NOTICE OF THE 29TH ANNUAL GENERAL MEETING

Notice is hereby given that the **29th Annual General Meeting** of the members of **CAPITAL FINSERVE LIMITED** will be held on **Friday, 29th day of September, 2023 at Cloud 9 Hotels, Munnar-Airport Road, Thankalam, Kothamangalam, Kerala, 686691, India at 04.00 PM** to transact the following business:-

ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements for the Financial year ended March 31, 2023 together with Report of the Directors and the Auditors thereon.

2. To appoint a director in place of Mr. Shibu Kuriakose (DIN - 01659358), who retires by rotation and being eligible offers himself for re-appointment.

3. To appoint a director in place of Mr. Raju Jacob (DIN - 01737883), who retires by rotation and being eligible offers himself for re-appointment.

4. To appoint a director in place of Mr. Rapheal Ponthekkan Antony (DIN - 01896717), who retires by rotation and being eligible offers himself for re-appointment

For and on behalf of the Board of Directors of
CAPITAL FINSERVE LIMITED

Sd/-

Babu Alias
Managing Director
(DIN: 02923957,
Address: Puthusserikudiyil House, Nellimattom P O,
Kothamangalam, Ernakulam, Kerala, India, 686693)

Place: Kothamangalam
Date: 01/09/2023

Notes:

1. **A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company.**

2. **The instrument appointing the proxy (A blank form of proxy is enclosed) should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting. 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.**

3. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged, at any time during the business hours of the company, provided not less than 3 days written notice is given to the company.

4. Members/proxies should bring the Attendance Slip sent herewith, duly filled in and signed and hand over the same at the entrance of the hall for attending the meeting.

5. Unclaimed/ Unpaid Dividend: In terms of Section 124 of the Act, the Central Government has established "Investor Education and Protection Fund" and any amount of dividend/ fixed deposit etc. remaining unclaimed/ unpaid for a period of seven years from the date it becomes due for payment shall be transferred to this fund. The Company does not have any amounts required to be transferred to the Investor Education and Protection Fund.

6. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM on its behalf and to vote.

7. Members are requested to notify immediately any change in their address to the Registered Office of the Company.

8. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communications including Annual Report, Notices, Circulars, etc. from the Company electronically.

9. In compliance with the MCA Circulars, Notice of the AGM along with the Annual Report 22-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company. Members may note that the Notice and Annual Report 22-23 will also be available on the Company's website www.capitalfinserve.com.

10. Relevancy of question and the order of speakers will be decided by the Chairman. Members are requested to forward in writing to the Company any question on the Accounts, so as to reach the Registered Office one week before the date of the Annual General Meeting.

11. Route Map and prominent Land Mark for Annual General Meeting Venue is enclosed in the last page of Annual Report.

As per the requirement of Secretarial Standard 2, the following information relating to the directors to be appointed/re-appointed as contained in Item 2, 3, 4 are furnished below:

Particulars	Information	Information	Information
Name	Shibu Kuriakose	Raju Jacob	Rapheal Ponthekkan Antony
Age	58	60	63
Qualification & Experience	BSc, LLB, 28 Years	Graduate 38 Years	Graduate 34 Years
Terms and conditions of appointment/reappointment	Liable for retirement by rotation	Liable for retirement by rotation	Liable for retirement by rotation
Remuneration sought to be paid	Nil	Nil	Nil

Remuneration Last drown	Nil	Nil	Nil
Date of first appointment on Board	21/10/2013	21/10/2013	13/08/2020
Shareholding in the company	784	784	784
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Nil	Nil	Nil
Number of Meetings of the Board attended during the year 2022-23	10/10	02/10	07/10
Other Directorships, Membership/ Chairmanship of Committees of other Boards	My Earthful Hospitality Private Limited – Director Velocity Infra-Projects and Developers Private Limited – Director Sanchika Retail Private Limited – Director Vyapary Kshema Nidhi Limited – Director Suramya Properties Private Limited – Director Goldtree Bullion India Private Limited - Director	My Earthful Hospitality Private Limited – Director Gladis Plantation Private Limited – Director Queenmary Plantation Private Limited – Director Goldtree Bullion India Private Limited – Additional Director Goldflakes Jewels Private Limited – Managing Director Emma Trading House India Private Limited – Director K P Chacko Bullion Private Limited – Managing Director Kakkanattu Properties Private Limited - Managing	JMA Trade Centre Limited - Additional Director Goldtree Bullion India Private Limited – Director Greenwich Homes Private Limited – Director Sundale Builders and Developers Private Limited – Director Karuvanthala Hotels and Resorts Private Limited – Director The Employees Kuries Ltd – Director Gold Team Private Limited – Director JMA Academy for Gems and Jewellery Limited - Director Thrissur Jewellery Council – Director Puzhakkal Gem & Jewellery Park LLP – Designated Partner

		Director Plamoode Developers Private Limited – Director Edamala Properties Private Limited – Director Meenmutty Estates Private Limited - Managing Director Brijith Plantation Private Limited – Director K P Chacko Gold and Diamonds LLP – Designated Partner	

DIRECTORS' REPORT

To

The Members

Your Directors are pleased to present the 29th Annual Report on the business and operations of your Company together with the Audited Financial Statements and Auditor's Report for the year ended 31st March, 2023.

1. FINANCIALRESULTS

(In Lakhs)

Financial Highlights	For the Year Ending 31st March 2023	For the Year Ending 31st March 2022
Total Income	669.31	573.01
Total Expenditure (including Depreciation)	658.47	669.29
Profit/(Loss) before Tax	10.84	(96.28)
Tax (Including deferred tax)	(3.38)	(23.75)
Profit/(Loss) after tax	7.47	(72.53)
Surplus / (Deficit) carried to Balance Sheet	7.47	(72.53)
Earnings per share	37.06	(360.00)

2. PERFORMANCE AND OPERATIONAL REVIEW

During the financial year 2022-23, the Company has earned an income of Rs. 669.31 Lakhs and incurred expenses of Rs. 658.47 Lakhs compared to previous year's income of Rs. 573.01 Lakhs and expenses of Rs. 669.29 Lakhs. Performance of Company ended with a profit of Rs. 7.47 Lakhs in the Financial Year 2022-23 compared to the previous year loss of Rs. 72.53 Lakhs.

3. PRUDENTIAL NORMS

The Company has complied with prudential norms relating to income recognition, accounting standards, assets classification, provision for bad and doubtful debts as applicable to it in terms of Master Direction - Non-Banking Financial Company –Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions,2016.

4. DIVIDEND

In view of the need to conserve the funds for plough back, the Directors feel it is desirable not to recommend any Dividend on Equity Shares for the Financial Year.

5. AMOUNTS TRANSFERRED TO RESERVES

The Board of Directors of the Company has transferred Rs. 1.49 Lakhs to Statutory Reserves.

6. CHANGE IN NATURE OF BUSINESS

During the financial year 2022-23, there was no change in the nature of the business of the Company.

7. CHANGES IN SHARE CAPITAL DURING THE FINANCIAL YEAR

As on 31st March, 2023, the Authorised share capital of the Company is Rs. 21,00,00,000/- (Rupees Twenty One Crores Only) divided into 21000 equity shares of Rs. 10,000/- each. The total issued, subscribed and paid up share capital of the Company as on 31st March, 2023 is Rs. 20,14,70,000/- (Rupees Twenty Crores Fourteen Lakhs Seventy Thousand Only) divided into 20147 equity shares of Rs. 10,000/- each.

8. MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There were no material changes and events 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 other than allotment of Secured, Redeemable, Non-Convertible Debentures of Rs. 1,00,000/- each on private placement basis as follows:

Sl. No.	Series Name	Date of Allotment	Number of Debentures
1	Series Q	10/06/2023	191
2	Series R	22/08/2023	128

9. DISCLOSURE REGARDING ISSUE OF EQUITY SHARES WITH DIFFERENTIAL RIGHTS

The Company has not issued any equity shares with differential rights during the financial year.

10. DISCLOSURE REGARDING ISSUE OF EMPLOYEE STOCK OPTIONS

The Company has not issued any employee stock options during the financial year.

11. DISCLOSURE REGARDING ISSUE OF SWEAT EQUITY SHARES

The Company has not issued any sweat equity shares during the financial year.

12. DIRECTORS

The Board of Directors of the Company is duly constituted and the composition as on the 31.03.2023 is as follows:

Sl. No	Name	Designation	Date of Appointment	DIN	Category- Independent / Non Independent	Executive/ Non Executive
1.	Babu Alias	Managing Director	05/03/2014	02923957	Non Independent	Executive
2.	Vinayan Gopinathan Nair	Director	26/10/1994	01327842	Non Independent	Non Executive

3.	Shibu Kuriakose	Director	21/10/2013	01659358	Non Independent	Non Executive
4.	Raju Jacob	Director	21/10/2013	01737883	Non Independent	Non Executive
5.	Saji Kochukudiyil Mathew	Director	16/07/2013	02921367	Non Independent	Non Executive
6.	Paulosekutty Jacob	Director	16/07/2013	02921370	Non Independent	Non Executive
7.	Binu Anachira Kuruvilla	Director	16/07/2013	03638140	Non Independent	Non Executive
8.	Sabu Cheriyan	Director	27/06/2015	05223834	Independent	Non Executive
9.	Mathew Varghese	Director	27/06/2015	07211594	Independent	Non Executive
10.	Thombrayil Uthup Kuruvilla	Director	06/02/2017	01667684	Non Independent	Non Executive
11.	Basil Abraham	Director	22/06/2018	03380009	Non Independent	Non Executive
12.	Rapheal Ponthekkan Antony	Director	13/08/2020	01896717	Non Independent	Non Executive
13.	Shajan Kuriakose	Director	13/08/2020	08800728	Non Independent	Non Executive
14.	Kallookaren Ouseph Thobias	Director	11/09/2021	03638149	Non Independent	Non Executive
15.	Muttavenchery Mathai Joseph	Director	06/11/2021	09314963	Non Independent	Non Executive

Mr. Shibu Kuriakose, Mr. Raju Jacob and Mr. Rapheal Ponthekkan Antony, Directors of the Company are liable to retire from the office by rotation in the ensuing Annual General Meeting and being eligible they offer themselves for re-appointment.

