

# CANOPY FINANCE LIMITED

CIN: L65910MH1981PLC380399

Registered Office: 301 Corporate Arena Off, Aarey Piramal X Road, Behind Mahindra Gardens,  
Goregaon West, Mumbai-400062

Ph: 9867309169/022-67585876  
Website: [www.canopyfinance.org](http://www.canopyfinance.org)  
Email Id: [info@canopyfinance.org](mailto:info@canopyfinance.org)

Date: 20.06.2023

To,  
The Department of Corporate Services,  
BSE Limited,  
P.J. Tower, Dalal Street,  
Mumbai-400001  
Scrip Code - 539304

To,  
The Secretary  
The Calcutta Stock Exchange Limited  
7, Lyons Range,  
Kolkata-700001  
Scrip code: 21114

Respected Sir/Madam,

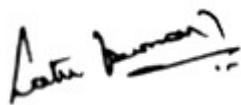
**Subject: Submission of Annual Report for the financial year 2022-23**

In compliance with Securities Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, we hereby submit the Annual Report for the financial year 2022-23 which shall be duly approved and adopted by the shareholders of the Company as per the provisions of the Companies Act 2013 at the Annual General Meeting to be held on 14<sup>th</sup> July, 2023.

Please take the same on your record and acknowledge the receipt of the same.

This is for your information and records.

Yours faithfully,  
For Canopy Finance Limited



Lalit Kumar Tapadia  
Managing Director  
DIN- 08117881

Lalit  
Kumar  
Tapadia

Digitally signed  
by Lalit Kumar  
Tapadia  
Date: 2023.06.20  
13:21:05 +05'30'



# CANOPY FINANCE LIMITED

ANNUAL REPORT 2022-23

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# COMPANY INFORMATION

BSE Scrip Id	CANOPYFIN
BSE Scrip Code	539304
CSE Scrip Code	021114
CIN	L65910MH1981PLC380399
<b><u>BOARD OF DIRECTORS</u></b>	
Lalit Kumar Tapadia	Managing Director
Varun Newatia	Executive Director
Manisha Agarwal	Non-Executive Independent Director
Aneish Kumaran Kumar	Non-Executive Independent Director
Suresh Salian	Non-Executive Independent Director
<b><u>KEY MANAGERIAL PERSONNEL</u></b>	
Lalit Kumar Tapadia	Managing Director
Varun Newatia	Chief Financial Officer
Prity Bishwakarma	Company Secretary & Compliance Officer

# COMPANY INFORMATION

## OTHER COMMITTEES OF THE COMPANY

### Composition of Audit Committee

Mrs. Manisha Agarwal	Chairperson
Mr. Varun Newatia	Member
Mr. Aneish Kumaran Kumar	Member

### Composition of Nomination & Remuneration Committee

Mrs. Manisha Agarwal	Chairperson
Mr. Suresh Salian	Member
Mr. Aneish Kumaran Kumar	Member

### Composition of Stakeholder's Relationship Committee

Mrs. Manisha Agarwal	Chairperson
Mr. Suresh Salian	Member
Mr. Aneish Kumaran Kumar	Member

# COMPANY INFORMATION

## AUDITORS

<u>Statutory Auditors</u>	<u>Secretarial Auditor</u>
M/s SDG & Co.	Mrs. Twinkle Agarwal
Chartered Accountants	Practicing Company Secretary
Office No. 603, Manish Chambers, Sonawala Road, near Udyog Bhawan Goregaon East, Mumbai-400063	4E, Prafulla Sarkar Street, 2 <sup>nd</sup> Floor, Kolkata-700072
<u>Internal Auditor</u>	
Mr. Supratim Roy Chowdhury	
Chartered Accountant	
112/1, East Road, Santoshpur, Kolkata-700075	

# COMPANY INFORMATION

▶ **Registrar & Share Transfer Agent:-**

✓ **Purva Shareregistry (India) Private Limited**

Address: Unit No. 9, Shiv Shakti Industrial Estate, Ground Floor, J. R. Boricha Marg, Lower Parel (E), Mumbai - 400 011

