</b>		
Permanent differences	4.03	2.69
Income tax of prior years	0.86	(35.43)
Others	20.40	(4.94)
<b>Tax expenses recognised in the statement of profit and loss</b>	<b>297.00</b>	<b>203.77</b>
Effective tax rate	27.43%	24.93%

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**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED MARCH 31, 2024**

(Rs in Millions)

**Note 27 - Tax expenses (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, 2023	Statement of profit and loss	OCI	As at March 31, 2024
<b>Deferred tax asset</b>				
Disallowance on account of Section 43B	2.70	(1.86)	0.30	1.14
Expected credit loss provisioning	50.01	16.75	-	66.76
Disallowance on account of Section 35D	1.40	(1.40)	-	-
Expense allowed on payment basis	-	0.65	-	0.65
Depreciation/ Amortisation	27.91	15.77	-	43.67
	82.02	29.91	0.30	112.22
<b>Deferred tax liability</b>				
Amortised cost of borrowings	(13.13)	4.06	-	(9.07)
	(13.13)	4.06	-	(9.07)
<b>Net Deferred tax asset / (liability)</b>	<b>95.14</b>	<b>25.85</b>	<b>0.30</b>	<b>121.29</b>

	As at April 1, 2022	Statement of profit and loss	OCI	As at March 31, 2023
<b>Deferred tax asset</b>				
Disallowance on account of Section 43B	16.40	(13.69)	0.00	2.70
Expected credit loss provisioning	25.60	24.40	-	50.01
Disallowance on account of Section 35D	0.10	1.30	-	1.40
Ind AS Adjustment Impact	0.61	(0.61)	-	-
Depreciation/ Amortisation	15.20	12.72	-	27.91
	57.91	24.12	0.00	82.02
<b>Deferred tax liability</b>				
Amortised cost of borrowings	0.65	(13.77)	-	(13.13)
	0.65	(13.78)	-	(13.13)
<b>Net Deferred tax asset / (liability)</b>	<b>57.26</b>	<b>37.88</b>	<b>0.00</b>	<b>95.14</b>

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**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**

FOR THE YEAR ENDED MARCH 31, 2024

**(Rs in Millions)**

**Note 28 - Earnings per share**

Basic Earnings per share (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 Earnings per share (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, 2024	As at March 31, 2023
<b>Basic</b>		
Profit after tax (Rs. In Millions)	782.61	755.55
Weighted average no. of equity shares outstanding (In Millions)	16.28	13.27
Basic EPS (Rs)	48.06	56.95
<b>Diluted</b>		
Profit after tax (Rs. In Millions)	782.61	755.55
Weighted average no. of equity shares outstanding (In Millions)	16.28	13.27
Diluted EPS (Rs)	48.06	56.95
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, 2024.

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

Particulars	As at March 31, 2024	As at March 31, 2023
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1.10	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.07	-
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	-	-

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**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**

FOR THE YEAR ENDED MARCH 31, 2024

(Rs in Millions)

**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 are considered as defined contribution plans. The Company's contribution to provident fund aggregating Rs. 4.10 Millions (March 31, 2023: Rs.3.43 Millions) 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, 2024	As at March 31, 2023
<b>i. Reconciliation of opening and closing balances of defined benefit obligation</b>		
Present value of defined benefit obligations at the beginning of the year	5.66	2.63
Current service cost	2.72	2.31
Past service cost	-	-
Interest cost	0.42	0.19
Transfer in/(out) obligation	-	0.52
Acquisition adjustment	-	-
Benefit paid	-	-
Re-measurement (or Actuarial) (gain) / loss arising from:		
Change in demographic assumptions	-	-
Change in financial assumptions	0.26	(0.17)
Experience variance (i.e. Actual experience vs assumptions)	(0.70)	0.18
<b>Present value of defined benefit obligations at the end of the year</b>	<b>8.36</b>	<b>5.66</b>
<b>ii. Reconciliation of opening and closing balances of the fair value of plan assets</b>		
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	-	-
<b>Fair value of plan assets at the end of the year</b>	<b>-</b>	<b>-</b>
<b>iii. Reconciliation of opening and closing balances of net defined benefit liability</b>		
Net opening provision in books of accounts	5.66	2.63
Transfer in/(out) obligation	-	0.52
Transfer (in)/out plan assets	-	-
Past service cost	-	-
Employee Benefit Expense	3.14	2.50
Amounts recognized in Other Comprehensive Income	(0.44)	0.01
Benefits paid by the Company	-	-
Contributions to plan assets	-	-
<b>Closing provision in books of accounts</b>	<b>8.36</b>	<b>5.66</b>

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**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**

FOR THE YEAR ENDED MARCH 31, 2024

(Rs in Millions)

**Note 30 - Employee benefit plan (Continued)**

	<b>Year ended March 31, 2024</b>	<b>Year ended March 31, 2023</b>
<b>iv. Expense recognised during the Year</b>		
Current service cost	2.72	2.31
Interest cost	0.42	0.19
Past service cost	-	-
<b>Expenses recognised in the statement of profit and loss</b>	<b>3.14</b>	<b>2.50</b>

**v. Other comprehensive income**

Components of actuarial gain/losses on obligations:		
Due to change in financial assumptions	0.26	(0.17)
Due to change in demographic assumption	-	-
Due to experience adjustments	(0.70)	0.18
Return on plan assets excluding amounts included in interest income	-	-
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>(0.44)</b>	<b>0.01</b>

**vi. Principal actuarial assumptions**

	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Discount rate (per annum)	7.22%	7.50%
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:

<b>Defined benefit obligation (Base)</b>	<b>Year ended March 31,2024</b>		<b>Year ended March 31,2023</b>	
	<b>Decrease</b>	<b>Increase</b>	<b>Decrease</b>	<b>Increase</b>
Discount rate (- / + 0.5%)	8.86	7.91	6.00	5.35
(% change compared to base due to sensitivity)	5.90%	-5.44%	6.03%	-5.55%
Salary growth rate (- / + 0.5%)	8.21	8.52	5.55	5.76
(% change compared to base due to sensitivity)	-1.84%	1.85%	-1.99%	1.74%
Withdrawal rate (W.R.) (W.R. x 90% / W.R. x 110%)	8.29	8.34	5.60	5.72
(% change compared to base due to sensitivity)	-0.89%	0.81%	-1.09%	1.04%

**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**

<b>Expected cash flows over the next years (valued on undiscounted basis):</b>	<b>Cash flows (Rs.)</b>		<b>Distribution (%)</b>	
	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
1st Following Year	0.19	0.16	0.90%	1.00%
2nd Following year	0.23	0.18	1.10%	1.10%
3rd Following Year	0.26	0.21	1.20%	1.30%
4th Following Year	0.36	0.24	1.70%	1.50%
5th Following Year	0.41	0.30	1.90%	1.90%
Sum of years 6 to 10	3.43	1.81	15.60%	11.50%

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

The Weighted Average Duration (Years) as at valuation date is 12.81 years (March 31, 2023 - 13.73 years)

**(c) Other long term employee benefits**

The compensated absences for the year ended March 31,2024 and for the year ended March 31,2023 :

<b>Particulars</b>	<b>Year ended March 31, 2024</b>	<b>Year ended March 31, 2023</b>
Compensated absences	2.61	2.94
<b>Total</b>	<b>2.61</b>	<b>2.94</b>

Capsave Finance Private Limited

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED MARCH 31, 2024

(Rs in Millions)