13. KEY MANAGERIAL PERSONNEL

Following are the Key Managerial Personnel of the Company as on 31st March 2023 as required under Section 203 of the Companies Act, 2013 and Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014:

Sl. No.	Name	Designation	Date of Appointment	DIN/PAN
1	Babu Alias	Managing Director	05/03/2014	02923957
2	Binoychandran Balachandran	CFO	17/08/2022	BCVPB3158G
3	Fathima Kareem	CS	16/04/2019	ESYPK5897R

Ms. Fathima Kareem resigned from the post of Company Secretary with effect from 03/06/2023.

14. THE DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR HAVE CEASED DURING THE YEAR

At the 28th AGM of Company held on 23/07/2022, Mr. Muttavenchery Mathai Joseph (DIN - 09314963) was regularized as Director of the Company.

Mr. Jose Uthuppu Kunnathu (PAN: AAEPU1956H) resigned from the post of Chief Financial Officer with effect from 13/08/2022. Mr. Binoychandran Balachandran (PAN: BCVPB3158G) was appointed as Chief Financial Officer with effect from 17/08/2022.

15. NUMBER OF BOARD MEETINGS HELD AND THE DATE ON WHICH HELD

The Board met 10 times during the financial year as follows:

04/04/2022	19/05/2022	22/06/2022	01/07/2022	12/08/2022
10/10/2022	24/11/2022	24/12/2022	10/02/2023	02/03/2023

The maximum time gap between any two meetings was not more than 120 days.

16. ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETINGS & LAST ANNUAL GENERAL MEETING

Name of Director	Attendance particulars		Shareholding in the Company (Face value of Rs. 10/- each)
	Board Meetings	Attendance at last AGM (23/07/2022)	
Babu Alias	10/10	Yes	786
Vinayan Gopinathan Nair	10/10	Yes	554
Shibu Kuriakose	10/10	Yes	784
Raju Jacob	2/10	Yes	784
Saji Kochukudiyil Mathew	10/10	Yes	944
Paulosekutty Jacob	10/10	Yes	784
Binu Anachira Kuruvilla	10/10	Yes	784
Sabu Cheriyan	4/10	Yes	0
Mathew Varghese	4/10	Yes	0
Thombrayil Uthup Kuruvilla	1/10	No	34
Basil Abraham	10/10	Yes	784
Rapheal Ponthekkan Antony	7/10	No	784
Shajan Kuriakose	10/10	Yes	0
Kallookaren Ouseph Thobias	1/10	Yes	784
Muttavenchery Mathai Joseph	7/10	Yes	784

17. INDEPENDENT DIRECTORS & STATEMENT OF DECLARATION

Among the Directors in the Board of the Company, Mr. Sabu Cheriyan (DIN - 05223834) and Mr. Mathew Varghese (DIN - 07211594) are Independent Directors. All the Independent Directors have given declarations that they meet the criteria of independence laid down under Section 149 of the Companies Act, 2013.

During the financial year 2022-23, Independent Directors meeting was held on 12.08.2022.

18. WOMEN DIRECTOR

The Company is not covered under rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and hence it is not mandatory to appoint women director in the Board.

19. NOMINATION AND REMUNERATION COMMITTEE & POLICY

The Nomination and Remuneration Committee has been constituted to identify and recommend the persons to become Directors of the Company and Senior Management personnel.

Composition and attendance of each member at the Committee meeting held during the financial year is as follows:

Sl. No.	Name of Member	Status	Date of Meeting	No. of Meetings Attended
1	Sabu Cheriyan	Chairman	01/07/2022 and 12/08/2022	2/2
2	Mathew Varghese	Member		2/2
3	Raju Jacob	Member		2/2

Pursuant to the provisions of the Companies Act, 2013, a Policy on Appointment & Remuneration of Directors, Key Managerial Personnel, Senior Management and other employees has been formulated; including criteria for determining qualifications, positive attributes, independence of a Director and other matters as required under the said Act. The remuneration policy is in consonance with the existing industry practice and also with the provisions of the Companies Act.

The detailed Nomination and Remuneration Policy of the Company is placed on the website of the Company https://www.capitalfinserve.com/.

20. DETAILS OF THE REMUNERATION PAID TO EXECUTIVE DIRECTORS FOR THE YEAR

No Remuneration was paid to Executive Directors.

21. REMUNERATION PAID TO NON EXECUTIVE DIRECTORS

No Remuneration was paid to Non Executive Directors.

22. PARTICULARS OF EMPLOYEES

The provisions as envisaged under Section 197 (12) read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable to your Company. Hence the disclosure with reference to the particulars of employees is not attached to this report.

23. AUDIT COMMITTEE

The Audit Committee shall oversee financial reporting process and disclosures, review annual financial statements, management discussion and analysis of financial condition and results of operation, review adequacy of internal audit function, management letters/ letters of internal control weakness issued by the statutory auditors, internal audit report relating to internal control weakness, related party transactions, review financial and risk management policies, to look into the reasons for substantial defaults in the payment to depositors, debenture / shareholders and creditors, oversee compliance with legal requirements concerning financial statements, review auditors qualifications, compliance with Accounting Standards, recommending the appointment and renewal of external Auditors / Chief internal auditor, fixation of audit fee and also approval for payment for any other services, etc.

Composition and attendance of each member at the Committee meeting held during the financial year is as follows:

Sl. No.	Name of Member	Status	Date of Meeting	No. of Meetings Attended
1	Sabu Cheriyan	Chairman	04/04/2022, 30/06/2022, 09/10/2022, 10/02/2023	4/4
2	Mathew Varghese	Member		4//4
3	Paulosekutty Jacob	Member		4/4

The Audit Committee is formed as per the provisions of Section 177 of the Companies Act, 2013.

24. VIGIL MECHANISM

The Company is not covered under Section 177 (9) of the Companies Act, 2013 and Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and hence not required to establish Vigil Mechanism.

25. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Company is not covered under section 178 (5) of the Companies Act, 2013 and hence not required to constitute Stakeholders Relationship Committee.

26. STATUTORY AUDITOR

M/s. Biju George & Co. (FRN: 007920S), Chartered Accountants, Opp De Paul Public School, Market Road, Thodupuzha, Kerala, 685585 were appointed as Statutory Auditors for a term of five years to hold office from conclusion of the 28th Annual General Meeting till the conclusion of the 33rd Annual General Meeting of the Company in the Annual General Meeting held on 23/07/2022.

27. AUDITORS REPORT

The Auditors have not been made any qualifications, reservation or adverse remarks in the auditor's report during the year under review. Further the Report of the Auditors and notes to accounts are self-explanatory and therefore do not call for any further comments.

28. MAINTENANCE OF COST RECORDS AND COST AUDITORS

Maintenance of cost records as specified by the Central Government under sub section (1) of Section 148 of the Companies Act, 2013 is not applicable to your Company and hence the Company is not required to appoint Cost Auditor under section 148 of the Companies Act, 2013.

29. SECRETARIAL AUDIT REPORT

The Company is not covered under section 204 of the Companies Act, 2013 and hence not required to annex Secretarial Audit Report.

30. DEPOSITS AND DEBENTURES

The Company is a Non-Systemically Important Non-Deposit Taking NBFC and has not accepted any public deposits during the year under review and shall not accept any deposits from the public without obtaining prior approval of the Reserve Bank of India (RBI).

In terms of the provisions of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 as amended, the Company has not invited or accepted any deposits from the public and as such no amount of principal or interest was outstanding as on the date of the Balance Sheet. The Company has made all compliances in terms of Non- Banking Financial Companies (NBFC's) directions. As the Company has no public deposit, the provisions of Master Direction- Non-Banking Financial Companies Acceptance of public Deposits (Reserve Bank) Direction 2016 and the requirement of having the minimum credit rating in terms of provision to paragraph 8 of NBFC Public Deposit Directions (RB) are not applicable to the Company. Further there were no deposits which were not in Compliance with the requirements of Chapter V of the Companies Act, 2013.

The Company has allotted 669 debentures of Rs. 1,00,000/- (Rupees One Lakh Only) each during the Financial Year 2022-23 and had redeemed debentures of Rs. 6,97,00,000/- during the year.

The Company has issued subordinated debt during the year and the total subordinated debt outstanding as on 31.03.2023 is Rs. 24,85,000/-.

31. UNSECURED LOANS FROM DIRECTORS

During the Financial year 2022-23, the Company had accepted additional unsecured loan from Directors of the Company and repaid some amount. The Company had also obtained declaration from them, at the time of accepting money, specifying that the amount lend by them was not the fund acquired by borrowing or accepting loan or deposit from others. The details of loans accepted and repaid during the year are as follows:

(In Lakhs)

Name of Director	Opening balance (01.04.2022)	Loan accepted	Loan repaid	Closing balance (31.03.2023)
Babu Alias	25.45	36.77	7.63	54.59
Vinayan Gopinathan Nair	51.06	0	0.60	50.46
Thombrayil Uthup Kuruvilla	0	65	25	40

32. LOANS, GUARANTEES AND INVESTMENTS

The Company, being a non-banking finance Company registered with the RBI and engaged in the business of giving loans, is exempt from complying with the provisions of section 186 of the Companies Act, 2013 in respect of loans and guarantees. Detailed particulars of loans and guarantee are given in the Notes to the Financial Statements.

33. DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATES

The Company has no subsidiary or Joint Venture or Associate Companies.

34. RELATED PARTY TRANSACTIONS

The Company has not entered into any Contracts or Arrangements with related parties within the meaning of Section 188 of the Companies Act, 2013 except to the extent of interest paid to directors and their relatives for loan/deposit accepted and debenture issued.

