

2023

CREDIT WISE CAPITAL PRIVATE LIMITED

BOARD REPORT FOR THE FINANCIAL YEAR 2022-23



Board of Directors

Mr. Aalesh Avlani

Mr. Arvind Mokashi

Mr. Gurpreet Singh Sodhi

Appointed w.e.f. 28th November 2022)

Ms. Soumya Jain

Mr. Nathmal Jain

Company Secretary

Mr. Aakash Hange

Statutory Auditors

M/s Shaparia Mehta & Associates LLP

804A, 8th Floor, Naman

Midtown, Elphinston Road,

013, Senapati Bapat Marg,

Mumbai- 400013

Bankers

State Bank of India

Au Small Finance Bank

Registered Office

C 46-48, 4th Floor, Paragon Centre

Pandurang Budhkar Marg, Worli

Mumbai- 400013

CIN: U65999MH2018PTC306086

RBI Registration No. N-13.02296

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To,

**The Members,
Credit Wise Capital Private Limited
Mumbai.**

Your Board of Directors ("The Board") takes pleasure in presenting the Fifth (5th) Annual report of the Credit Wise Capital Private Limited ("The Company") together with Audited Financial Statements for the year ended 31st March 2023.

1. Financial Results of the Company:

The financial results for the year ended March 31, 2023, with comparative figures for the previous year are given below:

<i>PARTICULARS</i>	<i>31st March 2023</i>	<i>31st March 2022</i>
<i>Income from Activities</i>	63,29,23,933	27,19,41,654
<i>Other Income</i>	95,44,121	22,15,371
Total Revenue	64,24,68,054	27,41,57,026
<i>Less: Total Expenditure</i>	62,61,31,184	25,96,83,550
Profit / Loss Before Exceptional Items, Extraordinary Items and Tax	1,63,36,870	1,44,73,476
<i>Exceptional Item</i>	-	-
<i>Extraordinary Item</i>	-	-
Profit / (Loss) Before Tax	1,63,36,870	1,44,73,476
<i>Less: Current Tax</i>	13,12,247	25,78,839
<i>Less: Deferred tax</i>	9,29,178	15,01,830
<i>Add: Previous Year Taxes</i>	13,11,557	-
Profit / (Loss) from continuing Operation	1,54,07,002	1,03,92,807
<i>Profit / (Loss) from discontinuing operation (after tax)</i>	-	-
Profit/(Loss) for the year	1,54,07,002	1,03,92,807
Earning Per Share (Basic/ Diluted)	0.22/0.22	0.19/0.16
Face Value per Equity Share	10	10

2. Operations and Future Outlook and State of Company's Affairs and Change in nature of business if any:

(a) Revenue and Profits

During the year under review, the Company has earned a total revenue of **Rs. 63,29,23,933/-** (Rupees Sixty-Three Crore Twenty-Nine Lakhs Twenty-Three Thousand Nine Hundred and Thirty-Three only) and earned a Net profit of **Rs. 1,54,07,002/-** (Rupees One Crore Fifty-Four Lakhs Seven Thousand and Two Only), as against a Net Profit of **Rs. 1,03,92,807/-** (Rupees One Crore Three Lakhs Ninety-Two Thousand Eight Hundred and Seven Only) in Financial Year 2021-22.

(b) Review of Business Performance of the Company

- i) The Company is registered as NBFC with Reserve Bank of India. Further, the Company continues to remain a non-Deposit taking NBFC and has also passed a Board Resolution for the same in the Financial Year 2022-23. Further, the Company has adopted Fair Practice Code as per the RBI Master Directions **RBI/DNBR/2016-17/44 Master Direction DNBR.PD.007/ 03.10.119/ 2016-17**
- ii) **The Company has complied with the RBI regulation by continuing to be registered itself with the following 4 CIC's:**
- (i) Equifax
 - (ii) CRIF Highmark Credit Information Services Private Limited
 - (iii) Transunion (CIBIL)
 - (iv) Experian Credit Information Co. of India Private Limited

(c) Change in Nature of Business if any.

