

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024
[Pursuant to section 204(1) of the Companies Act, 2013 and
Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
CapFloat Financial Services Private Limited
CIN: U65993KA1993PTC074590

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **CapFloat Financial Services Private Limited** (hereinafter called the “**Company**”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Auditor’s Responsibility:

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by the Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering from 1st April, 2023 to 31st March, 2024 (hereinafter called the “**Audit Period**”) complied with the statutory provisions listed hereunder and also the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31st March, 2024 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- ii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iii. Foreign Exchange Management Act, 1999 and the rules and the regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

The Company is a Non - Banking Financial Company, NBFC-ND-SI-Type-II registered with the Reserve Bank of India (RBI).



As confirmed and certified by the management, following laws are specifically applicable to the Company based on the Sector(s) / Business(es):

- Reserve Bank of India Act, 1934 and rules, regulations and directions issued by RBI, from time to time.

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

- Secretarial Standards issued by the Institute of Company Secretaries of India.

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

1. *ROC/ MCA forms were file within prescribed time, except few forms which were delayed and filed with additional fees.*

We further report that:

- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- (ii) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent as per Articles of the Association of the Company (except when meetings were convened at shorter notice for which necessary approvals were obtained as per the applicable provisions), and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meetings.
- (iii) All decisions at Board Meetings and Committee Meetings were carried out unanimously or requisite majority as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

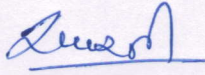
We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has the following specific-events :

- i. Allotment of Secured Non-Convertible Debentures: Rs. 319.85 Crore on Private Placement Basis.
- ii. Allotment of Unsecured Non-Convertible Debentures : Rs. 14 Crore on Private Placement Basis.
- iii. Issued Commercial Papers amounting to Rs. 77.3 Crore from time to time and complied with the rules and regulations under various Acts.
- iv. Details of Secured Loans taken by the Company: Rs. 608.61 Crore.



- v. Major decisions taken by the members at the EGM held on Thursday, 7th March, 2024 :
- a) Approved the overall Borrowing limit under Section 180(1)(c) for FY 2024-25 of Rs.1500 Crore which may exceed aggregate of paid-up capital, free reserves and securities premium.
 - b) Approved the limit of Rs. 400 Crores for FY 2024-25 under Section 42, 71 for issuing/offer/allotment of secured/ unsecured/ redeemable non-convertible debenture on private placement basis within the overall borrowing limit of Rs. 1,500 Crores for FY 2024-25.

Place: Mumbai Date: 23 rd September, 2024 UDIN: A015976F001283101	For Arti Dattaram & Associates Practicing Company Secretary  Arti D Shinde Proprietor ACS No.:15976 / C.P. No. 23645 PR : 4531/2023
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This report is to be read with my letter of even date which is annexed and forms an integral part of this report.

Annexure to Secretarial Audit Report

To
The Members,
CapFloat Financial Services Private Limited
CIN: U65993KA1993PTC074590

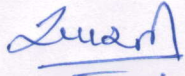
Our secretarial audit report for the year ended 31st March 2024 of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for my opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.



5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Arti Dattaram & Associates
Practicing Company Secretary**



Arti D Shinde
Proprietor
ACS No.15976
C.P. No. 23645



Place : Mumbai

Date : 23rd September, 2024