35. CORPORATE SOCIAL RESPONSIBILITY

The Company is not covered under Section 135 of the Companies Act, 2013 and hence not required to constitute Corporate Social Responsibility Committee.

36. ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) and 92(3) of the Act read with Rule 11 of the Companies (Management and Administration) Rules, 2014, as amended, the Annual Return of the Company is available on the website of the Company and can be accessed through the following link https://www.capitalfinserve.com/investors.

37. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company is committed in providing and promoting a safe and healthy work environment for all its employees especially for women employees. The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and during the period under review no complaints were received or disposed-off as envisaged under the said act.

38. FRAUD REPORTING

During the period under review no frauds have occurred in the Company and no frauds were reported by the Auditors of the Company.

39. DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL

No order has been passed by the Regulators/Courts/Tribunal which impacts the going concern status or Company's operations.

40. APPLICATION OR PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

No applications were made and no proceedings were pending under the Insolvency and Bankruptcy Code, 2016 during the year.

41. VOLUNTARY REVISION OF FINANCIAL STATEMENTS OR BOARD'S REPORT

There was no voluntary revision of Financial Statements or Board's Report in respect of preceding three financial years.

42. STATEMENT IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROL WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has adequate internal control and process in place with respective Financial Statements which provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial Statements. These Controls and processes are driven through various policies, procedures and certifications. The processes and controls are reviewed periodically. The Company has a mechanism of testing the controls at regular intervals for their design and operating effectiveness to ascertain the reliability and authenticity of financial information.

43. FORMAL ANNUAL EVALUATION

The Company is not covered under section 134 (3) (p) of the Companies Act, 2013 and Rule 8(4) of the Companies (Accounts) Rules, 2014 and hence the statement regarding manner adopted for formal annual evaluation is not mandatory.

44. RISK MANAGEMENT

The Companies risk management frame work is based on a clear understanding of various risks, disciplined risk assessment and measurement procedures and continues monitoring. The policies and procedures established for this purpose are continuously reviewed. The business activities are undertaken within this frame work.

The framework reviews the level and direction of major risk pertaining to credit, market, liquidity, operational, compliance and management. At present, the Company has not identified any element of risk which may threaten the existence of the Company.

45. CONSERVATION OF ENERGY &TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

Your Company has taken adequate measures for conservation of energy and also very much keen on environment and safety matters and has taken adequate measures to control pollution and ensure safety etc. In view of the operations carried out by the Company, information regarding various steps taken on conservation of energy or utilization of alternate sources of energy and information regarding the impact of the same is not applicable. The information required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 is set out as **Annexure I** attached hereto and forms part of this report.

46. DIRECTORS' RESPONSIBILITY STATEMENT

In compliance to the provisions of Section 134 (5) of the Companies Act, 2013 your Directors wish to confirm that:

(i) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(ii) The directors 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 and loss of the company for that period;

(iii) The directors 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;

(iv) The directors had prepared the annual accounts on a going concern basis; and

(v) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

47. SECRETARIAL STANDARDS

Your directors wish to confirm that the applicable secretarial standards had been complied by the Company.

48. DISCLOSURE UNDER RULE 8 (5) (XII) OF COMPANIES (ACCOUNTS) RULES REGARDING DIFFERENCE BETWEEN AMOUNT OF THE VALUATION

Company has not availed one time settlement of loan during the year under review and accordingly no valuation was required to be taken in connection with one time settlement of loan. So, disclosure under rule 8 (5)(XII) of Companies (Accounts) Rules, 2014 regarding difference between the amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons is not applicable.

49. BRANCHES OPENED

Company has opened branches during the Financial Year 2022-23. The details of branches opened during the year and details of branches opened till the date of this report after 31.03.2023 are as follows:

Sl. No.	Branch Name	Opening date
1	Kanjirapally	19-01-2023
2	Ettumanoor	31-01-2023
3	Rajapalayam	09-02-2023
4	Sivakasi	09-02-2023
5	Natham	10-02-2023
6	Cherai	02-03-2023

50. APPRECIATION

We take this opportunity to thank all employees for their contribution to the growth and success of your Company. We would also like to thank bankers, stakeholders and business associates for their extended support during the year. Also would like to place on record their gratitude for the guidance and cooperation extended by Reserve Bank of India and other regulatory authorities.

For and on behalf of the Board of
CAPITAL FINSERVE LIMITED

Sd/-

Babu Alias
Managing Director
(DIN: 02923957,
Address: Puthusserikudiyil House,
Nellimattom P O, Kothamangalam,
Ernakulam, Kerala, India, 686693)

Sd/-

Saji Kochukudiyil Mathew
Director
(DIN: 02921367,
Address: Kochukudy House, Nellikuzhy.P.O
Kothamangalam, Ernakulam,
Kerala, India, 686691)

Place: Kothamangalam
Date: 01/09/2023

Annexure I

Information pursuant to Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 and forming part of Directors Report for the year.

(A) CONSERVATION OF ENERGY:

The steps taken or impact on conservation of energy	NIL
The steps taken by the company for utilizing alternate sources of energy	NIL
The capital investment on energy conservation equipments	NIL

(B) TECHNOLOGY ABSORPTION:

Technology absorption, adaptation and innovation

Efforts, in brief, made towards technology absorption, adaptation and innovation	NIL
Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc	NIL
In case of imported technology following information may be furnished: a. Technology imported b. Year of import c. Has technology been fully absorbed? d. If not fully absorbed, areas where this has not taken place, reasons there for and future plans of action.	NIL

Research and development (R & D):

Specific areas in which R & D carried out by the company	NIL
Benefits derived as a result of the above R&D	NIL
Future plan of action	NIL
Expenditure on R & D: a. Capital b. Recurring c. Total d. Total R & D expenditure as a percentage of total turnover	NIL

(C)FOREIGN EXCHANGE EARNINGS AND OUTGO

a. Activities relating to exports; b. Initiatives taken to increase exports; c. Development of new export markets for products and services; d. Export plans;	NIL
a. Total foreign exchange outgo b. Total foreign exchange earned	NIL NIL

For and on behalf of the Board of
CAPITAL FINSERVE LIMITED

Sd/-

Babu Alias
Managing Director
(DIN: 02923957,
Address: Puthusserikudiyil House,
Nellimattom P O, Kothamangalam,
Ernakulam, Kerala, India, 686693)

Sd/-

Saji Kochukudiyil Mathew
Director
(DIN: 02921367,
Address: Kochukudy House, Nellikuzhy.P.O
Kothamangalam, Ernakulam,
Kerala, India, 686691)

Place: Kothamangalam
Date: 01/09/2023

INDEPENDENT AUDITOR'S REPORT

To,

The Members of
Capital Finserve Limited, Kothamangalam

Report on the Audit of the Financial Statements.

Opinion

We have audited the accompanying financial statements of **Capital Finserve Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss, the statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit, and its cash flows for the year ended on that date.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit matters

Key Audit matters are those matters that, in our professional judgement were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701 are not applicable to the Company as it is an unlisted Company.

Information other than the financial statements and auditors' report thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the Financial Statements and our auditors' report thereon.

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

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in during the course of 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.

Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

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 Non-Banking Financial Companies Auditor's Report (Reserve Bank) Direction, 2016, issued by the Reserve Bank of India, in exercise of the powers conferred by sub-section (1A) of Section 45MA of the Reserve Bank of India Act, 1934, we give in the "Annexure 1", an additional Audit Report addressed to the Board of Directors containing our statements on the matters specified therein.

2. As required by the Companies (Auditor's Report) Order, 2020 issued by the Central Government of India in terms of sub-section (11) of section 143 of The Companies Act 2013, we give in the Annexure 2, a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

3.As required by section 143(3) of the Act, We report that:

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

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

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

d. In our opinion the aforesaid financial statements comply with Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e. On the basis of written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

f. As required by section 197(16) of the Act based, on my audit I report that the Company has not paid remuneration to its directors during the current financial year

g. With respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 3".

h. As the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for the accounting software used by the Company for maintaining its books of account to have the feature for recording of audit trail (edit log) facility and related matters, is applicable for the Company only with effect from financial year beginning 1 April 2023, the reporting under clause (g) of Rule 11 is currently 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 does not have any long-term contracts including derivative contracts requiring a provision for material foreseeable losses.

iii) The Company does not have any amounts required to be transferred to the Investor Education and Protection Fund.

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) of The Companies (Audit and Auditors) Rules, 2014, as provided under (a) and (b) above, contain any material misstatement.

v) The company has neither declared nor paid any dividend during the year.

For Biju George & Company
Chartered Accountants
Firm Registration Number 007920S

Place: Thodupuzha
Dated: 01/09/2023

Biju George BSc, FCA, DISA(ICA)
Proprietor
Membership No. 206233
UDIN: **23206233BGWBKX6895**

BIJU GEORGE, Bsc, FCA, DISA (ICA)
Opp. De-Paul Public School Market Road Thodupuzha 685 585
Chartered Accountant

Annexure 1 to the Auditor's Report

To,

The Board of Directors
Capital Finserve Limited
Kothamangalam

As required by the Master Direction-Non Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 Issued by Reserve bank of India Vide notification Number DNBS.PPD.03/66.15.001/2016-17 dated 29th September 2016 and as amended from time to time and based on our audit, We give hereunder a statement on the matters specified in paragraph 3 & 4 of the said directions:-

1. The company is engaged in the business of Non-Banking Financial Institution and it has obtained the certificate of registration as provided in Section 45 IA of the Reserve Bank of India Act, 1934 (2 of 1934).

2. The Company is entitled to continue to hold the certificate of registration in terms of asset/Income pattern as on March 31, 2023

3. The Company has met the required Net Owned Fund (NOF) requirement

4. The Board of Directors of the Company has passed a resolution for non-acceptance of public deposit.

5. The Company has not accepted any public deposits during the year 2022-23

6. According to the information and explanation given to us, the Company has complied with the prudential norms on income recognition, accounting standards, assets classification and provisioning for bad and doubtful debts as specified in the direction issued by Reserve Bank of India in terms of the Master Directions.