There was no change in the business of the Company during the Financial Year 2022-23.

3. Share Capital of the Company:

A) Authorised Share Capital

- i) The Authorized capital of the company as on 31st March 2023 is as below.

Particulars	No of shares	Nominal Amount
Equity Shares Face Value of Rs. 10/-each	7,86,19,183	78,61,91,830
Preference Shares Face Value of RS.10/- each	13,80,817	1,38,08,170
Total	8,00,00,000	80,00,00,000

B) During the Financial year under review

The Company vide its Board Meeting held on 28th June 2022 issued and allotted 57,836 Equity of Rs.10 each at Premium of Rs. 57.44 per share pursuant to Section 62 (1) (a) (iii) of the Companies Act, 2013.

The issued, paid-up, and subscribed share capital of the Company as on 31.03.2023 is as follows:

Particulars	No of shares	Nominal Amount
Equity Shares Face Value of Rs. 10/-each	7,09,10,833	70,91,08,330
Preference Shares Face Value of RS.10/-each	0	0
Total	7,09,10,833	70,91,08,330

4. Declaration of Dividend and Transfer to Reserves

During the Financial Year under review, the Board has not declared any Interim Dividend. The Board does not recommend any Final Dividend for the Financial Year 2022-23, with a view to strengthening the financial position of the Company.

The Board does not recommend any transfer of amount to the Reserves of the Company.

5. Change in Constitutional Documents

During the year under review, Memorandum of Association was amended to incorporate Corporate Insurance agency business in main object clause on 18th January 2023.

6. Material Changes and commitments, if any, affecting the Financial Position of the Company which have occurred between the end of the Financial Year to the date of this Report:

There are no material changes or commitments affecting the Financial Position of the Company which have occurred between the end of the Financial Year to the date of this Report.

7. Composition of Board of Directors & Key Managerial Personnel

A) Cessation of Directors:

During the year under review:

No director resigned from directorship during the financial year.

B) Appointment of Directors:

During the year under review:

- i) Mr. Gurpreet Singh Sodhi (DIN: 09791527) was appointed as an Additional Executive Director on 28th November 2022.

C) Composition of Board

1. Mr. Aalesh Avlani (DIN: 08570278) Director
2. Mr. Arvind Mokashi (DIN: 09305967)Independent Director
3. Mr. Gurpreet Singh Sodhi (DIN: 09791527).....Director
4. Ms. Soumya Jain (DIN: 07589872) Director
5. Mr. Nathmal Jain (DIN: 02183886) Director

D) Declaration from Independent Directors

The Company has received declaration from Mr. Arvind Mokashi, Independent Director of the Company, confirming that he met the criteria of independence as stipulated in Section 149(6) of the Act read with rules framed thereunder.

E) Disqualification of Directors

The Company has received declarations from all the Directors including Independent Director of the Company confirming that they are not disqualified on account of non-compliance with any of the provisions of the Act and as stipulated in Section 164 of the Act.

F) Declaration of Fit & Proper Criteria

All the Directors of the Company have given the declaration to the effect that they are Fit & Proper, to be appointed as Director, as per the Criteria prescribed by RBI.

G) Key Managerial Personnel (KMP)

During the year under review, there was no change in Key Managerial Personnel of the Company.

8. Committees of the Board:

The company has constituted committee Risk Committee & Asset-Liability Management Committee pursuant RBI guidelines applicable to the company.