**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, 2024							
Particulars	Operating Lease	Finance Lease	Receivable Discounting Facility	Working Capital Finance	Equipment Finance	Term Loan	Total
<b>Segment Revenue</b>							
External	182.94	1,518.17	138.17	1,294.03	29.53	54.68	3,217.53
<b>Total revenue</b>	<b>182.94</b>	<b>1,518.17</b>	<b>138.17</b>	<b>1,294.03</b>	<b>29.53</b>	<b>54.68</b>	<b>3,217.53</b>
<b>Segment Results</b>							
	48.22	797.13	74.94	416.38	(4.28)	46.61	1,378.99
Net Unallocated Income / (Expenditure)							(297.12)
Add : Interest Income							4.53
Less : Interest Expense							(6.80)
<b>Profit for the year</b>							<b>1,079.60</b>
<b>Other Information</b>							
Segment Assets	340.66	10,997.79	1,467.79	13,725.73	151.51	61.52	26,745.00
Unallocated							3,346.16
<b>Total Assets</b>							<b>30,091.16</b>
Segment Liabilities	96.52	2,004.48	-	446.58	25.91	-	2,573.49
Unallocated							19,973.98
Share capital							189.62
Reserves and surplus							7,354.07
<b>Total Liabilities and Equity</b>							<b>30,091.16</b>
Segment Depreciation	87.08	-	-	-	-	-	87.08
Unallocated							21.67
<b>Total Depreciation</b>	<b>87.08</b>	-	-	-	-	-	<b>108.75</b>
<b>Total Capital Expenditure including GST</b>							<b>11.47</b>

March 31, 2023							
Particulars	Operating Lease	Finance Lease	Receivable Discounting Facility	Working Capital Finance	Equipment Finance	Term Loan	Total
<b>Segment Revenue</b>							
External	300.57	1,090.87	94.78	783.57	33.66	137.24	2,440.70
<b>Total revenue</b>	<b>300.57</b>	<b>1,090.87</b>	<b>94.78</b>	<b>783.57</b>	<b>33.66</b>	<b>137.24</b>	<b>2,440.70</b>
<b>Segment Results</b>							
	97.96	498.15	53.97	210.64	3.85	128.91	993.48
Net Unallocated Income / (Expenditure)							(33.97)
Add : Interest Income							4.47
Less : Interest Expense							(4.66)
<b>Profit for the year</b>							<b>959.32</b>
<b>Other Information</b>							
Segment Assets	526.66	8,601.74	740.12	8,439.03	257.04	206.39	18,770.98
Unallocated							1,949.40
<b>Total Assets</b>							<b>20,720.37</b>
Segment Liabilities	125.82	1,237.72	-	282.06	30.43	-	1,676.02
Unallocated							14,032.36
Share capital							141.81
Reserves and surplus							4,870.18
<b>Total Liabilities and Equity</b>							<b>20,720.37</b>
Segment Depreciation	116.32	-	-	-	-	-	116.32
Unallocated							15.37
<b>Total Depreciation</b>	<b>116.32</b>	-	-	-	-	-	<b>131.69</b>
<b>Total Capital Expenditure including GST</b>	62.95	-	-	-	-	-	62.95

**Information about secondary geographical segments.**

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

**Capsave Finance Private Limited**

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**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**

FOR THE YEAR ENDED MARCH 31, 2024

(Rs in Millions)

**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, 2024			As at March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>ASSETS</b>						
<b>Financial assets</b>						
Cash and cash equivalents	2,251.85	-	2,251.85	985.23	-	985.23
Bank balance other than cash and cash equivalents	23.74	1.08	24.82	0.42	74.48	74.90
Receivables						
(i) Trade receivables	214.29	-	214.29	94.27	-	94.27
Loans	18,413.80	7,992.62	26,406.42	11,870.10	6,357.93	18,228.03
Other financial assets	2.32	5.30	7.62	-	4.93	4.93
<b>Total Financial assets (A)</b>	<b>20,906.00</b>	<b>7,999.00</b>	<b>28,905.00</b>	<b>12,950.01</b>	<b>6,437.35</b>	<b>19,387.36</b>
<b>Non-financial assets</b>						
Current tax assets (Net)	-	39.04	39.04	-	2.15	2.15
Deferred tax assets (Net)	-	121.29	121.29	-	95.14	95.14
Property, plant and equipment and Intangible assets	-	351.56	351.56	-	527.04	527.04
Right of use asset	11.39	35.83	47.22	11.56	47.12	58.68
Intangible assets under development	-	-	-	-	11.23	11.23
Other non-financial assets	622.44	4.61	627.05	628.79	9.97	638.77
<b>Total Non-financial assets (B)</b>	<b>633.83</b>	<b>552.33</b>	<b>1,186.16</b>	<b>640.35</b>	<b>692.65</b>	<b>1,333.00</b>
<b>Total assets (A+B)</b>	<b>21,539.83</b>	<b>8,551.33</b>	<b>30,091.16</b>	<b>13,590.37</b>	<b>7,130.00</b>	<b>20,720.37</b>
<b>LIABILITIES</b>						
<b>Financial liabilities</b>						
Trade payables						
(i) Total outstanding dues of micro enterprises and small enterprises	1.10	-	1.10	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	34.67	-	34.67	23.17	5.98	29.15
Other payables						
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	1.90	-	1.90	1.50	-	1.50
Debt securities	989.01	46.49	1,035.50	2,389.10	1,163.96	3,553.06
Borrowings (other than debt securities)	6,935.54	8,470.56	15,406.10	3,216.51	4,080.42	7,296.93
Deposits	1,950.00	-	1,950.00	1,400.07	-	1,400.07
Other financial liabilities	2,631.52	1,333.79	3,965.31	1,618.14	1,655.96	3,274.10
Lease Liability	9.44	41.61	51.05	8.05	51.07	59.12
<b>Total Financial liabilities</b>	<b>12,553.19</b>	<b>9,892.46</b>	<b>22,445.63</b>	<b>8,656.55</b>	<b>6,957.39</b>	<b>15,613.93</b>
<b>Non-financial liabilities</b>						
Provisions	0.80	14.60	15.40	0.57	10.27	10.84
Other non-financial liabilities	86.44	-	86.44	83.62	-	83.62
<b>Total Non-financial liabilities</b>	<b>87.25</b>	<b>14.60</b>	<b>101.84</b>	<b>84.19</b>	<b>10.27</b>	<b>94.46</b>
<b>Total liabilities</b>	<b>12,640.43</b>	<b>9,907.05</b>	<b>22,547.47</b>	<b>8,740.74</b>	<b>6,967.67</b>	<b>15,708.39</b>
<b>Net</b>	<b>8,899.40</b>	<b>(1,355.72)</b>	<b>7,543.69</b>	<b>4,849.63</b>	<b>162.33</b>	<b>5,011.98</b>

## Capsave Finance Private Limited

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### NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED MARCH 31, 2024

(Rs in Millions)

#### 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, 2024 and March 31, 2023 in respect of these assets are as under:

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Gross Investments:</b>		
Not later than one year	5,137.47	4,094.69
Later than one year and not later than five years	8,639.22	7,266.26
More than five years	201.33	-
<b>Total*</b>	<b>13,978.02</b>	<b>11,360.95</b>
<b>Unearned Finance Income:</b>		
Not later than one year	1,333.22	1,089.94
Later than one year and not later than five years	1,573.43	1,579.14
More than five years	27.41	-
<b>Total</b>	<b>2,934.06</b>	<b>2,669.08</b>
<b>Present Value of Rentals:</b>		
Not later than one year	3,804.25	3,004.76
Later than one year and not later than five years	7,065.79	5,687.12
More than five years	173.92	-
<b>Total</b>	<b>11,043.96</b>	<b>8,691.87</b>
Less: Impairment allowance	(44.03)	(90.27)
<b>Total</b>	<b>10,999.93</b>	<b>8,601.60</b>

\* Finance Lease include Residual Value (RV) of Rs. 2,578.80 Millions (March 31, 2023 - Rs. 1,976.97 Millions)