For Biju George & Company
Chartered Accountants
Firm Registration Number 007920S

Place: Thodupuzha
Dated: 01/09/2023

BIJU GEORGE, BSc, FCA, DISA (ICA)
Opp. De-Paul Public School
Market Road
Thodupuzha
685 585
Chartered Accountant

Biju George BSc, FCA, DISA(ICA)
Proprietor
Membership No. 206233
UDIN: **23206233BGWBKX6895**

Annexure 2 to the Auditor's Report

(Referred to in paragraph 2 under 'Report on other legal and regulatory requirements' section of our report of even date to the members of Capital Finserve Limited)

As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act and as per the information and explanations provided to us, we give a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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) The Property, plant and equipment were physically verified during the year by the management, in accordance with a regular program of verification, which in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals; no material discrepancies were noticed on such verification.

(c) As explained to us, the Company has not acquired any immovable properties Accordingly the provisions of Paragraph 3 clause i (c) of the order is not applicable.

(d) The company has not revalued its property, Plant and Equipment (including right-of- use assets) or Intangible assets or both during the year.

(e) No proceedings have been initiated during the year or are pending against the company as at 31.03.2023 for holding any benami property under the Benami Transactions (prohibition) Act, 1988 (45 of 1988) and rules made there under.

ii)(a) The company is in the business of rendering financial services and accordingly does not hold any physical inventories. Thus the provisions of Paragraph 3 clause (ii)(a) of the order is not applicable to the company.

(b) Based on the information and explanation given to us, the Company has not been sanctioned working capital limits in excess of 5 crores in aggregate at any point of time of the year and hence Paragraph 3 clause (ii) (b) is not applicable.

iii(a)The company being a Non Banking Financial Company whose principal business is to give loans is exempt from Paragraph 3 Clause iii (a)

(b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are, prima facie, not prejudicial to the company's interest.

(c) In respect of loans granted by the company, the schedule of repayment of Principal and payment of interest has been stipulated and repayments of principal Amounts and receipts of interest are generally been regular except in a few cases.

(d) According to the information and explanations given to us, and based on the audit procedures performed by us, there is an overdue amount of Rs. 1021.23 lakhs for more than ninety days. Reasonable steps have been taken by the company for recovery of interest and principal.
(e) The company being a NBFC whose principal business is to give loan is exempt from Paragraph 3 Clause (iii) (e).
(f) Based on our audit procedures and according to the information and explanation made available to us the company has granted demand loans aggregating to Rs.998.21 Lakhs . The percentage thereof to the total loan granted is 21.85%. The aggregate amount of demand loans granted to related parties as defined in clause (76) of section 2 of the Companies Act , 2013 is Rs.154.12 Lakhs.

iv) In our opinion and according to the information and explanation given to us and based on the audit procedures conducted by us , the company has not granted any loans , made investments or provided guarantees in contravention of provisions of section 185 of the Act .The company being a NBFC whose principal business is to give loans, provisions of section 186 of the Act are not applicable to the company .

v) The Company has not accepted any deposits from the public in terms of Section 73 to 76 or any other relevant provisions of the Companies Act,2013 and Therefore, the reporting requirement under clause (v) of paragraph 3 of the Order is not applicable.

vi)To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148 (1) of the Act for the company.

vii)(a) As per the information and explanations furnished to us and according to our examination of the records of the Company, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Goods and Services Tax, Duty of customs, Cess and any other material statutory dues, as applicable to the Company, to the appropriate authorities during the year.

According to the information and explanations given to us, no undisputed statutory dues payables in respect of Provident Fund, Employee's State Insurance, Income Tax, Goods and Services Tax, Duty of customs, Cess and any other material statutory dues were outstanding as at March 31,2023, for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax which not been deposited on account of any dispute

viii) There are no transactions that are not recorded in the books of account to be surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961;

ix) (a) In our opinion and according to the information and explanations given to us, the company has not defaulted in the repayment of loans or other borrowings or in the payment of interest there on to any lender.

(b) According to the information and explanations given to us the company has not been declared as a willful defaulter by any bank or financial institution or other lender.

(c) According to the information and explanations given to us the company has not obtained any term loan from any bank or financial institution and therefore, the reporting requirement under clause (ix) (c) of paragraph 3 of the Order is not applicable.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short term basis have been used for long term purposes by the company.

(e) The company does not hold any investment in any subsidiary, associates or joint ventures (as defined under the companies act, 2013) during the year ended 31 March 2023. Therefore, the reporting requirement under clause (ix) (e) of paragraph 3 of the Order is not applicable.

f) The company does not hold any investment in any subsidiary, associates or joint ventures (as defined under the companies act, 2013) during the year ended 31 March 2023. Therefore, the reporting requirement under clause (ix) (f) of paragraph 3 of the Order is not applicable.

x (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) The company has not made any preferential allotment or private placement of shares/convertible debentures during the year.

Xi (a) Based upon the audit procedures performed and information and explanations given to us by the management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(b) No report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report

(c) There were no whistle blower complaints received by the Company during the year (and up to the date of this report). Hence reporting under clause xi (c) is not applicable.

xii) The Company is not a Nidhi Company. Therefore the provisions of Paragraph 3 clause (xii) of the Order are not applicable to the Company.

xiii) According to the information and explanations given to us and based on our `examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards .

xiv) Since the company is not covered by Section 138 of the Companies Act 2013, Paragraph 3 Clause (xiv) (a) to (b) of the Order is not applicable and hence not commented upon.

xv)In our opinion, during the year Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi) In our opinion and according to the information and explanations given to us, the company is required to obtain the registration under section45-IA and the necessary registration has been duly obtained.

b) In our opinion, the Company has conducted Non-Banking financial activities with a valid certificate of registration (COR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

c) In our opinion, according to the information and explanations given to us, the company is not a Core Investment Company and hence clause xvi (c) is not applicable.

xvii) The Company has not incurred cash losses during the financial year covered by our audit. Cash losses in the immediately preceding financial year was Rs 77.82 lakhs.

xviii) There has been no resignation of statutory auditors during the year. Hence the provisions stated in Paragraph 3 clause (xviii) 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 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) According to the information and explanations given to us, the provisions of section 135 of the Act are not applicable to the Company. Accordingly, Paragraph 3 clause (xx) (a) and (b) of the Order are not applicable to the Company.

Xxi) According to the information and explanations given to us, the Company does not have any subsidiary / Associate/ Joint Venture. Hence there is no preparation of consolidated financial statements. Accordingly, the provisions stated in paragraph 3 Clause (xxi) of the Order is not applicable to the Company

For Biju George & Company
Chartered Accountants
Firm Registration Number 007920S

Place: Thodupuzha
Dated: 01/09/2023

Biju George BSc, FCA, DISA(ICA)
Proprietor
Membership No. 206233
UDIN: **23206233BGWBKX6895**

BIJU GEORGE, Bsc, FCA, DISA (ICA)
Opp. De-Paul Public School Market Road Thodupuzha 685 585
Chartered Accountant

ANNEXURE 3 TO THE AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of Capital Finserve Limited (The Company) as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Financial Statements based on our audit. We have conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the" Guidance Note") issued by The Institute of Chartered Accountants of India and the standards on auditing prescribed under section 143(10) of the Companies act 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Financial Statements were 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 with reference to Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Financial Statements included obtaining an understanding of internal financial controls with reference to the Financial Statements, assessing the risk that material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to Financial Statements.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to be best of our information and according to the explanations given to us, the Company has, broadly, in all material respects, an adequate internal financial controls with reference to Financial Statements and such internal financial controls with reference to Financial Statements were operating effectively as at March 31,2023, based on the internal control with reference to Financial Statement criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

For Biju George & Company
Chartered Accountants
Firm Registration Number 007920S

Place: Thodupuzha
Dated: 01/09/2023

Biju George BSc, FCA, DISA(ICA)
Proprietor
Membership No. 206233
UDIN: **23206233BGWBKX6895**

BIJU GEORGE, BSc, FCA, DISA (ICA) Opp. De-Paul Public School Market Road Thodupuzha 685 585 * Chartered Accountant *

CAPITAL FINSERVE LIMITED , KOTHAMANGALAM

Cash Flow Statement for the year ended 31st March, 2023

Particulars		For the year Ended 31st March, 2023	For the year Ended 31st March, 2022
		Rs in Lakhs	Rs in Lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net profit before Tax and Interest		314.41	185.30
Adjustment for:			
Depreciation		20.08	18.46
Interest on Income tax			0.18
Tds written off			0.58
Operating profit before working capital changes		**334.49**	**204.51**
Adjustments for:			
Short Term loans and advances		(34.25)	(8.14)
Long Term loans and advances		89.08	(136.84)
Non Current Assets		(10.85)	(6.40)
Other Current Assets		11.12	11.74
Long Term Provisions		0.50	0.49
Other Current Liabilities		39.59	(0.76)
Short Term Provisions		18.87	43.60
Cash generated from operations		**114.04**	**(96.31)**
Direct taxes paid (including Tds less Refund)			(29.80)
Net cash from operating activities	A	**448.52**	**78.40**
B.CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed assets		(73.45)	(20.78)
Net cash used in Investing activities	B	(73.45)	(20.78)
C.CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds of Un Secured Loans		285.39	260.21
Repayment of Short Term Borrowings		(220.00)	(24.90)
Finance Cost		(303.57)	(281.58)
Net cash from financing activities	C	(238.18)	(46.27)
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)		136.90	11.34
Cash & Cash Equivalents at Beginning of year		45.14	33.80
Cash & Cash Equivalents at End of year		182.04	45.14
Net Increase/(Decrease) in Cash & Cash Equivalents		136.90	11.34

Summary of Significant accounting policies
The accompanying notes are an integral part of the financial statements

In terms of our report attached.