The attendance of the Board of Directors in these Meetings is as follows

Risk Committee				
Sr No.	Date of Meeting	Aalesh Avlani	Gurpreet Singh Sodhi	Bhavik Davda
1	01-10-2022	Yes	Yes	Yes
2	03-01-2023	Yes	Yes	Yes

Asset & Liability Management Committee				
Sr No.	Date of Meeting	Aalesh Avlani	Gurpreet Singh Sodhi	Bhavik Davda
1	01-10-2022	Yes	Yes	Yes
2	03-01-2023	Yes	Yes	Yes

9. Details of Board Meetings during the year

The Board met fourteen (14) times during the Financial Year 2022-23. The intervening gap between two board meetings was within the period prescribed under Act. The attendance of the Board of Directors in these Meetings are as follows:

Sr No	Date of Meeting	Aalesh Avlani	Arvind Mokashi	Gurpreet Singh Sodhi	Soumya Jain	Nathmal Jain
1	17-06-2022	Yes	Yes	NA	Yes	No
2	28-06-2022	Yes	Yes	NA	Yes	Yes
3	28-07-2022	Yes	Yes	NA	Yes	Yes
4	27-08-2022	Yes	Yes	NA	Yes	Yes
5	21-09-2022	Yes	Yes	NA	No	Yes
6	26-09-2022	Yes	Yes	NA	Yes	Yes
7	28-11-2022	Yes	Yes	NA	No	No
8	11-01-2023	Yes	Yes	Yes	No	No
9	27-02-2023	Yes	Yes	Yes	No	No
10	15-03-2023	Yes	Yes	Yes	No	No
11	20-03-2023	Yes	Yes	Yes	No	No
12	28-03-2023	Yes	Yes	Yes	No	No
13	30-03-2023	Yes	Yes	Yes	No	No
14	31-03-2023	Yes	Yes	Yes	No	No

10. Compliance with the provisions of Secretarial Standards issued by ICSI

The Board of Directors hereby declare the compliance of the provisions of Secretarial Standards-1 ("Board Meetings") and Secretarial Standards - 2 ("General Meetings") issued by ICSI and notified by

the MCA U/s 118(10) of the Companies Act, 2013, for all the Board and General Meetings of the Company held during the Financial Year 2022-23.

11. Directors Responsibility Statement

The Directors hereby state that:

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (b) the directors have 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.
- (c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (d) The directors had prepared the annual accounts on a going concern basis; and
- (e) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

12. Details of Holding Company/ Subsidiary Company

The Company has no Holding or Subsidiary Company as on the Financial Year ended 31st March 2023.

13. Web Link of Annual Return, If Any.

Pursuant to provision of Section 92 of the Companies Act, 2013, the Annual Return of the company for the financial year ended 31st March, 2023 has been uploaded on the website of the Company - www.creditwisecapital.com . Link of the same is given below:
<https://creditwisecapital.com/legal-and-corporate/>

14. Related Party Transactions undertaken during the Financial Year:

The Company undertakes all Related Party Transactions in ordinary course of business and at an arms' length basis. All transactions above the prescribed limits U/s 188 of the Companies Act, 2013, and which are not in an ordinary course of business or at an arm's length basis, are approved by the Board of Directors and Shareholders, if required respectively. The details of Related Party Transactions during the Financial Year 2022-23 are attached as **Annexure - II** to this Report.

15. Corporate Social Responsibility.

The provisions of Corporate Social Responsibility U/s 135 of the Companies Act, 2013 are not applicable to the Company, since the Company does not meet the criteria specified U/s 135(1) of the Companies Act, 2013.

16. Particulars of Loans, Investments and Guarantees undertaken by the Company.

The Company has complied with the provision of section 186 of the Companies Act, 2013, to the extent applicable to the Company.

17. Details of conservation of energy, absorption of technology and foreign exchange earnings and outflow.

a) Conservation of Energy:

The Company is undertaking all necessary steps in energy conservation.

b) Absorption of Technology:

The Company is undertaking adequate steps in technology upgradation and to enhance the usage of advanced technology for its products and activities in order to establish a competitive position in the industry.

c) Foreign Exchange Earning and Outflow:

	In (₹)	
	2022-23	2021-22
Foreign Exchange Inflows	NIL	NIL
Foreign Exchange outflows	NIL	NIL

18. Statutory Auditors:

During the financial year, M/s Shaparia Mehta & Associates LLP, Chartered Accountants Mumbai (Firm Registration No. 0112350W/W-100051) continued to be the Statutory Auditor

19. Fraud Reports by Auditors

During the year under review statutory auditor has not reported any instances of frauds committed in the company by its officer or employee Board of Directors under section 143 of the Act, details of which need to be mentioned in this report.