#### Disclosure pursuant to Ind AS 116 "Leases":

##### I) Right to use assets

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	58.68	16.29
Add : Additions during the year	-	67.08
Less : Deductions during the year	-	(15.22)
Less : Depreciation during the year	(11.46)	(9.47)
<b>Closing balance</b>	<b>47.22</b>	<b>58.68</b>

##### II) Lease liability

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	59.12	16.36
Add : Additions during the year	-	64.34
Less : Deductions during the year	-	(14.42)
Add : Interest accrued during the year	5.56	3.94
Less : Principal repayment during the year	(13.63)	(11.10)
<b>Closing balance</b>	<b>51.05</b>	<b>59.12</b>

##### III) Low value Leases / Short Term Leases

###### Expenses recognised during the year

Particulars	As at March 31, 2024	As at March 31, 2023
- Low Value Assets	-	-
- Short Term Assets	6.75	3.46

###### Actual Cashflow during the year

Particulars	As at March 31, 2024	As at March 31, 2023
- Low Value Assets	-	-
- Short Term Assets	6.75	3.46

##### Assets given on lease:

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

Particulars	As at March 31, 2024	As at March 31, 2023
Not later than one year	101.91	154.80
Later than one year and not later than five years	69.46	171.44
More than five years	-	-

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**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**

FOR THE YEAR ENDED MARCH 31, 2024

(Rs in Millions)

**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.15.79 Millions (March 31, 2023 Rs.10.68 Millions). The details for the CSR expenses for the year are as under:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Amount required to be spent during the year (including previous year unspent amount)	15.79	18.08
Amount spent during the year (including previous year unspent amount) *	15.79	18.20
Shortfall at the end of the year	-	-
Total of previous year shortfall	-	-
Reason for shortfall	-	-
Nature of CSR activities	Health Care, Education and Nutritions.	
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.

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**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**

FOR THE YEAR ENDED MARCH 31, 2024

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

Related parties where control exists		Name of Related Parties	
<b>Description of Relationship</b>			
Ultimate Holding Company		Mizuho Leasing Company, Limited	
Significant influence over the Company		Bravia Capital Partners NV Inc. (Nevada)	
Other related party		Mizuho Bank	
Holding Company		Rent Alpha Private Limited	
<b>Board of Directors</b>			
Chairman		Mr. Toshiaki Ito (w.e.f June 30, 2023)	
Managing Director		Mr. Jinesh Jain	
Whole Time Director		Mr. Praveen Chauhan	
Director		Mr. Bharat Bhise (w.e.f August 14, 2023)	
Director		Mr. Hiroshi Nagamine (w.e.f June 30, 2023)	
Director		Mr. Mitsuhiro Sakamoto (w.e.f June 30, 2023)	
Director		Mr. Hiroshi Inui (w.e.f June 30, 2023)	
Director		Mr. Hideki Takemoto (w.e.f June 30, 2023)	
Director		Mr. Takahiro Hayashi (w.e.f June 30, 2023)	
Director		Ms. Sharon Dastoor (Resigned w.e.f August 14, 2023)	
<b>Key Management Personnel</b>			
Chief Executive Officer		Mr. Gautam Munish	
Chief Financial Officer		Mr. Rajesh Maheshwari	
Company Secretary		Ms. Mayuri Joshi	
<b>Independent Director</b>			
Independent Director		Mr. A D M Chavali	
Independent Director		Mr. Abraham Chacko	
<b>Entities in which significant influence can be exercised</b>		Capstone Advisors LLP	

Transactions with related parties (Previous year figures given within \*)

Transactions during the year	Holding Company / Ultimate Holding Company	Other related party	Key Management Personnel	Independent Director	Entities in which significant influence can be exercised	(Amounts Rs in Millions)
<b>Issue of Equity Shares (including premium)</b>						
Rent Alpha Private Limited	1,749.98 (600.01)	- (-)	- (-)	- (-)	- (-)	1,749.98 (600.01)
<b>Borrowing - Term Loan</b>						
Loan taken from Mizuho Bank	- (-)	1,500.00 (-)	- (-)	- (-)	- (-)	1,500.00 (-)
Loan repaid to Mizuho Bank	- (-)	37.50 (-)	- (-)	- (-)	- (-)	37.50 (-)
<b>Interest on term loan borrowing</b>						
Mizuho Bank	- (-)	24.26 (-)	- (-)	- (-)	- (-)	24.26 (-)
<b>Borrowing - WCDL</b>						
Loan taken from Mizuho Bank	- (-)	1,000.00 (-)	- (-)	- (-)	- (-)	1,000.00 (-)
Loan repaid to Mizuho Bank	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
<b>Interest on WCDL borrowing</b>						
Mizuho Bank	- (-)	14.73 (-)	- (-)	- (-)	- (-)	14.73 (-)
<b>Inter Corporate Deposit</b>						
Loan taken from Rent Alpha Private Limited	6,100.00 (1,600.00)	- (-)	- (-)	- (-)	- (-)	6,100.00 (1,600.00)
Loan repaid to Rent Alpha Private Limited	5,550.00 (1,314.87)	- (-)	- (-)	- (-)	- (-)	5,550.00 (1,314.87)
<b>Interest on Inter Corporate Deposit</b>						
Rent Alpha Private Limited	79.40 (67.75)	- (-)	- (-)	- (-)	- (-)	79.40 (67.75)
<b>Remuneration *</b>	- (-)	- (-)	24.49 (22.12)	- (-)	- (-)	24.49 (22.12)
<b>Director Sitting fees*</b>	- (-)	- (-)	- (-)	2.40 (1.88)	- (-)	2.40 (1.88)
<b>Common Cost (Net)</b>						
Rent Alpha Private Limited	66.50 (32.79)	- (-)	- (-)	- (-)	- (-)	66.50 (32.79)
<b>Purchase of Receivable Discounting Facility</b>						
Rent Alpha Private Limited	751.96 (192.93)	- (-)	- (-)	- (-)	- (-)	751.96 (192.93)
<b>Closing Balances</b>						
<b>Short term borrowing</b>						
Rent Alpha Private Limited	1,950.00 (1,400.00)	- (-)	- (-)	- (-)	- (-)	1,950.00 (1,400.00)
<b>Interest payable on Short term borrowing</b>						
Rent Alpha Private Limited	- (0.07)	- (-)	- (-)	- (-)	- (-)	- (0.07)
<b>Term loan Borrowing</b>						
Mizuho Bank	- (-)	1,462.50 (-)	- (-)	- (-)	- (-)	1,462.50 (-)
<b>WCDL Borrowing</b>						
Mizuho Bank	- (-)	1,000.00 (-)	- (-)	- (-)	- (-)	1,000.00 (-)
<b>Payables</b>						
Rent Alpha Private Limited	22.71 (21.20)	- (-)	- (-)	- (-)	- (-)	22.71 (21.20)

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, 2024	Year ended March 31, 2023
i.	Short-term employee benefits	24.49	22.12
ii.	Other Contribution to funds	-	-
iii.	Share-based payments	-	-
iv.	Sitting fees	2.40	1.88

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**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**

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(Rs in Millions)

**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, 2024			As at March 31, 2023		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
<b>Financial Asset</b>						
Cash And Cash Equivalents	-	-	2,251.85	-	-	985.23
Bank balance other than cash and cash equivalents	-	-	24.82	-	-	74.90
Trade Receivables	-	-	214.29	-	-	94.27
Loans	-	-	26,406.42	-	-	18,228.03
Other financial assets	-	-	7.62	-	-	4.93
<b>Total Financial Assets</b>	<b>-</b>	<b>-</b>	<b>28,905.00</b>	<b>-</b>	<b>-</b>	<b>19,387.36</b>
<b>Financial Liability</b>						
Trade Payables	-	-	35.77	-	-	29.15
Other Payables	-	-	1.90	-	-	1.50
Debt Securities	-	-	1,035.50	-	-	3,553.06
Borrowings (other than debt securities)	-	1,175.55	14,230.55	-	-	7,296.93
Deposits (ICD)	-	-	1,950.00	-	-	1,400.07
Other financial liabilities	-	-	3,965.31	-	-	3,274.10
<b>Total Financial Liabilities</b>	<b>-</b>	<b>1,175.55</b>	<b>21,219.03</b>	<b>-</b>	<b>-</b>	<b>15,554.81</b>