Biju George , B Sc , FCA, DISA(ICA)
Chartered Accountant
M.No.206233
UDIN : 23206233BGWBKX6895

Place : Thodupuzha
Date:01.09.2023

For and on behalf of the Board of Directors
For Capital Finserve Limited

BABU ALIAS
Managing Director
(DIN 02923957)

SAJI KOCHUKUDIYIL MATHEW
Director
(DIN 02921367)

SHIBU KURIAKOSE
Director
(DIN 01659358)

BINU ANACHIRA KURUVILLA
Director
(DIN 03638140)

PAULOSEKUTTY JACOB
Director
(DIN 02921370)

BINOYCHANDRAN BALACHANDRAN
(CFO)

CAPITAL FINSERVE LIMITED , KOTHAMANGALAM

Balance Sheet as at March 31, 2023

Particulars	Note	As at 31.03.2023	As at 31.03.2022
		Rs in Lakhs	Rs in Lakhs
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	2,014.70	2,014.70
(b) Reserves and Surplus	3	40.25	32.78
(2) Non-Current Liabilities			
(a) Long term Borrowings	4	2,587.90	2,302.51
(b) Long term provisions	5	8.94	8.44
(3) Current Liabilities			
(a) Short Term Borrowings	6	162.00	382.00
(b) Other Current Liabilities	7	120.32	80.74
(c) Short-term provisions	8	325.68	306.81
Total		**5,259.79**	**5,127.98**
II.ASSETS			
(1) Non-current assets			
(a) Property ,Plant, Equipment & Intangible Assets			
(i) Property, Plant and Equipment	9	168.17	114.80
(b) Deferred tax assets (net)		91.56	94.94
(c) Long- term loans and advances	10	4,568.64	4,657.71
(d) Other Non Current Assets	11	36.49	25.64
(2) Current assets			
(a) Cash and Cash Equivalents	12	182.04	45.14
(b) Short term loans and advances	13	45.37	11.11
(c) Other Current Assets	14	167.53	178.64
Total		**5,259.79**	**5,127.98**

Summary of Significant accounting policies
The accompanying notes are an integral part of the financial statements

In terms of our report attached.

Biju George , B Sc , FCA, DISA(ICA)
Chartered Accountant
M.No.206233
UDIN : 23206233BGWBKX6895

BIJU GEORGE, Bsc, FCA, DISA (ICA) Opp. De-Paul Public School Market Road Thodupuzha 685 585 Chartered Accountant

Place : Thodupuzha
Date:01.09.2023

For and on behalf of the Board of Directors
For Capital Finserve Limited

BABU ALIAS
Managing Director
(DIN 02923957)

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(DIN 02921367)

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Director
(DIN 01659358)

BINU ANACHIRA KUR
Director
(DIN 03638140)

PAULOSEKUTTY JACOB
Director
(DIN 02921370)

BINOYCHANDRAN BALACHANDRAN
(CFO)

NOTES TO THE ACCOUNTS (Contd.)

Note 2: SHARE CAPITAL

Particulars	As at 31.03.2023		As at 31.03.2022	
	Number of shares	Rs in Lakhs	Number of shares	Rs in Lakhs
(a) Authorised Capital				
Equity shares of Rs. 10,000/- each with voting rights	21,000	2,100.00	21,000	2,100.00
(b) Issued Capital				
Equity shares of Rs. 10,000/- each with voting rights	20,147	2,014.70	20,147	2,014.70
(c) Subscribed and fully paid up				
Equity shares of Rs. 10,000/- each with voting rights	20,147	2,014.70	20,147	2,014.70
Total	**20,147**	**2,014.70**	**20,147**	**2,014.70**

Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh Issue	Buy Back	Closing Balance
Equity shares with voting rights				
Year ended 31 March, 2023				
- Number of shares	20,147		-	20,147.00
- Amount (In Rs.)	2,014.70		-	2,014.70
Year ended 31 March, 2022				
- Number of shares	20,147		-	20,147.00
- Amount (In Rs.)	2,014.70		-	2,014.70
Total	**2,014.70**	-		**2,014.70**

(ii) Rights, Prefrences and restrictions attached to Equity Shares:

The Company has one class of equity shares, having a par value of Rs 10,000 each. Each shareholder is eligible for one vote per share held.The Dividend Proposed by the board of directors is subject to the approval of shareholders in the ensuing annual general meeting , except in the case of interim dividend. In the event of liquidation, the Equity shareholders are eligible to receive the remaining assets of the company in proportion to their share holding.

(iv) Details of shares held by Promoters at the end of the year

Promoter Name	AS AT 31.03.2023			AS AT 31.03.2022		
	Number of shares held	% holding in that class of shares	% Change during the year	Number of shares held	% holding in that class of shares	% Change during the year
Vinayan Gopinathan Nair	554	2.75	-	554.00	2.75	6.54
Shibu Kuriakose	784	3.89	-	784.00	3.89	4.53
Thombrayil Uthup Kuruvilla	34	0.17	-	34	0.17	-
Raju Jacob	784	3.89	-	784.00	3.89	4.53
Ponthekkan Antony Raphy	784	3.89	-	784.00	3.89	4.53
Saji Kochukudiyil Mathew	944	4.69	18.89	794.00	3.94	4.47
Paulosekutty Jacob	784	3.89	-	784.00	3.89	4.53
Babu Alias	786	3.90	-	786.00	3.90	4.80
Basil Abraham	784	3.89	-	784.00	3.89	4.53
Binu Anachira Kuruvilla	784	3.89	-	784.00	3.89	4.53
Kallookaren Ouseph Thobias	784	3.89	-	784.00	3.89	4.53
Muttanvancherry Mathai Joseph	784	3.89	-	784.00	3.89	4.53

NOTES TO THE ACCOUNTS (Contd.)

Note 3: RESERVES & SURPLUS

Particulars	As at 31.03.2023 (in lakhs)	As at 31.03.2022 (in lakhs)
a. Statutory Reserve		
As per last Balance Sheet	104.70	104.70
Add: Transferred from Profit and Loss Account	1.49	-
Total Statutory Reserve	**106.19**	**104.70**
b. Surplus in the Statement of Profit and Loss		
As per last Balance Sheet	(71.92)	0.61
Add: Transferred from Profit and Loss Account	7.47	(72.53)
(-) Amount Transferred to Statutory Reserve	1.49	
Closing Balance	-65.95	(71.92)
TOTAL	**40.25**	**32.78**

Note 4: LONG TERM BORROWINGS

Particulars	As at 31.03.2023 (in lakhs)	As at 31.03.2022 (in lakhs)
(a)Non-Convertible Debenture	2,418.00	2,226.00
(Secured by *Pari - pasu* first charge on pledged gold ornaments,mortgaged land and current assets of the Company)		
(b) Subordinated Liabilities		
Un Secured Subordinated Debts 2022-23	24.85	
(c) Deposits-unsecured		
From Directors	145.05	76.51
Total	**2,587.90**	**2,302.51**

Debentures- Series	Amount	Rate of Interest	Period of Redemption
P SERIES	500.00	11.25%	24-11-2027
O SERIES	169.00	11.25%	22-06-2027
N SERIES	176.00	11.25%	23-03-2027
M SERIES	233.00	11.25%	08-12-2026
L SERIES	346.00	11.25%	07-07-2026
K SERIES	381.00	11.25%	03-02-2026
J SERIES	350.00	11.25%	30-09-2025
I SERIES	289.00	11.25%	26-11-2024
H SERIES	136.00	11.25%	21-09-2023
Total	2,580.00		

Normally the debentures are issued for a period of five years but the debenture holders will have an option to redeem the debentures from the end of one year from the date of issue.

Unsecured Subordinate debts

(Series wise classification of unsecured suborinated Debt)

Particulars	**As at 31.03.2023**	**Rate of Interest (%)**	**Period of Redemption**
Unsecured Subordinated Debt 2023 series	24.85	12% ,12.25% & 12.50%	5 Years
Total	**24.85**		

Note 5 LONG TERM PROVISIONS

Particulars	As at 31.03.2023 (in lakhs)	As at 31.03.2022 (inlakhs)
Provision on Standard assets	8.94	8.44
Total	8.94	8.44

Note 6 SHORT TERM BORROWINGS

Particulars	As at 31.03.2023 (in lakhs)	As at 31.03.2022 (inlakhs)
(b) Current Maturities of Long Term Debt : Non-Convertible Debentures	162.00	382.00
Total	162.00	382.00

Note 7: OTHER CURRENT LIABILITIES

Particulars	As at 31.03.2023 (in lakhs)	As at 31.03.2022 (inlakhs)
Interest Payable on Debentures	58.68	32.35
Other Payables		
Salary Payable	16.59	
PF and ESI Payable	0.66	0.72
TDS Payable	3.63	3.60
Audit Fee payable	0.68	0.68
Loan Installments received in Advance/Part	40.08	43.39
Total	120.32	80.74

Note 8: SHORT TERM PROVISIONS

Particulars	As at 31.03.2023 (in lakhs)	As at 31.03.2022 (inlakhs)
Provision for Non Performing Assets	325.68	306.81
Total	325.68	306.81

Note 10: LONG TERM LOANS AND ADVANCES

Particulars	As at 31.03.2023 (in lakhs)	As at 31.03.2022 (inlakhs)
Loans and Advances-Others		
Secured and considered good		
Gold Loan	2,211.33	1,619.74
Secured and considered good		
Business Loan	1,155.26	1,699.46
Unsecured and Considered good:		
Personal Loan	203.83	185.43
Unsecured and Considered good:		
Demand Loan	998.21	1,153.09
Total	4,568.64	4,657.71