20. Comments/ Observations in Statutory Auditors Report.

The comments/observations in the Statutory Auditors Report are self-explanatory. There are no comments/ observations in the Statutory Auditors Report requiring clarifications or reply from the Board of Directors.

21. Risk Management Policy

The Company is exposed to various risk such as pandemic risk, credit risk, economic risk, interest risk, liquidity risk, technology risk, operational risk etc. The Company has formulated a Risk Management Policy encompassing all the major risks and possible threats to the Company and the means and ways to manage the same and undertakes necessary steps to implement the same. There are no major risks, in the opinion of the Board, that are threatening the risks of the Company.

22. Internal Financial Controls

The Company has systems in place to ensure due compliance with the requirements of the Internal Financial Controls as mandated by the Companies Act, 2013 in respect of the Financial Statements of the Company for the Financial Year 2022-23.

23. Disclosure on Employees

There are no employees drawing remuneration more than Rs. 8,50,000 per month or Rs. 1,02,00,000 per annum. The details of the remuneration paid to the Directors are stated in the Annual Return of the Company.

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

In terms of circulars(s) and direction(s) on KYC norms and AML measures issued by RBI including Know Your Customer (KYC) Direction, 2016, The Prevention of Money Laundering Act, 2002 and rules made thereunder and as amended from time to time, the Board of Directors has adopted KYC & AML Policy with an objective to prevent NBFC being used, intentionally or unintentionally by criminal elements for money laundering activities by way of making reasonable efforts to determine the identity and beneficial ownership of accounts, sources of funds, the nature of customers business to determine the identity and beneficial ownership of accounts, source of fund, the nature of customers business, the reasonableness of operations in the accounts in relation to the customers business, etc. which in turn helps the company to manage its risk prudently.

25. Disclosure Under the Sexual Harassment of Women at Workplace (Prevention, Prohibition, Redressal) Act, 2011

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

There were no complaints received by the Company under The Sexual Harassment of Women at Workplace (Prevention, Prohibition, Redressal) Act, 2011 during the year under review.

26. Details of Significant and Material Orders passed by the regulators or Courts or Tribunals impacting the going concern status and the company's operations in the future.

There were no significant or material orders passed by any Courts or Regulators or Tribunals during the Financial Year 2022-23 that, in the opinion of the Board, have an impact on the going concern status and the operations of the Company in the future.

27. Corporate Insolvency Resolution Process initiated under the Insolvency and Bankruptcy Code, 2016(IBC)

During the year under review, no application was filed against company by any financial or operational creditor.

28. Cost Record

The company is not required to maintain cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

29. Capital Adequacy Ratio

Your Company is well capitalized and has a capital adequacy ratio of 24.30% as of 31st March 2023 as against the minimum regulatory requirements of 15% for non-deposit accepting NBFC's.

30. Post Balance sheet date transaction:

The Company has entered into an agreement with their software service provider (Target Company, TC), the vendor involved in the development of the software modules, to acquire 80% of their shares. Further the Company has decided to sell piecemeal its modules of intangible asset under development to the TC. Consequently, certain modules have been earmarked under "Intangible Assets under development" as assets held for sale. The modules will be sold as they are developed and completed in the coming years.

31. Other Disclosures

(a) Details of difference between amount of valuation done at the time of one time settlement and valuation done while taking loan from the bank and financial institution along with reason thereof:

During the year under review there has been no one time settlement of loans taken from bank and financial institution.

(b) Deposits

The Company has not accepted any Deposits within the definition of "Deposits" under the Companies Act, 2013, thereby requiring further disclosures in the Report.