**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, 2024**

	Carrying amount	Fair value measurements using			
		Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Loans*	24,651.93	-	-	24,805.83	24,805.83
Trade Receivables	214.29	-	-	214.29	214.29
Cash And Cash Equivalents	2,251.85	2,251.85	-	-	2,251.85
Bank balance other than cash and cash equivalents	24.82	24.82	-	-	24.82
Other financial assets	7.62	-	-	7.62	7.62
<b>Total Financial Asset</b>	<b>27,150.51</b>	<b>2,276.67</b>	<b>-</b>	<b>25,027.74</b>	<b>27,304.41</b>
<b>Financial Liabilities</b>					-
Debt Securities	1,035.50	-	943.59	-	943.59
Borrowings (other than debt securities) **	15,406.10	-	15,422.40	-	15,422.40
Deposits (ICD)***	1,950.00	-	1,950.00	-	1,950.00
Other financial liabilities	3,965.31	-	3,965.31	-	3,965.31
Trade Payables	35.77	35.77	-	-	35.77
Other Payables	1.90	1.90	-	-	1.90
<b>Total Financial Liabilities</b>	<b>22,394.58</b>	<b>37.67</b>	<b>22,281.30</b>	<b>-</b>	<b>22,318.97</b>

\* The carrying amount does not include Unguaranteed Residual Value of Rs. 1,754.49 Millions.

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

\*\*\* Deposits (ICD) repayable on demand

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**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**

FOR THE YEAR ENDED MARCH 31, 2024

(Rs in Millions)

**Note 36 - Fair Value Measurement (continued)**

**As at March 31, 2023**

	Carrying amount	Fair value measurements using			Total
		Level 1	Level 2	Level 3	
<b>Financial assets</b>					
Loans*	16,799.56	-		16,890.77	16,890.77
Trade Receivables	94.27	-	-	94.27	94.27
Cash And Cash Equivalents	985.23	985.23	-	-	985.23
Bank balance other than cash and cash equivalents	74.90	74.90	-	-	74.90
Other financial assets	4.93	-	-	4.93	4.93
<b>Total Financial Asset</b>	<b>17,958.89</b>	<b>1,060.13</b>	<b>-</b>	<b>16,989.97</b>	<b>18,050.10</b>
<b>Financial Liabilities</b>					
Debt Securities	3,553.06	-	3,370.05	-	3,370.05
Borrowings (other than debt securities) **	7,296.93	-	7,292.52	-	7,292.52
Deposits (ICD)***	1,400.07	-	1,400.07	-	1,400.07
Other financial liabilities	3,274.10	-	3,274.10	-	3,274.10
Trade Payables	29.15	29.15	-	-	29.15
Other Payables	1.50	1.50	-	-	1.50
<b>Total Financial Liabilities</b>	<b>15,554.81</b>	<b>30.65</b>	<b>15,336.74</b>	<b>-</b>	<b>15,367.39</b>

\* The carrying amount does not include Unguaranteed Residual Value of Rs. 1,428.47 Millions.

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

\*\*\* Deposits (ICD) repayable on demand

## **Capsave Finance Private Limited**

CIN : U67120MH1992PTC068062

### **NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**

FOR THE YEAR ENDED MARCH 31, 2024

**(Rs in Millions)**

#### **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, 2024

(Rs in Millions)

#### 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.

##### 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.

##### 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, 2024	As at March 31, 2023
(i) CRAR (%)	26.89%	26.26%
(ii) CRAR - Tier I capital (%)	26.59%	25.37%
(iii) CRAR - Tier II capital (%)	0.30%	0.89%
(iv) Amount of Subordinated debt raised as Tier - II capital	-	-
(v) Amount raised by issue of perpetual debt instruments	-	-

Items	As at March 31, 2024	As at March 31, 2023
(i) Debt	18,391.60	12,250.06
(ii) Equity	7,543.69	5,011.98
(iii) Debt to equity ratio	2.44	2.44

## Capsave Finance Private Limited

CIN : U67120MH1992PTC068062

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED MARCH 31, 2024

(Rs in Millions)

#### Note 38 - Contingent Liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Claims against the Company not acknowledged as debts (to the extent not provided for)	-	-
Demand raised by authorities against which the Company has filed appeals* - for FY 2017-18	3.82	-

During the year, the Company has received demand order of Rs. 3.82 Millions for financial year 2017-18 from Karnataka GST authority towards disputed tax, interest and penalty. The Company has filed appeal before appropriate authority and deposited Rs. 0.34 Millions of the total disputed tax amount as pre-deposit as a pre-requisite while filing the appeal before appropriate authority.

Note:

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.76.00 Millions 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.25.14 Millions 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.25.14 Millions 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.

#### Note 39 - Capital commitments

Particulars	As at March 31, 2024	As at March 31, 2023
Commitments related to contracts remaining to be executed backed by letter of credit (net of advances)	-	181.70
Commitments related to contracts remaining to be executed not backed by letter of credit (net of advances)	877.03	697.57

**Capsave Finance Private Limited**

CIN : U67120MH1992PTC068062

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**

FOR THE YEAR ENDED MARCH 31, 2024

(Rs in Millions)

**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, 2024

(Rs in Millions)

### 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, 2024

(Rs in Millions)

### Note 40 - Financial risk management (continued)

#### Segmentation for Loans and Trade receivable

As at March 31, 2024

Particulars	Gross Exposure	Expected credit losses (Ind AS 109)
<b>Finance Leases</b>	<b>11,043.96</b>	<b>44.03</b>
Stage 1*	10,600.76	10.66
Stage 2	393.12	6.14
Stage 3	50.08	27.23
<b>Working Capital Finance</b>	<b>13,922.69</b>	<b>196.95</b>
Stage 1	13,205.00	71.20
Stage 2	532.28	5.63
Stage 3	185.41	120.12
<b>Receivable Discounting Facility</b>	<b>1,468.95</b>	<b>1.16</b>
Stage 1	1,453.24	1.10
Stage 2	15.71	0.06
Stage 3	-	-
<b>Equipment Finance</b>	<b>171.59</b>	<b>20.07</b>
Stage 1	133.50	0.10
Stage 2	9.19	0.02
Stage 3	28.90	19.95
<b>Term Loan</b>	<b>61.58</b>	<b>0.05</b>
Stage 1	61.58	0.05
Stage 2	-	-
Stage 3	-	-
<b>Total</b>	<b>26,668.77</b>	<b>262.26</b>
Stage 1	25,454.08	83.11
Stage 2	950.30	11.85
Stage 3 <sup>#</sup>	264.39	167.30
 <b>Trade receivable**</b>	 <b>217.19</b>	 <b>2.99</b>
Stage 1	205.41	0.74
Stage 2	7.42	0.03
Stage 3 <sup>#</sup>	4.36	2.22

\* Stage 1 ECL include provision on Open Purchase Orders as at closing date.

\*\* The Company has assets under Operating lease of Rs. 328.24 Millions reported under Property,Plant and Equipment Note no.10. ECL provision against this has been grouped under Trade Receivables.