Note 11: OTHER NON CURRENT ASSETS

Particulars	As at 31.03.2023 (in lakhs)	As at 31.03.2022 (inlakhs)
a) Security Deposits		
i) Building Security Deposit :		
Building Security Adimaly	1.00	1.00
Building Security Perumbavoor	1.50	1.50
Building Security Thodupuzha	3.00	3.00
Building Security Muvattupuzha	2.10	2.10
Rent deposit-Kattappana	1.00	1.00
Rent deposit-Nedumkandam	1.00	1.00
Building Security Angamaly	2.50	2.50
Rent deposit- Murikkassery	1.00	1.00
Rent deposit- Rajakumary	0.50	0.50
Rent deposit- Rajakkad	0.40	0.40
Rent deposit- Kothamangalam town	3.00	3.00
Rent deposit- Thrissur	-	2.10
Rent deposit- Vagamon	0.50	0.50
Rent deposit- Elappara	2.00	2.00
Rent deposit- sivakasi	2.00	
Rent deposit- Rajapalayam	2.80	
Rent deposit- Natham	2.00	
Rent deposit- Kanjirappally	2.10	
Rent deposit- Ettamannor	2.00	
Rent deposit- Cherai	2.00	
Rent deposit- Upputhura	1.00	1.00
Rent deposit- Kothamangalam	2.00	2.00
ii) Other Deposits		
PMGKY Deposit	0.75	0.75
Gas Connection Deposit	0.02	0.02
Staff Quarters deposit	0.05	
Electricity Deposit	0.27	0.27
Total	36.49	25.64

Note 12: CASH AND BANK BALANCES

Particulars	As at 31.03.2023 (in lakhs)	As at 31.03.2022 (inlakhs)
Cash in hand	97.40	32.63
Cash at bank in Current accounts		
Federal bank , Town Branch 1148	10.00	3.41
Federal bank , Town Branch 1189	0.08	0.09
Federal bank , Town Branch 1205	0.10	0.08
Federal bank , Town Branch 1171	0.10	0.10
Federal bank , Thrissur Branch 11020	0.24	0.05
Federal Bank Muvattupuzha 4628	0.45	0.85
Federal Bank Angamaly 807	0.03	0.07
Federal Bank, Kattappana	0.51	0.31
Federal Bank, Nedumkandam	0.77	0.00
Federal Bank,1213 T Branch KMM Town1213	0.51	0.61
Federal bank KMM	0.14	0.61
Capital finserve Limited TPZ1039	2.18	0.63
Federal Bank KLR 14404	3.13	0.76
Federal Bank 13640200005286 ADI		0.68
Federal Bank 174302000001279 Pbr	0.12	1.05
HDFC Bank HO	2.77	1.65
HDFC Capital 19990100053082		0.05
South Indian Bank - Murikkasserry 0315	1.32	0.56
Federal Bank Rajakkad-5822	0.16	0.36
Federal Bank Upputhura -2917	1.85	0.43
Gramin Bank 0690 -Elappara	4.95	0.07
Union Bank-Rajakumari	0.13	0.10
Federal Bank, cherai	0.41	
Federal Bank, kanjirapally	1.50	
Federal Bank ,ettumanoor	0.25	
HDFC Rajapalayam 7132	0.30	
Capital Finserve EASF 682542	2.56	
Federal Bank 13640200005880 ADI	3.19	
HDFC Sub Debt 486	7.84	
Sweep Account	38.39	
Canara Bank Natham	0.47	
HDFC Sivakasi 77424594	0.19	
Total	**182.04**	**45.14**

Note 13: SHORT TERM LOANS AND ADVANCES

Particulars	As at 31.03.2023 (in lakhs)	As at 31.03.2022 (inlakhs)
Staff salary advance		0.06
Advance Paid- Ambattu Agencies	0.01	0.11
Demat Account-Advance	0.90	0.90
Suit Fees Recoverable	23.41	10.04
Advance paid for interior Work New Branches	2.50	
Advance for New Branch Furnishing	18.55	
Total	**45.37**	**11.11**

Note 14: OTHER CURRENT ASSETS

Particulars	As at 31.03.2023 (in lakhs)	As at 31.03.2022 (inlakhs)
TDS	28.99	12.47
Income Tax Advance Ay 2022 -23		3.50
Interest Receivable on Loans (BL)	87.62	111.75
Land attached in satisfaction of debt of Rs.50,91,500	50.92	50.92
Total	**167.53**	**178.64**

In terms of our report attached.

Biju George , B Sc , FCA,DISA(ICA)
Chartered Accountant
M.No.206233
UDIN : 23206233BGWBKX6895

Place : Thodupuzha
Date:01.09.2023

BIJU GEORGE, Bsc, FCA, DISA (ICA) Chartered Accountant
Opp. De-Paul Public School Market Road Thodupuzha 685 585

For and on behalf of the Board of Directors
For Capital Finserve Limited

BABU ALIAS
Managing Director
(DIN 02923957)

SAJI KOCHUKUDIYIL MATHEW
Director
(DIN 02921367)

SHIBU KURIAKOSE
Director
(DIN 01659358)

BINU ANACHIRA KURUVILL/
Director
(DIN 03638140)

PAULOSEKUTTY JACOB
Director
(DIN 02921370)

BINOYCHANDRAN BALACHANDRAN
(CFO)

CAPITAL FINSERVE LIMITED , KOTHAMANGALAM

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

Particulars	Note No.	For the period ended 31st March, 2023 (in Lakhs)	For the period ended 31st March, 2022 (in Lakhs)
		Rs in Lakhs	Rs in Lakhs
I.REVENUE			
Interest Received	15	665.62	570.80
Other Income	16	3.69	2.21
Total Revenue		**669.31**	**573.01**
II.EXPENSES			
Employee benefits expenses	17	199.80	187.25
Finance Costs	18	303.57	281.58
Depreciation and amortization expense	9	20.08	18.46
Other expenses	19	135.03	182.01
Total Expenses		**658.47**	**669.29**
V. Profit before tax		**10.84**	**(96.28)**
VI. Tax expense:			
(1) Current tax		-	
(2) Deferred tax		(3.38)	(23.75)
VII Profit after tax (V-VI)		**7.47**	**(72.53)**
Basic and Diluted Earnings Per Share of Rs.10,000 each	20	37.06	(360.00)
Summary of Significant accounting policies The accompanying notes are an integral part of the financial statements			

In terms of our report attached.

Biju George , B Sc , FCA,DISA(ICA)
Chartered Accountant
M.No.206233
UDIN : 23206233BGWBKX6895

Place : Thodupuzha
Date:01.09.2023

BIJU GEORGE, Bsc, FCA, DISA (ICA) Chartered Accountant Opp. De-Paul Public School Market Road Thodupuzha 685 585

For and on behalf of the Board of Directors
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Director
(DIN 03638140)

PAULOSEKUTTY JACOB
Director
(DIN 02921370)

BINOYCHANDRAN BALACHANDRAN
(CFO)

NOTES TO THE ACCOUNTS (Contd.)

15 REVENUE FROM OPERATIONS

Particulars	For the year ended 31st March, 2023 (in lakhs)	For the year ended 31st March, 2022 (in lakhs)
INTEREST		
Interest on personal loan	26.93	22.48
Interest on business loan	50.50	128.05
Interest on gold loan	449.56	374.50
Interest on Demand / Instant loan	138.63	45.77
TOTAL	**665.62**	**570.80**

16 OTHER INCOME

Particulars	For the year ended 31st March, 2023 (in lakhs)	For the year ended 31st March, 2022 (in lakhs)
Interest on Sweep A/c	1.76	2.21
Service charges	1.31	
Interest on Income Tax Refund	0.61	
Personal Loan Renewal charge	0.02	
	3.69	**2.21**

17 EMPLOYEE BENEFIT EXPENSES

Particulars	For the year ended 31st March, 2023 (in lakhs)	For the year ended 31st March, 2022 (in lakhs)
Salaries, Wages & Other benefits	140.74	120.35
Staff welfare expenses	3.58	3.00
Incentive	5.79	10.98
Bonus	1.74	
Employers Contribution to PF & ESI	4.83	4.53
Wages	43.12	48.38
TOTAL	**199.80**	**187.25**

18 FINANCE CHARGES

Particulars	For the year ended 31st March, 2023 (in lakhs)	For the year ended 31st March, 2022 (in lakhs)
Interest on Directors Deposit	10.18	14.28
Interest on Debenture	292.78	265.20
interest on Federal Bank loan	0.61	2.11
Total	**303.57**	**281.58**

19 **OTHER EXPENSES**

Particulars	For the year ended 31st March, 2023 (in lakhs)	For the year ended 31st March, 2022 (in lakhs)
Audit fees	0.75	0.75
Advertisement	0.41	
Bank Charges	0.74	0.43
Business promotion expenses	4.33	1.60
Car Running Expense	3.22	3.32
Court fees	5.90	5.19
Demat Expenses	0.04	0.04
Discount on gold loan	7.63	46.08
Discount on Loan	0.26	2.23
Discount on interest	0.03	
Donation	0.26	0.02
Electricity charges	4.35	3.62
Insurance	2.70	2.50
Internal audit fees		0.30
Interest on income tax		0.18
Legal Fee	0.15	0.45
Meeting expenses	3.16	1.10
Office Expenses	5.32	4.38
Other expenses		0.01
PF Admn.charges	0.34	0.30
Postage & telegram	0.41	0.24
Printing & stationery	5.65	2.83
Professional Charges	5.22	3.29
Provision for Non Performing Assets	18.87	43.60
Provision for Standard assets	0.50	0.49
Rates & Tax	0.54	0.46
Registration fee	0.19	0.22
Rent paid	41.38	36.87
Repairs & Maintenance	3.99	4.17
ROC Filing fees	0.16	0.01
Roundoff	0.00	0.00
Software expenses	2.38	3.82
Suit filing expenses	3.29	4.54
Tds /Advance Tax Written off	0.24	0.58
Telephone Charges	4.16	3.49
Travelling Expenses	8.48	4.92
TOTAL	**135.03**	**182.01**