Website: [www.purvashare.com](http://www.purvashare.com), Email: [support@purvashare.com](mailto:support@purvashare.com), Phone: 022- 2301 6761 / 8261

▶ **Bankers:-**

✓ **HDFC Bank**

▶ **Registered Office Address/Corporate Office Address:-**

✓ **301 Corporate Arena Off, Aarey Piramal X Road, 3rd Floor, Behind Mahindra Gardens, Goregaon West Mumbai-400062**

▶ **Phone No:- 9867309169/022-67585876**

▶ **Website: [www.canopyfinance.org](http://www.canopyfinance.org)**

▶ **Email Id:- [info@canopyfinance.org](mailto:info@canopyfinance.org)**

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## NOTICE

Notice is hereby given that the 42<sup>nd</sup> Annual General Meeting (AGM) of the Members of M/s Canopy Finance Ltd ("the Company") will be held on Friday, 14<sup>th</sup> July, 2023 at 10.30 a.m. (IST) through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM") to transact the following business:

### ORDINARY BUSINESS:

**Item No. 1.** To consider and adopt the Audited Financial Statements of the Company including Balance Sheet as at 31<sup>st</sup> March, 2023, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.

**Item No. 2.** To appoint a director in place of Mr. Varun Newatia (DIN: 08071741), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-election.

### SPECIAL BUSINESS:

**Item No. 3. Re-appointment of Mr. Lalit Kumar Tapadia Managing Director of the Company:**

To consider and if thought fit, to pass, the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 149, 152, 196, 197, 203 and all other applicable provisions of the Companies Act, 2013 ("Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any amendments, modifications thereto and based on the performance evaluation, recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors at their respective Meetings held on 8<sup>th</sup> May, 2023, Mr. Lalit Kumar Tapadia (DIN: 08117881), who is eligible for re-appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Managing Director, be and is hereby re-appointed as Managing Director of the Company for a term of one year w.e.f. 21<sup>st</sup> May, 2023, who shall not be liable to retire by rotation, on such terms and conditions including remuneration, as set out in the Explanatory Statement annexed to the Notice convening ensuing Annual General Meeting, with the authority to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed between the Board and Mr. Lalit Kumar Tapadia .



**RESOLVED FURTHER THAT** the Board of Directors of the Company, be and is hereby authorized to alter, revise and amend the terms and conditions of appointment and remuneration payable to Mr. Lalit Kumar Tapadia, Managing Director, subject to the overall limits as specified in this resolution and in accordance with the applicable provisions of the Companies Act, 2013 read with Schedule V thereto.

**RESOLVED FURTHER THAT** any Directors/Company Secretary of the Company be and are hereby severally authorized to take such steps, as may be required, for obtaining necessary approvals, if any, and to settle all matters arising out of and incidental thereto and to settle any question, difficulty, doubt that may arise in respect of the matter aforesaid and further to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to the said resolution.”

**Date: 8<sup>th</sup> May, 2023**

**Place: Mumbai**

**For Canopy Finance Limited**

**Sd/-  
Prity Bishwakarma  
Company Secretary**

## Notes:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“the Act”) setting out material facts relating to the special business, is annexed hereto.
2. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) vide its General Circular nos. 14/2020 and 17/2020 dated 8<sup>th</sup> April, 2020 and 13<sup>th</sup> April, 2020 respectively, in relation to “Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made there-under on account of the threat posed by Covid-19”, General Circular no. 20/2020 dated 5<sup>th</sup> May, 2020, General Circular nos. 02/2021, 21/2021 and 02/2022 dated 13<sup>th</sup> January, 2021, 14<sup>th</sup> December, 2021 and 5<sup>th</sup> May, 2022, General Circular No. 10/2022 and 11/2022 dated 28<sup>th</sup> December, 2022 respectively in relation to “Clarification on holding of Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM)”, (collectively referred to as “MCA Circulars”) and Securities and Exchange Board of India (“SEBI”) vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May, 2020, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15<sup>th</sup> January, 2021 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13<sup>th</sup> May, 2022 (collectively referred to as “SEBI Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars, SEBI Circulars, provisions of the Companies Act, 2013 (‘Act’) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), the AGM of the Company is being held through VC/OAVM.
3. Pursuant to the provisions of the Companies Act, 2013 read with rules made there-under, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. M/s. Purva Sharegistry (India) Private Limited, having its registered office at Unit No.9, Shiv Shakti Ind. Estate, J.R. Boricha Marg, Opp. Kasturba Hospital Lane, Lower Parel (E), Mumbai, Maharashtra, 400011 is appointed as Company’s Registrar & Transfer Agents for its share registry (both, physical as well as electronic).
5. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to this Notice.
6. Corporate Shareholders (i.e., other than Individuals/HUF, NRI, etc.) intending to attend AGM through their Authorised Representatives are requested to send a scanned copy (PDF/JPG Format) of their respective Board or Governing Body Resolution/Authorization, etc. authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to [contact.c3consulting@gmail.com](mailto:contact.c3consulting@gmail.com) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

7. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
8. As per the provisions of Section 103 of the Companies Act, 2013, shareholders attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum.
9. In accordance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the Annual General Meeting along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company or Depositories. Members may note that the Notice of AGM and Annual Report 2022-23 will also be available on the Company's website [www.canopyfinance.org](http://www.canopyfinance.org), website of the BSE Ltd at [www.bseindia.com](http://www.bseindia.com), website of the Calcutta Stock Exchange Limited at [www.cse-india.com](http://www.cse-india.com) and on the website of Central Depository Services (India) Limited at [www.evotingindia.com](http://www.evotingindia.com).
10. Members are requested to notify changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, PAN, registering of nomination, etc. to the concerned Depository Participant/Registrar and Transfer Agent/Company.
11. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which the Directors are interested maintained under Section 189 of the Companies Act, 2013 shall be made available for on-line inspection at the AGM.
12. Information of Director proposed to be re-appointed at the forthcoming Annual General Meeting as required under Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard on General Meetings is provided in the annexure to this Notice.
13. The Register of Members shall remain closed from 8<sup>th</sup> July, 2023 to 14<sup>th</sup> July, 2023 (both days inclusive) for the purpose of 42<sup>nd</sup> Annual General Meeting of the Company.
14. SEBI has mandated submission of Permanent Account Number ("PAN") by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to provide their PAN details to their respective DPs with whom they are maintaining their demat accounts.

#### **Voting Through Electronic Means:**

15. Pursuant to Section 108 of the Companies Act 2013 read with Rule 20 of The Companies (Management and Administration) Rules, 2014, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an arrangement with **Central Depository Services (India) Limited** for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as Venue Voting on the date of the AGM will be provided by CDSL.

16. The Board of Directors has appointed Mrs. Twinkle Agarwal, Practicing Company Secretaries as the Scrutinizer to scrutinize the remote e-voting and e-voting at the AGM in a fair and transparent manner and she has communicated her willingness to be appointed and will be available for same purpose.
17. Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again.
18. The remote e-voting period commences on **Tuesday, 11<sup>th</sup> July, 2023 (9:00 am)** and ends on **Thursday, 13<sup>th</sup> July, 2023 (5:00 pm)**. During this period, members of the Company holding shares as on the cut-off date of Friday, 7<sup>th</sup> July, 2023, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
19. The voting rights of shareholders shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date, being 7<sup>th</sup> July, 2023. Any person, who ceases to be the Member of the Company as on the cut-off date and is in receipt of this Notice, shall treat this Notice for information purpose only.
20. Any person who become member of the Company subsequent to the dispatch of the Notice of AGM and holds the shares as on the cut-off date i.e., 7<sup>th</sup> July, 2023 may obtain the Login ID and Password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or Company/RTA. However, if you are already registered with CDSL for remote e-voting then you can use your existing User ID and Password for casting your vote. If you have forgotten your password, you may reset your password by using "Forgot User Details/Password" option available on [www.evotingindia.com](http://www.evotingindia.com).
21. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
22. The Scrutinizer, after scrutinizing e-voting at the AGM and remote e-voting, will not later than two days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company [www.canopyfinance.org](http://www.canopyfinance.org). The results shall simultaneously be communicated to the Stock Exchanges where the shares of the Company are listed.