# Stage 3 Estimated gross carrying amount at default includes Rs.42.56 Millions (March 31 2023 : Rs.3.02 Millions) on account of rating below "D' or withdrawn

# Capsave Finance Private Limited

CIN : U67120MH1992PTC068062

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED MARCH 31, 2024

(Rs in Millions)

As at March 31, 2023

Particulars	Gross Exposure	Expected credit losses (Ind AS 109)
<b>Finance Leases</b>	<b>8,691.87</b>	<b>84.59</b>
Stage 1	8,353.03	73.79
Stage 2	280.82	9.96
Stage 3	58.03	0.83
<b>Working Capital Finance</b>	<b>8,526.96</b>	<b>87.93</b>
Stage 1	6,960.26	77.34
Stage 2	1,519.45	7.96
Stage 3	47.25	2.62
<b>Receivable Discounting Facility</b>	<b>721.81</b>	<b>3.54</b>
Stage 1	721.81	3.54
Stage 2	-	-
Stage 3	-	-
<b>Equipment Finance</b>	<b>278.20</b>	<b>15.45</b>
Stage 1	264.92	10.17
Stage 2	7.93	2.55
Stage 3	5.35	2.73
<b>Term Loan</b>	<b>206.39</b>	<b>-</b>
Stage 1	206.39	-
Stage 2	-	-
Stage 3	-	-
<b>Total</b>	<b>18,425.23</b>	<b>197.20</b>
Stage 1	16,506.41	170.54
Stage 2	1,808.20	20.48
Stage 3 <sup>#</sup>	110.63	6.18
<b>Trade receivable**</b>	<b>96.43</b>	<b>2.16</b>
Stage 1	91.96	1.31
Stage 2	2.99	0.26
Stage 3 <sup>#</sup>	1.48	0.59

\*\* The Company has assets under Operating lease of Rs. 504.95 Millions reported under Property,Plant and Equipment Note no.10. ECL provision against this has been grouped under Trade Receivables.

# Stage 3 Estimated gross carrying amount at default includes Rs.3.02 Millions (March 31 2022 : Rs.2.54 Millions) on account of rating below "D" or withdrawn

## **Capsave Finance Private Limited**

CIN : U67120MH1992PTC068062

### **NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**

FOR THE YEAR ENDED MARCH 31, 2024

**(Rs in Millions)**

#### **Note 40 - Financial risk management (continued)**

##### **Cash and cash equivalents**

Cash and cash equivalents include balance of Rs.2,251.85 Millions at March 31, 2024 (March 31, 2023 : Rs.985.23 Millions) 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. 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 and the future rental 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, 2024*

**(Rs in Millions)**

### **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 Assets** **As at March 31, 2024**

<b>Credit Rating</b>	<b>Amount</b>	<b>(in % )</b>
Secured by Cash Collateral	14,023.71	52.58%
High Rated	4,021.29	15.08%
Medium Rated	8,208.49	30.78%
Low Rated	415.28	1.56%
<b>Total</b>	<b>26,668.77</b>	<b>100.00%</b>

**Total Financial Assets** **As at March 31, 2023**

<b>Credit Rating</b>	<b>Amount</b>	<b>(in % )</b>
Secured by Cash Collateral	11,822.79	64.17%
High Rated	2,319.26	12.59%
Medium Rated	4,197.70	22.78%
Low Rated	85.48	0.46%
<b>Total</b>	<b>18,425.23</b>	<b>100.00%</b>

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**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED MARCH 31, 2024**

(Rs in Millions)

**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:**

Particulars	Stage 1		Stage 2		Stage 3		Total	
	EAD	ECL	EAD	ECL	EAD	ECL	EAD	ECL
<b>As at April 1, 2023</b>	<b>16,506.41</b>	<b>170.54</b>	<b>1,808.20</b>	<b>20.48</b>	<b>110.63</b>	<b>6.18</b>	<b>18,425.23</b>	<b>197.20</b>
New credit exposures during the year	19,151.07	72.90	903.53	(7.28)	259.16	143.33	20,313.76	208.95
Account closed	(7,922.59)	(82.81)	(1,522.73)	(7.98)	(68.39)	(7.50)	(9,513.71)	(98.29)
Account Repaid	(2,414.33)	(78.46)	(130.35)	0.29	(11.83)	32.57	(2,556.51)	(45.60)
Assets written off during the year	-	-	-	-	-	-	-	-
<b>Movement between stages</b>								
Transfer from Stage 1 to Stage 2 and Stage 3	(301.74)	(9.87)	248.31	9.87	53.43	-	-	-
Transfer from Stage 2 to Stage 1 and Stage 3	358.27	3.52	(358.27)	(4.21)	-	0.69	-	-
Transfer from Stage 3 to Stage 1 and Stage 2	77.00	7.30	1.61	0.69	(78.61)	(7.99)	-	-
<b>As at March 31, 2024</b>	<b>25,454.09</b>	<b>83.12</b>	<b>950.30</b>	<b>11.85</b>	<b>264.39</b>	<b>167.29</b>	<b>26,668.77</b>	<b>262.26</b>

Particulars	Stage 1		Stage 2		Stage 3		Total	
	EAD	ECL	EAD	ECL	EAD	ECL	EAD	ECL
<b>As at April 1, 2022</b>	<b>10,318.01</b>	<b>85.49</b>	<b>337.94</b>	<b>13.54</b>	<b>20.22</b>	<b>2.15</b>	<b>10,676.17</b>	<b>101.19</b>
New credit exposures during the year	8,741.07	61.63	1,433.80	1.31	156.37	(3.43)	10,331.23	59.51
Account closed	(491.59)	(5.32)	(1.93)	(7.06)	(5.80)	(0.56)	(499.32)	(12.94)
Account Repaid	(2,039.75)	34.45	(32.35)	7.08	(10.75)	7.90	(2,082.85)	49.44
Assets written off during the year	-	-	-	-	-	-	-	-
<b>Movement between stages</b>								
Transfer from Stage 1 to Stage 2 and Stage 3	(74.21)	-	73.00	-	1.21	-	-	-
Transfer from Stage 2 to Stage 1 and Stage 3	52.89	(5.60)	(52.89)	5.60	-	-	-	-
Transfer from Stage 3 to Stage 1 and Stage 2	-	(0.12)	50.63	-	(50.63)	0.12	-	-
<b>As at March 31, 2023</b>	<b>16,506.41</b>	<b>170.54</b>	<b>1,808.20</b>	<b>20.48</b>	<b>110.63</b>	<b>6.18</b>	<b>18,425.23</b>	<b>197.20</b>

**Capsave Finance Private Limited**

CIN : U67120MH1992PTC068062

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**

FOR THE YEAR ENDED MARCH 31, 2024

(Rs in Millions)

**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, 2024**

Particulars	Carrying amount	Gross nominal outflow /(inflow)	Contractual cash flows*					
			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
<b>Non-derivative financial liabilities</b>								
Trade payables	35.77	35.77	35.77	-	-	-	-	-
Other payables	1.90	1.90	1.90	-	-	-	-	-
Debt securities	1,035.50	940.00	415.00	425.00	50.00	50.00	-	-
Borrowings (other than debt securities)	15,406.10	15,443.20	2,004.92	1,103.76	3,834.22	6,472.93	2,027.37	-
Deposits	1,950.00	1,950.00	1,950.00	-	-	-	-	-
Other financial liabilities	3,965.31	3,940.61	1,114.09	125.97	1,126.06	1,108.38	406.29	59.82
<b>Total</b>	<b>22,394.58</b>	<b>22,311.48</b>	<b>5,521.68</b>	<b>1,654.73</b>	<b>5,010.28</b>	<b>7,631.31</b>	<b>2,433.66</b>	<b>59.82</b>

**As at March 31, 2023**

Particulars	Carrying amount	Gross nominal outflow /(inflow)	Contractual cash flows*					
			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
<b>Non-derivative financial liabilities</b>								
Trade payables	29.15	29.15	29.15	-	-	-	-	-
Other payables	1.50	1.50	1.50	-	-	-	-	-
Debt securities	3,553.06	3,413.32	665.34	511.34	1,096.64	1,140.00	-	-
Borrowings (other than debt securities)	7,296.93	7,330.91	940.53	872.75	1,410.98	3,496.83	609.82	-
Deposits	1,400.07	1,400.07	1,400.07	-	-	-	-	-
Other financial liabilities	3,274.10	3,307.52	859.08	467.35	299.76	1,078.14	480.04	123.15
<b>Total</b>	<b>15,554.81</b>	<b>15,482.47</b>	<b>3,895.67</b>	<b>1,851.44</b>	<b>2,807.38</b>	<b>5,714.97</b>	<b>1,089.86</b>	<b>123.15</b>

\* Contractual cash flow is representing only principal outflow.