20 **EARNINGS PER SHARE**

	Current Year	Previous Year
Numerator		
Net Profit as per statement of Profit and loss	7.47	(72.53)
Net Profit available to Equity Share Holders	7.47	(72.53)
Denominator		
Number of Equity Shares at the year end	20,147.00	20,147.00
Weighted average number of equity shares outstanding during the year (Partly paid shares treated as a fraction of an equity share)	20,147.00	20,147.00
Earnings per Share	37.06	-360.00
Face Value per Equity Share	10,000.00	10,000.00

21 **Related Party Disclosure**

Key Management Personnel	Nature of Relationship
Babu Alias	Managing Director
Saji K Mathew	Director
Raju Jacob	Director
Shibu Kuriakose	Director
Shajan Kuriakose	Director
Ponthekkal Antony Raphy	Director
Paulose Kutty Jacob	Director
Binu A Kuruvila	Director
T U Kuruvila	Director
G Vinayan	Director
Basil Abraham	Director
Kallookaren Ouseph Thobias	Director
Muttavenchery Mathai Joseph	Director
Sabu Cherian	Independent Directors
Mathew Varghese	Independent Directors
Fathima Karim	Company Secretary
K U Jose (till date: 13/8/2022)	CFO
Binoychandhran balachandhran (w.e.f. 17/8/2022)	CFO

Relatives of Key Management personnel with whom Transactions taken place during the year

Ann Paul	D/o Paulosekutty Jacob
Saira Paul	D/o Paulosekutty Jacob
Elsa Paul	D/o Paulosekutty Jacob
Jency Paulosekutty	W/o Paulosekutty Jacob
Megha Binu	D/o Binu A Kuruvila
Ave Maria	D/ o Ponthekkal Raphy Antony
Angel Thoby	D/o K O Thobias
Ashiq Thoby	S/o K O Thobias
Roysy Thoby	W/o K O Thobias
Jelly Shibu	W/o Shibu Kuriakose
Kiran Babu	S/o Babu Eliyas
Sunitha Shajan	W/o Shajan Kuriakose
Chinnamma Kuruvila	W/o T U Kuruvila
Silvy Raphy	W/o Ponthekkal Antony Raphy

Enterprises in which directors have substantial interest/ Significant influence

Kottancheril Trading Company

Angel Gold

Peeyar exporters

Sona Hotel

Capital credits

Capital investments

Related party transactions during the year	Current Year	Previous Year
	Rs in Lakhs	Rs in Lakhs
Deposits accepted from key Management Personnel / Relative during the year		
Babu Alias	36.77	7.70
Saji K Mathew		2.25
T U Kuruvila	65.00	2.25
G Vinayan		45.65
Repayment of Deposits to key Management Personnel / Relative during the year		
Saji K Mathew		50.00
T U Kuruvila	25.00	50.00
G vinayan	0.60	
Babu Alias	8	
Interest on Deposits paid to key Management Personnel/Relative		
Babu Alias		3.00
Saji K Mathew		2.50
G Vinayan	6.00	6.28
T U Kuruvila	1.18	2.50
		-
Debentures Issued to key Management Personnel / Relative during the year		
T U Kuruvila		20.00
G Vinayan		14.00
Ann Paul		15.00
Megha Binu		30.00
Saira Paul		5.00
Jency Paulosekutty		20.00
Silvi Raphy	25.00	
Debentures Redeemed to key Management Personnel / Relative during the year		
T U Kuruvila		20.00
G Vinayan		54.00
Megha Binu		30.00
Saira Paul		5.00
Interest on Debentures Paid to key Management Personnel / Relative		
T U Kuruvila	2.20	1.44
G Vinayan	1.54	1.37
Ann Paul	2.75	1.64
Megha Binu	3.39	3.90
Saira Paul	1.12	1.20
Elsa paul		1.15
Ave Maria	0.56	0.57
Jency Paulosekutty	3.30	1.81
Angel Thoby	1.13	1.13
Roysy Thoby	0.55	0.55

Loan Given to key Management Personnel / Relatives of key Management personnel / Enterprises in which directors have significant influence during the year		
Ashiq Thoby		25.00
Jelly Shibu	59.75	25.00
Kiran Babu	5.00	5.00
Raphy Antony	50.00	340.00
Roysy Thoby	20.00	25.00
Sunitha Shajan		25.00
Kottancheril Trading Company		31.00
Sona Hotel		25.00
Peeyar exporters	100.00	
Chinnamma Kuruvila	30.00	
Capital credits	60.00	
Capital investments	141.00	
M M Joseph	22.50	
Angel Gold	15.00	
Repayment of Loan by key Management Personnel / Relatives of key management personnel / Enterprises in which directors have significant influence during the year		
Jelly Shibu	55.63	2.23
Kiran Babu	5.00	0.50
Kottancheril Trading Company		4.50
Chinnamma Kuruvila	30.00	
Sunitha Shajan	10.00	
Capital credits	60.00	
Capital investments	141.00	
M M Joseph	22.50	
Angel Gold	15.00	
Interest on Loan paid by key Management Personnel / Relatives of key management personnel / Enterprises in which directors have significant influence during the year		
Jelly Shibu	0.81	2.21
Kiran Babu	0.44	0.24
Raphy Antony		13.93
Sunitha Shajan	1.34	1.39
Kottancheril Trading Company		2.17
Sona Hotel		0.66
Chinnamma Kuruvila	0.16	
Capital credits	0.23	
Capital investments	1.45	
M M Joseph	0.15	
Angel Gold	0.02	
Remuneration paid to Key persons		
K U Jose	1.00	2.70
Fathima Karim	3.78	4.35
Binoychandhran Balachandhran	11.23	
Fee for other services		
Jency Paulosekutty		0.30

Balances outstanding of Related parties at the end of the year	31.03.2023	31.03.2022
Deposit Payable :		
Babu Alias	54.59	25.45
G Vinayan	50.46	51.06
T U Kuruvila	40.00	
Debentures :		
T U Kuruvila	20.00	20.00
G Vinayan	14.00	14.00
Ann Paul	25.00	25.00
Megha Binu	30.00	30.00
Saira Paul	10.00	10.00
Elsa paul		10.00
Ave Maria	5.00	5.00
Jency Paulosekutty	30.00	30.00
Angel Thoby	13.00	13.00
Ashiq Thoby		2.00
Roysy Thoby	5.00	5.00
Sunitha Shajan	25.00	25.00
Silvy Raphy	25.00	
Loans & Advances Receivable :		
Peeyar exporters	100.00	
Ashiq Thoby		25.00
Jelly Shibu	4.12	40.21
Kiran Babu		4.50
Raphy Antony	50.00	340.00
Roysy Thoby		25.00
Sunitha Shajan		25.00
Kottancheril Trading Company		40.00
Sona Hotel		25.00

CAPITAL FINSERVE LIMITED , KOTHAMANGALAM

Note 9 - Fixed Assets- Tangible

Description	GROSS BLOCK-COST/BOOK VALUE			DEPRECIATION/AMORTISATION					NET BLOCK	
	Total as at 1st April 2022	Additions/ Adjustments during the year	Total as at 31.03.23	Rate (%)	Total as at 1st April 2022	Provided during the year	Deductions/ Adjustments during the year	Total as at 31.03.23	As at 31.03 2022	As at 31st March 2023
Tangible Asset :										
BUILDING:										
Interior work	44.86	3.90	48.76	9.50%	16.07	4.41		20.49	28.79	28.27
Interior work HO	47.61		47.61	9.50%	17.67	4.52		22.19	29.94	25.42
PLANT & MACHINERY :										
U P S	4.06		4.06	6.33%	1.16	0.20		1.36	2.89	2.70
Air Conditioner	8.11		8.11	6.33%	3.23	0.51		3.75	4.88	4.37
Camera	9.01		9.01	6.33%	2.75	0.57		3.32	6.25	5.68
Inverter	0.33		0.33	6.33%	0.11	0.02		0.13	0.22	0.20
Printer	0.81		0.81	6.33%	0.32	0.05		0.37	0.49	0.44
Equipments	7.50		7.50	6.33%	2.68	0.47		3.15	4.82	4.34
Computer	14.75	0.68	15.43	31.67%	12.27	1.20		13.47	2.48	1.96
FURNITURE & FITTINGS :										
Furniture & Fittings	25.24		25.24	9.50%	17.18	2.04		19.22	8.06	6.02
Electrical Fittings	2.29		2.29	9.50%	1.45	0.22		1.67	0.84	0.62
Safe and furniture		53.49	53.49	9.50%		0.04		0.04		53.44
VEHICLES :										
Innova Car	14.65		14.65	11.88%	11.68	1.74		13.42	2.96	1.22
Honda Amaze		8.35	8.35	11.88%		0.47		0.47		7.88
Bike	0.65		0.65	11.88%	0.26	0.06		0.33	0.39	0.32
OTHERS :										
Locker	22.25		22.25	9.50%	10.66	2.11		12.77	11.59	9.48
Name Board	15.05		15.05	9.50%	4.86	1.43		6.29	10.20	8.77
Intangible Asset :										
Software ICRATS		7.03	7.03			-		-		7.03
TOTAL	**217.15**	**73.45**	**290.60**		**102.36**	**20.08**	-	**122.43**	**114.80**	**168.17**
TOTAL	**196.37**	**20.78**	**217.15**	**0**	**83.90**	**18.46**	-	**102.36**	**114.80**	**112.47**

CAPITAL FINSERVE LIMITED, KOTHAMANGALAM

Note 1: SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation of Financial Statements

The financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the Companies (Accounts) Rules 2014 and the relevant provisions of the Companies Act,2013. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

1.2 Basis of Accounting

The financial statements are prepared under the historical cost convention in accordance with the Generally Accepted Accounting Principles in India and the provisions of the Companies Act, 2013.

1.3 Use of Estimates

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as on the date of the financial statements and the reported income and expenses during the reporting period. The estimates and assumptions used in the financial statements are based upon the Management's evaluation of the relevant facts and circumstances as on the date of financial statements. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results may vary from these estimates.