23. The Resolution shall be deemed to be passed on the date of the AGM, subject to receipt of sufficient votes in favour of the resolutions through a compilation of remote e-voting results and voting held at the AGM.
24. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently or cast the vote again.

**INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:**

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- a) The voting period begins on **Tuesday, 11<sup>th</sup> July, 2023 (9:00 am)** and ends on **Thursday, 13<sup>th</sup> July, 2023 (5:00 pm)**. During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date Friday, 7<sup>th</sup> July, 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- b) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- c) Pursuant to **SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

**Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.**

- d) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories

and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for **Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL Depository</b>	<ol style="list-style-type: none"> <li>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a>. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b>	<ol style="list-style-type: none"> <li>1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will</li> </ol>

	<p>have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nSDL.com/">https://www.evoting.nSDL.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</p>
<p>Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b></p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
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Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

**Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.**

**e) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.**

- a. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- b. Click on “Shareholders” module.
- c. Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- d. Next enter the Image Verification as displayed and Click on Login.
- e. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- f. If you are a first-time user follow the steps given below:

	<b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>
PAN	Enter your 10digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)  Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details <b>OR</b> Date of Birth	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.  If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.



(DOB)	
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- f) After entering these details appropriately, click on “SUBMIT” tab.
- g) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- h) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- i) Click on the EVSN for the relevant <CANOPY FINANCE LIMITED> on which you choose to vote.
- j) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- k) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- l) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- m) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- n) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- o) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- p) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- q) **Additional Facility for Non - Individual Shareholders and Custodians -For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz.; [contact.c3consulting@gmail.com](mailto:contact.c3consulting@gmail.com) and [info@canopyfinance.org](mailto:info@canopyfinance.org), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at [info@canopyfinance.org](mailto:info@canopyfinance.org). The shareholders who do not wish to speak during the

AGM but have queries may send their queries in advance **7days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at [info@canopyfinance.org](mailto:info@canopyfinance.org). These queries will be replied to by the company suitably by email.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

#### **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [info@canopyfinance.org](mailto:info@canopyfinance.org).
2. For Demat shareholders - Please update your email id & mobile no. with your respective **Depository Participant (DP)**
3. **For Individual Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.**

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, Central Depository Services (India) Limited (CDSL), A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 22 55 33.

**ANNEXURE TO THE NOTICE**

**Details of Directors seeking appointment / reappointment in Annual General Meeting in pursuance of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

<b>Name of Director</b>	<b>Varun Newatia</b>	<b>Lalit Kumar Tapadia</b>
DIN	08071741	08117881
Date of birth	17.06.1986	15.03.1967
Nationality	Indian	Indian
Date of first appointment on the board	28.09.2018	21.05.2018
Qualification	He is a Commerce Graduate	He is a Chartered Accountant
Experience in functional area	He is expertise in Finance & Business Management	He has good knowledge in area of Accounts, Investment, Management and Finance and he also possesses great decision-making skills and has the ability of formulating ideas that can help the organization to grow
Relationship with other Directors	-	-
Shareholding in the Company	-	-
List of directorship held in other Listed Companies	-	Non-Executive Independent Director at Focce India Limited
Committee membership in other Listed Companies	-	He is a chairman in 3 committees
Number of Meeting attended	13	13

## **Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("The Act")**

### **Item No: 3**

Pursuant to the provisions of Section 149, 152, 196, 197, 203 of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013 and other relevant provisions and rules made thereunder, Mr. Lalit Kumar Tapadia (DIN: 08117881) was appointed as the Managing Director for a period of 5 (five) years.

Based on performance evaluation and recommendation of Nomination and Remuneration Committee and as per the provisions of Sections 149, 152, 196, 197, 203 of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013 and other relevant provisions and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Mr. Lalit Kumar Tapadia is eligible for re-appointment as a Managing Director of the Company.

The Company has received declaration from Mr. Lalit Kumar Tapadia that he is not disqualified from being reappointed as a Director in terms of Section 164 of the Act and he is not debarred by SEBI or any other regulatory authority from holding the office of Director.

The Company has received notice from a Member under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Lalit Kumar Tapadia as a Managing Director of the Company.