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**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**

FOR THE YEAR ENDED MARCH 31, 2024

(Rs in Millions)

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	
	March 31, 2024	March 31, 2023
Committed credit lines	370.93	325.30
<b>Total</b>	<b>370.93</b>	<b>325.30</b>

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**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**

FOR THE YEAR ENDED MARCH 31, 2024

(Rs in Millions)

**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 March 31, 2024 and March 31, 2023 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.

	<b>Nominal amount</b>	
	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
<b>Variable-rate instruments</b>		
Borrowings (Other than debt securities)	14,382.04	6,703.66
<b>Total</b>	<b>14,382.04</b>	<b>6,703.66</b>

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.

	<b>Profit or loss (Pre tax Impact)</b>		<b>Equity (Pre tax Impact)</b>	
	<b>100 bps increase</b>	<b>100 bps decrease</b>	<b>100 bps increase</b>	<b>100 bps decrease</b>
<b>For the year ended March 31, 2024</b>				
Variable-rate instruments	(81.96)	81.96	(81.96)	81.96
<b>Cash flow sensitivity (net)</b>	<b>(81.96)</b>	<b>81.96</b>	<b>(81.96)</b>	<b>81.96</b>
<b>For the year ended March 31, 2023</b>				
Variable-rate instruments	(33.17)	33.17	(33.17)	33.17
<b>Cash flow sensitivity (net)</b>	<b>(33.17)</b>	<b>33.17</b>	<b>(33.17)</b>	<b>33.17</b>

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**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**

FOR THE YEAR ENDED MARCH 31, 2024

**(Rs in Millions)****Note 40.1 - Hedging activities and Derivatives****Cash flow hedges**

The Company enters into derivatives for risk management purposes. Derivatives held for risk management purposes include hedges that meet the hedge accounting requirements. The Company has adopted hedge accounting principles as per Ind AS 109.

The table below shows the fair value of derivative financial instruments recorded as assets or liabilities together with their notional amounts and the fair values of derivatives. The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

Particulars	As at March 31, 2024			As at March 31, 2023		
	Notional amount (USD. in Millions)	Fair value asset (Rs. in Millions)	Fair value liability	Notional amount (USD. in Millions)	Fair value asset (Rs. in Millions)	Fair value liability
Forward Contracts	13.98	2.32	-	-	-	-

The Company is exposed to foreign currency risk arising from its foreign currency borrowing aggregating to a notional amount of USD 13.98 Millions as on March 31, 2024 (Nil, as on March 31, 2023).

The Company has a Board approved policy for entering into derivative transactions as part of its resource raising policy. The Company undertakes such transactions for hedging of foreign currency borrowings. The Asset Liability Management Committee oversees such foreign currency denominated borrowings and hedging thereof.

The Company has economically hedged the foreign currency risk arising from its non-INR borrowing using currency forwards, effectively converting the cash outflows of the foreign currency borrowing to outflows in INR.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the forward contracts matches that of the foreign currency borrowing (notional amount, interest payment dates, principal repayment date etc.). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the derivative are identical to the hedged risk components.

The Company has recorded notional Cash flow hedge loss of Rs. 1.63 Millions for the year ended March 31, 2024 (Nil for the year ended March 31, 2023) which is routed through Other Comprehensive Income. The Company has entered into effective hedge and hence such notional loss would be nullified at the time of actual cash settlement.

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

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(Rs in Millions)

Note 41 - The following additional information is disclosed in the terms of Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 issued vide RBI/DoR/2023-24/105 DoR/FinREC/No.45/03.10.119/2023-24 dated October 19, 2023 as amended from time to time.

The additional disclosure notes required by the Reserve Bank of India (RBI) are prepared under Indian Accounting Standards (Ind AS) issued by Ministry of Corporate Affairs (MCA), unless otherwise stated.

**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, 2024	Year ended March 31, 2023
(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, 2024	Year ended March 31, 2023
(i)	No. of accounts	7	14
(ii)	Aggregate value (net of provisions) of accounts sold	604.71	1,399.45
(iii)	Aggregate consideration	638.12	1,486.59
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v)	Aggregate gain / (loss) over net book value	33.41	87.14

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

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

Sr no	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
(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, 2024	Year ended March 31, 2023
(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, 2024

	0 - 7 days	8 - 15 days	16 - 30 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 month & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	-	-	-	-	1,950.00	-	-	-	-	-	1,950.00
Loans#	402.04	638.23	2,787.20	3,526.44	2,957.05	4,828.29	3,255.76	6,004.36	2,093.87	175.52	26,668.77
Investments	-	-	-	-	-	-	-	-	-	-	-
Borrowings*	79.90	2.07	286.03	556.88	1,541.88	1,581.57	3,876.13	6,497.98	2,019.16	-	16,441.60
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	-

# Includes Loans as per Note 6

\* Borrowings include Debt securities & other than debt securities as per Note 13 & 14 (including foreign currency borrowing)

As at March 31, 2023

	0 - 7 days	8 - 15 days	16 - 30 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 month & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	-	-	-	-	1,400.07	-	-	-	-	-	1,400.07
Loans#	353.97	241.82	1,611.35	3,036.69	1,897.67	2,809.68	2,091.28	4,993.58	1,290.67	98.51	18,425.23
Investments	-	-	-	-	-	-	-	-	-	-	-
Borrowings*	52.34	0.16	244.58	174.05	1,172.47	1,404.57	2,557.44	4,639.09	605.29	-	10,849.99
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	-

# Includes Loans as per Note 6

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

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**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**

FOR THE YEAR ENDED MARCH 31, 2024

(Rs in Millions)

Note 41 - (continued)

**IV. Concentration of Deposits, Advances, Exposures and NPAs**

**(i) Concentration of Advances**

Particulars	As at March 31, 2024	As at March 31, 2023
Total Advances to twenty largest Customers	6,771.79	5,710.32
Percentage of Advances to twenty largest customers to Total Advances	25.39%	30.99%

**(ii) Concentration of Exposures**

Particulars	As at March 31, 2024	As at March 31, 2023
Total net exposure to twenty largest Customers	5,253.95	3,966.89
Percentage of net exposure to twenty largest customers to Total Advances	19.70%	21.53%

**(iii) Concentration of NPAs**

Particulars	As at March 31, 2024	As at March 31, 2023
Total Exposure to top four NPA accounts	197.36	20.24

**(iv) Sector-wise NPAs**

Sr No	Sector	Percentage of NPAs to Total Advances in that sector	
		As at March 31, 2024	As at March 31, 2023
(i)	Agriculture & allied activities	-	-
(ii)	MSME	0.72%	0.99%
(iii)	Corporate borrowers	0.81%	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, 2024	As at March 31, 2023
(i)	Net NPAs to Net Advances (%)	0.31%	0.10%
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	32.62	13.85
	(b) Additions during the year	215.18	19.98
	(c) Reductions during the year	(21.53)	(1.21)
	(d) Closing balance	226.27	32.62
(iii)	Movement of Net NPAs		
	(a) Opening balance	19.30	12.46
	(b) Additions during the year	80.76	79.33
	(c) Reductions during the year	(16.40)	(1.09)
	(d) Closing balance	83.66	19.30
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	13.31	1.38
	(b) Provisions made during the year	134.42	12.05
	(c) Write-off / write-back of excess provisions during the year	(5.13)	(0.12)
	(d) Closing balance	142.60	13.31