1.4 Own Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation. The cost includes purchase consideration and other directly attributable costs incurred to bring an Asset to its working condition for its intended use.

1.5 Depreciation:

Depreciation on fixed assets is provided based on the useful life of the asset as prescribed under Schedule II of the Companies Act, 2013. Depreciation on addition has been calculated on prorate basis.

Assets	Useful Life in years
Furniture & Fittings	10 Years
Equipments	15 Years
Computer	3 Years
Computer-Server	6 Years

1.6 Provision for NPA:

The Company has 230 NPA Accounts with an outstanding of Rs 992.86 lakhs on which the Company has provided Rs. 325.67 Lakhs as provision for NPA and Rs 8.93 Lakhs as provision against Standard assets in accordance with the new Regulatory frame work of NBFCs.

1.7 Special Reserve:

The Company has appropriated Rs. 1.49 Lakhs - towards Special Reserve under the new regulatory frame work of NBFCs.

1.8. Impairment of Assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

1.9 Revenue Recognition

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

Income including Interest on NPA is recognized only when it is actually realized. Any interest income recognized before the asset become NPA and remaining unrealized is derecognized.

1.10. Goods and Service Tax

Goods and Service tax is not applicable since the company is having only interest income.

1.11. Employee Benefits

i. Short term employee benefits are recognized as an expense at the undiscounted amount in the Profit and Loss Account of the year in which the related service is rendered.
ii. Post employment and other long term employee benefits are recognized as an expense in the Profit and Loss Account for the year in which the employee has rendered services.
iii. Gratuity is not provided in the books as it will be recognized on cash basis.

1.12. Dividend

Final dividends on shares are recorded as a liability on the date of approval by the share holders and Interim Dividends are recorded as a liability on the date of declaration by the Company's board of directors.

No dividend has been declared during the year.

1.13. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Profit and Loss Account in the period in which they are incurred.

1.14. Earnings Per Share

The basic earnings per share are calculated by dividing the net profit after tax for the year by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit after tax during the year and the weighted average number of shares outstanding during the year are adjusted for the effect of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted as of the beginning of the year unless they have been issued at a later date.

1.15. Financial Derivatives and Commodity Hedging Transactions

No such transactions and hence not applicable to the company.

1.16. Provision for Current and Deferred Tax

Provision for taxation is made for deferred taxes only; Since the company has not earned profit this year provision for current tax is not created.

Deferred tax assets and liabilities arising on account of timing difference and which are capable of reversal in subsequent periods, are recognized using the tax rates and tax laws that have been enacted or substantively enacted as on the Balance Sheet date.

Deferred Tax Assets are recognized and carried forward only if there is a virtual certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

1.17. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not but are disclosed in the Notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

1.18. There is no amount overdue to Micro, Small and Medium Enterprises as per the Micro, Small and Medium Enterprises Development Act, 2006 as at 31st March 2023

1.19. Claims against the company not acknowledged as debts: Rs NIL (Rs NIL).

1.20. Contingent Liabilities: Rs NIL (Rs NIL).

1.21. Previous Years figures are regrouped or rearranged wherever necessary to conform to current year classification.

For and on behalf of the Board of Directors of
Capital Finserve Limited

Babu Alias **Managing Director**	**Saji K Mathew** **Director**	**Shibu Kuriakose** **Director**
Binu A Kuruvila **Director**	**Poulose Kutty Jacob** **Director**	BINOY CHANDRAN BALACHANDRAN CFO

ATTENDANCE SLIP

PLEASE BRING THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE REGISTERED OFFICE

Name & Address of the Shareholder:

Folio No.:

Number of Shares:

I hereby record my presence at the 29th Annual General Meeting of CAPITAL FINSERVE LIMITED held at Cloud 9 Hotels, Munnar-Airport Road, Thankalam, Kothamangalam, Kerala, 686691, India on Friday, 29th September, 2023 at 04.00 PM.

Signature of the Member or Proxy

No. of Shares held

Form No. MGT-11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014*]*

CIN	U65921KL1994PLC008301
Name of the company	CAPITAL FINSERVE LIMITED
Registered office	First Floor, Capital Plaza Near Police Station, Aluva-Munnar Road, Kothamangalam, Ernakulam, Kerala, 686691

Name of the member (s)	
Registered address	
E-mail Id	
Folio No.	

I/We, being the member (s) of ……………………. shares of the above-named company, hereby appoint

1. Name:
Address :
E-mail Id:
Signature:……………………….., or failing him

2. Name:
Address :
E-mail Id:
Signature:……………………….., or failing him

3. Name:
Address :
E-mail Id:
Signature:………………………..

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Friday, 29th September, 2023 at Cloud 9 Hotels, Munnar-Airport Road, Thankalam, Kothamangalam, Kerala, 686691, India at 04.00 PM and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	**Resolutions**	**FOR**	**AGAINST**
ORDINARY BUSINESS			

1	To consider and adopt the Audited Financial Statements for the Financial year ended March 31, 2023 together with Report of the Directors and the Auditors thereon.		
2	To appoint a director in place of Mr. Shibu Kuriakose (DIN - 01659358) who retires by rotation		
3	To appoint a director in place of Mr. Raju Jacob (DIN - 01737883) who retires by rotation		
4	To appoint a director in place of Mr. Rapheal Ponthekkan Antony (DIN - 01896717) who retires by rotation		

Signed this……………… day of ……………………, 2023

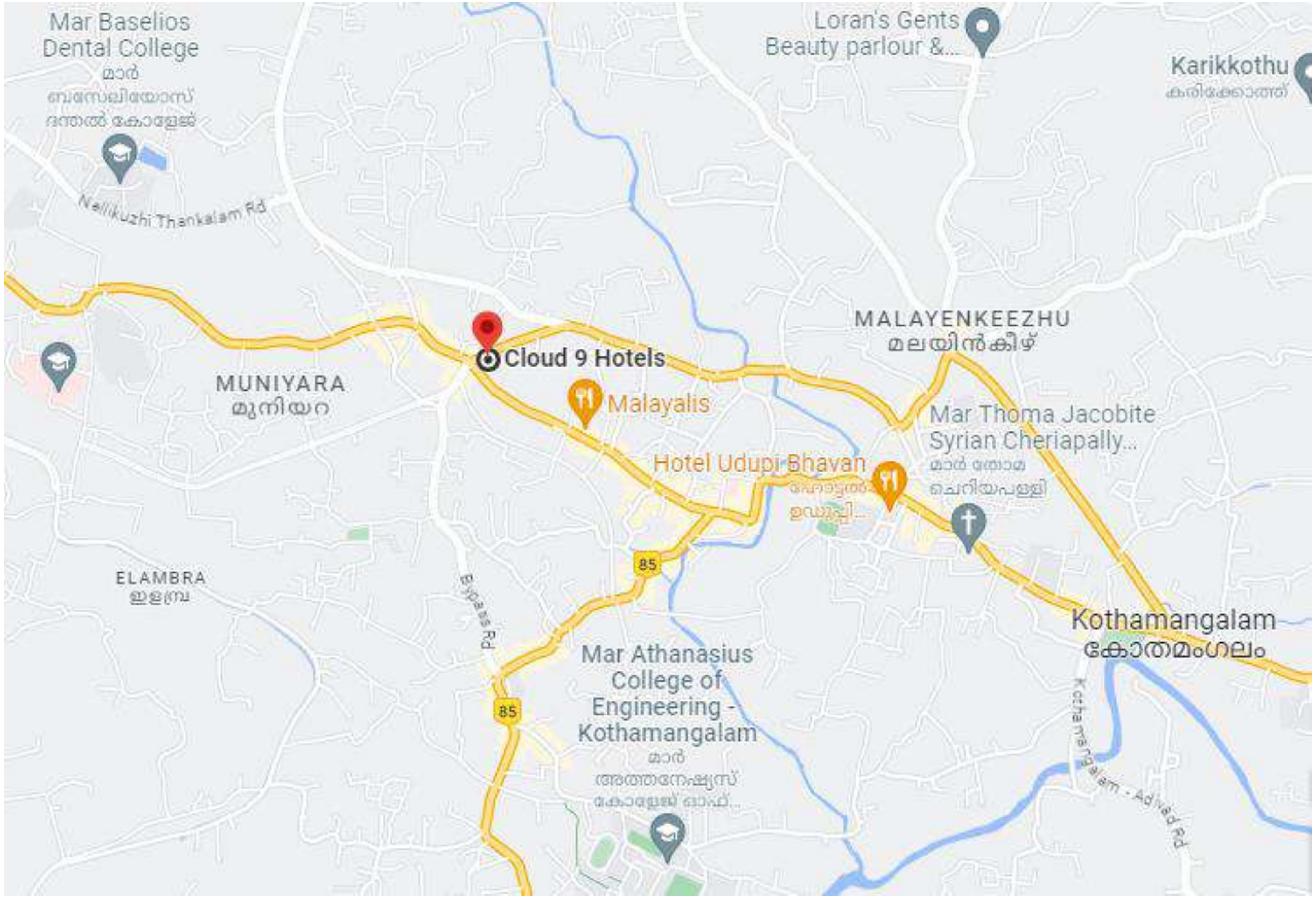
Signature of shareholder:

Affix Revenue Stamp

Signature of Proxy holder(s):

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

Route map



Mar Baselios Dental College
Nellikuzhi Thankalam Rd
Loran's Gents Beauty parlour &...
Karikkothu
MALAYENKEEZHU
മലയിൻകീഴ്
Cloud 9 Hotels
Malayalis
MUNIYARA
മുനിയറ
Mar Thoma Jacobite Syrian Cheriapally...
Hotel Udupi Bhavan
ELAMBRA
Bypass Rd
85
85
Mar Athanasius College of Engineering - Kothamangalam
Kothamangalam
കോതമംഗലം
Kothamangalam - Adivad Rd