(c) Employee Stock Options Issued During the Year

The Members had approved the "CREDIT WISE CAPITAL PRIVATE LIMITED - Employee Stock Option Plan 2021" in the Extraordinary General Meeting held on 24th March 2021 and "CREDIT WISE CAPITAL PRIVATE LIMITED - Employee Stock Option Plan 2022" in the Extraordinary General Meeting held on 18th February 2022 the same is still in force. The Board of Directors of the company administers and monitors Employee stock option scheme of the company in accordance with applicable law.

The details of Employee stock option scheme as per Rule 12(1) of the Companies (Share Capital & Debenture) Rules, 2014 are as follows.

Particulars	31 st March 2021 (Scheme 1)	31 st March 2022 (Scheme 2)
(a) options granted; 1) Opening (after deducting lapsed option) 2) Granted during the year	4,40,000 337500	0 30000
(b) options vested	126900	Nil
(c) options exercised	Nil	Nil
(d) the total number of shares arising as a result of exercise of option	Nil	Nil
(e) options lapsed	17000	Nil
(f) the exercise price	INR 10	INR 10
(g) variation of terms of options	Nil	Nil
(h) money realized by exercise of options	Nil	Nil
(i) total number of options in force	760500	30000
(j) employee wise details of options granted to		
(i) key managerial personnel	-	
(ii) any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year	Harshal Patni Bhavik Davda Jaising Walunj Rahul Jangid Pankaj Joshi Rajesh R Niraj Umrania Vikas Mane Vinit Ojha	Rahul Jangid
(iii) identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	Nil	Nil

(d) Sweat Equity Shares issued during the Year

The Company has not issued any Sweat Equity Shares during the Financial Year under review.

(e) Details of Frauds reported by the Statutory Auditors U/s 143 (12) of the Companies Act, 2013 during the Financial Year.

There are no frauds reported by the Statutory Auditors, requiring intimation U/s 143(12) of the Companies Act, 2013, for the Company.

(f) Loan from Director:

During the year company was in receipt of unsecured loan from below mentioned director in the capacity of director under the declaration that the loan is out of owned fund and not from borrowed fund. This loan is not considered as the "deposit" under the Companies Act, 2013.

- Mr. Aalesh Avlani (Rs 5, 70,00,000)

32. RBI Guidelines:

Your Company is Non-Deposit Taking Non-Systemically Important Non-Banking Financial Company and has complied with and continue to comply with all applicable regulations and directions issued by RBI from time to time.

33. Acknowledgments:

The Board of Directors would like to place on record its gratitude to the Employees, Shareholders, Consultants, Statutory Auditors, Bankers, Government of India and all its Stakeholders for their support and co-operation during the Financial Year under review.

For, CREDIT WISE CAPITAL PRIVATE LIMITED



Aalesh Avlani
DIN: 08570278



Soumya Jain
DIN: 07589872

Date: 26/09/20223
Place: Mumbai

Annexure I: Form AOC-2

ANNEXURE-I

Form No. AOC-2 for the Financial Year 2022-23

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain Arm's Length Transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

(a)	Names of the related party and nature of relationship	NA
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts / arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions	
(f)	Date of approval by the Board	
(g)	Amount paid as advances if any	
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

2. Details of material contracts or arrangement or transactions at arm's length basis

(a)	Name(s) of the related party	NA
(b)	Nature of relationship	NA
(c)	Nature of contracts/arrangements/transactions	NA
(d)	Duration of the contracts / arrangements/transactions - Varies with the nature of the contract/arrangement/transaction	NA
(e)	Salient terms of the contracts or arrangements or transactions including the value if any	NA
(f)	Date(s) of approval by the Board	NA
(g)	Amount paid as advances	NA

For and on behalf of the Board of Directors,
Credit Wise Capital Private Limited



Aalesh Avlani
DIN: 08570278



Soumya Jain
DIN: 07589872

Date: 26/09/2023
Place: Mumbai