**VI. Customer Complaints**

Sr No	Particulars	As at March 31, 2024	As at March 31, 2023
1	No. of complaints pending at the beginning of the year	-	-
2	No. of complaints received during the year	7	-
3	No. of complaints redressed during the year	6	-
4	No. of complaints pending at the end of the year*	1	-
	<b>Maintainable complaints received by the NBFC from Office of Ombudsman</b>		
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman	4	-
5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	3	-
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)	-	-

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**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**

FOR THE YEAR ENDED MARCH 31, 2024

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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					
Levy of charges without prior notice/excessive charges/foreclosure charges	-	2	100%	-	-
Others	-	5	100%	1	1
<b>Total</b>	-	<b>7</b>		<b>1</b>	<b>1</b>
Previous Year					
Levy of charges without prior notice/excessive charges/foreclosure charges			Nil		
Others	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

\* Complaint pending is filed against CIC by complainant, but the Company was a party to it therefore reply has been filed and it is pending with ombudsman.

**VII. Investments**

Sr No	Particulars	As at March 31, 2024	As at March 31, 2023
(i)	Value of Investments		
(i)	(i) Gross Value of Investments		
	(a) In India	-	-
	(b) Outside India	-	-
(i)	(ii) Provisions for Depreciation		
	(a) In India	-	-
	(b) Outside India	-	-
(i)	(iii) Net Value of Investments		
	(a) In India	-	-
	(b) Outside India	-	-
(ii)	Movement of provisions held towards depreciation on investments		
(i)	(i) Opening balance	-	-
(ii)	(ii) Add : Provisions made during the year	-	-
(iii)	(iii) Less : Write-off / Write-back of excess provisions during the year	-	-
(iv)	(iv) Closing balance	-	-

**VIII. Forward Rate Agreement / Interest Rate Swap**

Particulars	As at March 31, 2024	As at March 31, 2023
(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, 2024	As at March 31, 2023
(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	USD 13.98 Millions	-
(ii)	Marked to Market Positions		
	(a) Asset (+)	Rs. 2.32 Millions	-
	(b) Liability (-)	-	-
(iii)	Credit Exposure	-	-
(iv)	Unhedged Exposures	-	-

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**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED MARCH 31, 2024**

(Rs in Millions)

**XI. Exposure to real estate sector**

Category		As at March 31, 2024	As at March 31, 2023
ii) 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.		-	-
<b>Total Exposure to Real Estate Sector</b>		-	-

**XII. Exposure to Capital Market**

Sr No	Particulars	As at March 31, 2024	As at March 31, 2023
(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)	-	-
<b>Total Exposure to Capital Market</b>		-	-

**XIII. Sectoral Exposure**

Sectors	As at March 31, 2024			As at March 31, 2023		
	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	-	-	0.00%	665.09	11.78	1.77%
2. Industry	15,543.38	164.75	1.06%	188.29	-	0.00%
3. Services	11,095.85	51.12	0.46%	8,011.42	18.45	0.23%
4. Personal Loans	-	-	0.00%	-	-	0.00%
5. Others	357.79	10.40	2.91%	10,065.36	2.39	0.02%
	<b>26,997.01</b>	<b>226.27</b>	<b>0.84%</b>	<b>18,930.17</b>	<b>32.62</b>	<b>0.17%</b>

**Capsave Finance Private Limited**  
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**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED MARCH 31, 2024**

(Rs in Millions)

**Note 41 - (continued)**

**XIV** Details of financing of parent company products : Nil  
**XV** Details of Single Borrower Limit (SBL) / Group Borrower Limit (GBL) exceeded by the applicable NBFC : Nil

**XVI Unsecured Advances**

a. Refer Note no. 6 to the financial statements  
b. The Company has not granted any advances against intangible securities (March 31, 2023 : Nil)

**XVII Intra-group exposures**

Particulars	As at March 31, 2024	As at March 31, 2023
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, 2024	As at March 31, 2023
Foreign Currency Exposures (FCE)*	15.01	28.96
Total credit exposures (sanctioned) from banking system (in foreign currency)	-	-

\*Payables towards purchase of fixed assets for leasing business

**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, 2024	As on March 31, 2023
Bank Loan Facilities	CRISIL AA+ / Stable	CRISIL A / Watch Positive
Principal Protected Market Linked Debentures	CRISIL PPMLD AA+ / Stable	CRISIL PPMLD A / Watch Positive
Non Convertible Debentures	CRISIL AA+ / Stable	CRISIL A / Watch Positive
Non Convertible Debentures	{ICRA} AA+ (Stable)	ACUITE A / Rating Watch with
Commercial Papers	CRISIL A1+	-
Commercial Papers	{ICRA} A1+	-
Series A1 PTCs (Nova Trust 2021)	-	CRISIL AA (SO)
Series A1 PTCs (Nova Trust 2)	CRISIL AAA (SO)	CRISIL AA- (SO)

**XXV Remuneration of Directors 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, 2024	Year ended March 31, 2023
Provisions for Standard Assets (net)	(68.53)	85.65
Provisions towards stage 3*	134.42	12.05
<b>Total Provisions and Contingencies</b>	<b>65.89</b>	<b>97.70</b>
Provision made towards Income Tax including deferred tax	297.00	203.77
Provision made towards Gratuity	3.14	2.50
Provision made towards Leave encashment	2.61	2.94

\*Provisions for Stage 3 assets includes provision on account of downgrade in rating.

**XXIX Draw Down from Reserves : Nil**

**XXX Details of Fraud :**

During the year under review, there is no fresh fraud incident reported in the Company. There is one fraud incident which has occurred in FY 2022-23, 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 exposure is Rs. 5.41 Millions. Recovery process is undergoing through legal proceedings.

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

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED MARCH 31, 2024

(Rs in Millions)

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, 2024

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
<b>Performing Assets</b>						
Standard	Stage 1	25,620.96	82.50	25,538.46	102.48	(19.98)
	Stage 2*	957.73	11.88	945.85	3.83	8.05
	Stage 3*	42.68	26.91	15.77	0.17	26.74
<b>Non-Performing Assets (NPA)</b>						
Substandard	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3*	216.24	134.33	81.91	21.62	112.70
Doubtful - Upto 1 year	Stage 3	3.60	2.34	1.26	0.72	1.62
1 to 3 years	Stage 3	0.82	0.54	0.28	0.25	0.29
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		4.42	2.88	1.54	0.97	1.91
Loss	Stage 3	5.41	5.41	-	5.41	-
Subtotal for NPA		226.08	142.62	83.44	28.00	114.61
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	380.22	1.36	378.86	1.52	(0.16)
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		380.22	1.36	378.86	1.52	(0.16)
Total	Stage 1	26,001.18	83.86	25,917.32	104.00	(20.14)
	Stage 2	957.73	11.88	945.85	3.83	8.05
	Stage 3	268.76	169.53	99.23	28.17	141.36
	Total	27,227.67	265.27	26,962.40	136.00	129.27

\* 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, 2023

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
<b>Performing Assets</b>						
Standard	Stage 1	16,392.95	165.61	16,227.33	65.18	100.43
	Stage 2*	1,805.40	18.43	1,786.97	7.21	11.22
	Stage 3*	92.48	2.01	90.47	0.37	1.63
<b>Non-Performing Assets (NPA)</b>						
Substandard	Stage 1	7.21	6.22	0.98	5.73	0.49
	Stage 2*	5.79	2.31	3.47	0.58	1.74
	Stage 3*	6.83	2.02	4.82	0.68	1.33
Doubtful - Upto 1 year	Stage 3	12.80	2.76	10.03	2.56	0.20
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		12.80	2.76	10.03	2.56	0.20
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		32.62	13.31	19.31	9.55	3.76
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	16,303.34	170.53	16,132.82	65.18	105.34
	Stage 2	1,808.20	20.48	1,787.72	0.37	20.10
	Stage 3	110.63	6.19	104.43	2.56	3.63
	Total	18,222.17	197.20	18,024.97	68.12	129.08

\* 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, 2024

(Rs in Millions)

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

	<b>LIABILITIES SIDE:</b>		<b>March 31, 2024</b>		<b>March 31, 2023</b>	
	<b>Amount</b> <b>Outstanding (Rs.)</b>	<b>Amount</b> <b>Overdue (Rs.)</b>	<b>Amount</b> <b>Outstanding (Rs.)</b>	<b>Amount</b> <b>Overdue (Rs.)</b>	<b>Amount</b> <b>Outstanding (Rs.)</b>	<b>Amount</b> <b>Overdue (Rs.)</b>
<b>1</b>	<b>Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:</b>					
a)	Debentures					
	Secured	-	-	-	-	-
	Unsecured	-	-	-	-	-
	<i>(other than falling within the meaning of public deposits*)</i>					
b)	Deferred Credits	-	-	-	-	-
c)	Term Loans	12,833.78	-	6,522.77	-	-
d)	Inter-corporate loans and borrowing	1,950.00	-	1,400.07	-	-
e)	Commercial Paper	-	-	-	-	-
f)	Public Deposits	-	-	-	-	-
g)	Debt Securities	1,035.50	-	3,553.06	-	-
h)	Working Capital Deman Loan / Cash credit	2,572.32	-	774.16	-	-
<b>2</b>	<b>Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :</b>					
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	-	-	-	-	-
<b>ASSET SIDE:</b>						
<b>3</b>	<b>Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :</b>		<b>March 31, 2024</b>		<b>March 31, 2023</b>	
a)	Secured (net of provisions)		<b>Amount</b> <b>Outstanding (Rs.)</b>		<b>Amount</b> <b>Outstanding (Rs.)</b>	
b)	Unsecured (net of provisions)		22,343.56		16,866.54	
			4,062.86		1,361.49	
<b>4</b>	<b>Break up of Leased Assets and stock on hire and other assets counting towards AFC activities</b>					
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		-		-	
<b>5</b>	<b>Break-up of Investments :</b>		<b>March 31, 2024</b>		<b>March 31, 2023</b>	
	<b>Current investments :</b>		<b>Amount</b> <b>Outstanding (Rs.)</b>		<b>Amount</b> <b>Outstanding (Rs.)</b>	
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**

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**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**

FOR THE YEAR ENDED MARCH 31, 2024

(Rs in Millions)

<u>Long Term Investments :</u>		<u>March 31, 2024</u>	<u>March 31, 2023</u>
		<u>Amount Outstanding (Rs.)</u>	<u>Amount Outstanding (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		-	-
<b>Total Investments</b>		<b>—</b>	<b>—</b>

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

Category	March 31, 2024			March 31, 2023		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1). Related Parties						
a). Subsidiaries	-	-	-	-	-	-
b). Companies in the same group	-	-	-	-	-	-
c). Other related parties	-	-	-	-	-	-
2). Other than related parties	22,343.56	4,062.86	26,406.42	16,866.54	1,361.49	18,228.03
<b>Total</b>	<b>22,343.56</b>	<b>4,062.86</b>	<b>26,406.42</b>	<b>16,866.54</b>	<b>1,361.49</b>	<b>18,228.03</b>

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

Category	March 31, 2024		March 31, 2023	
	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	-	-	-	-
<b>Total</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

**8 Other information**

	Particulars	March 31, 2024		March 31, 2023	
		Amount (Rs.)		Amount (Rs.)	
i) Gross Non-Performing Assets					
a) Related parties		-		-	
b) Other than related parties		226.27	226.27	32.62	32.62
ii) Net Non-Performing Assets					
a) Related parties		-		-	
b) Other than related parties		83.66	83.66	19.30	19.30
iii) Assets acquired in satisfaction of debt					

**Capsave Finance Private Limited**

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED MARCH 31, 2024

(Rs in Millions)

**Note 44 - Other Disclosures**

**A. Ratio analysis**

Particulars	March 31, 2024	March 31, 2023	Remarks*	% movement
a) Current ratio (Times)	Not applicable	Not applicable		0%
b) Debt-Equity ratio (Times)	2.44	2.44		0%
c) Debt service coverage ratio (Times)	0.20	0.25		-18%
d) Return on equity ratio	12.45%	17.43%	On account of fresh equity infusion and lower profit after tax	-29%
e) Inventory turnover ratio	-	-		-
f) Trade receivables turnover ratio (Times)	21.13	34.89	On account of better collection efficiency	-39%
g) Trade payables turnover ratio	-	-		-
h) Net capital turnover ratio (Times)	0.52	0.57		-9%
i) Net profit ratio	24.00%	30.73%		-22%
j) Return on capital employed	10.44%	12.35%		-15%
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 ratio 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**

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**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**

FOR THE YEAR ENDED MARCH 31, 2024

(Rs in Millions)

**Note 44 - Other Disclosures - (Continued)****B. Other notes**

- (i) As of March 31, 2024 there is foreign currency borrowing of USD 13.98 Millions which is fully hedged by a derivative instrument (March 31, 2023 : NIL).
- (ii) The Company does not have any long-term contracts where there are material foreseeable losses as on March 31, 2024 (March 31, 2023 : NIL).
- (iii) There are no pending litigations against the company which affects its financial position as on March 31, 2024 (March 31, 2023 : 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, 2023 : NIL).
- (vi) There are no charges or satisfaction yet to be registered with Registrar of Companies (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 no 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) Referring to SEBI Circular No. SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2023/172 dated October 19, 2023:

Particulars	Amount
Outstanding qualified borrowing as on March 31, 2023	9,301.66
Outstanding qualified borrowing as on March 31, 2024	11,296.96
Qualified Borrowings raised in FY 2024	9,480.00
Debt Securities raised in FY 2024	-
Credit Rating as on March 31, 2024	CRISIL AA+/Stable ICRA AA+/Stable

**Capsave Finance Private Limited**

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**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**

FOR THE YEAR ENDED MARCH 31, 2024

(Rs in Millions)

**Note 44 - Other Disclosures - (Continued)**

**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 Millions)	% of Total Deposit	% of Total Outside Liabilities
1	16	16,903.40	NA	74.97%

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

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

Amount Outstanding (Rs. In Millions)	% of Total Borrowing
14,690.73	79.88%

(iv) Funding Concentration based on significant instrument/product

Sr No.	Name of the instrument/product	Amount (Rs. In Millions)	% of Total Liabilities
1	NCDs	1,035.50	4.59%
2	Term Loan	12,833.78	56.92%
3	WCDL / CC / Short Term Facilities	2,572.32	11.41%
4	Others (ICD)	1,950.00	8.65%
	<b>Total</b>	<b>18,391.60</b>	<b>81.57%</b>

(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 outstanding liabilities and total assets

Particulars	Ratio
Other Short Term Liability as a % of Public Funds	13.99%
Other Short Term Liability as a % of Total Outside Liabilities	11.41%
Other Short Term Liability as a % of Total Assets	8.55%

(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.

Total Public Funds: Includes funds raised either directly or indirectly through public deposits, inter-corporate deposits, bank finance and all funds

4 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**

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**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**

FOR THE YEAR ENDED MARCH 31, 2024

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

**Praveen Chauhan**  
Whole time Director  
DIN: 06802734

Place : Mumbai  
Date : May 20, 2024

**Rajesh Maheshwari**  
Chief Financial Officer

**Mayuri Joshi**  
Company Secretary