Mr. Lalit Kumar Tapadia, son of Purushottam Das Tapadia, is presently residing at Horizon Raviraj Oberoi Complex, New link RD, Andheri West, Mumbai-400053. He has been appointed as an Non-Executive Independent Director of Foc India Limited. He is a Chartered Accountant by profession and has good knowledge in area of Accounts, Investment, Management and Finance. He not only possesses knowledge in the field of finance but also has great decision-making skills and has the ability of formulating ideas that can help the organization to grow. He has been Managing Director in the Company for over five years and was solely responsible for framing strategies of the business and implementation therein.

The payment of remuneration has already been approved by the Nomination & Remuneration Committee at their Meeting held on 8<sup>th</sup> May, 2023 & subsequently by the Board of Directors in their Board Meeting held on the same date. Therefore, the Board proposes to seek approval of the Shareholders of the Company, approving the payment of remuneration in proportion to the profit of the Company to Mr. Lalit Kumar Tapadia as detailed here under:

- a. Salary: The Managing Director shall receive a monthly remuneration shall be within the limits as prescribed under Schedule V of the Companies Act, 2013. The amount of remuneration may vary from time to time as per understanding between the Managing Director and the Board.
- b. Perquisite: For such amount as may be decided by the Board of Directors.

### **Duties and Powers:**

- a. The Managing Director shall devote his whole time and attention to the business of the Company and perform such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of any one or more of its associated companies and/ or subsidiaries, including performing duties as assigned to the Managing Director by the

Board from time to time by serving on the boards of such associated companies and/ or subsidiaries or any other executive body or any committee of such a company.

- b. The Managing Director shall not exceed the powers so delegated by the Board pursuant to clause (a) above.
- c. The Managing Director undertakes to employ the best of his skill and ability and to make him utmost endeavors to promote the interests and welfare of the Company and to conform to and comply with the policies and regulations of the Company and all such orders and directions as may be given to him from time to time by the Board.

**Other Terms and conditions:**

- a. The Managing Director shall not be liable to retire by rotation.
- b. This Agreement is subject to termination by either party giving to the other party one (1) month notice in writing at the party's address given above or by making a payment of equivalent salary in lieu thereof.
- c. The Company may terminate this Agreement forthwith by notice in writing to Mr. Lalit Kumar Tapadia if he shall become bankrupt or make any composition or arrangement with his creditors or if he shall cease to be a Director or shall commit a breach of any of the terms, conditions and stipulations herein contained and, on his part, to be observed and performed.
- d. Mr. Lalit Kumar Tapadia shall during his term, abide by the provisions of the Company's Code of Conduct and the core policies in spirit and in letter and commit to assure its implementation.
- e. This agreement is subject to the jurisdiction of the Courts of Maharashtra. The aforesaid information may be treated as an abstract of terms under the provisions of the Companies Act, 2013. The specified information while seeking approval/ consent of the Shareholders as required under Schedule V is listed out herein below:
  - In compliance with the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Act, read with Schedule V thereto, the terms of appointment and remuneration specified above are now being placed before the Members for their approval.
  - Except Mr. Lalit Kumar Tapadia (the appointee), none of the other Directors or key managerial personnel of the Company or their relatives are concerned or interested, financially or otherwise in this Resolution.
  - The above may be treated as a written memorandum setting out the terms of appointment of Mr. Lalit Kumar Tapadia under Section 190 of the Act.

The Board considers that his continued association would be of immense benefit to the Company.

Accordingly, the Board recommends the re-appointment of Mr. Lalit Kumar Tapadia as a Managing Director for a period of 1 (one) year w.e.f. 21<sup>st</sup> May, 2023, for approval of the Members of the Company by way of Special Resolution.

The Board recommends the resolution set out at Item No 3 of the accompanying Notice for your approval as Special Resolution.

**Date: 8<sup>th</sup> May, 2023**

**Place: Mumbai**

**For Canopy Finance Limited**

**Sd/-**

**Prity Bishwakarma**

**Company Secretary**

**Director's Report**  
**for the Financial Year 2022-23**

Dear Members,

The Board of Directors hereby submits the 42<sup>nd</sup> Annual Report of the business and operations of Canopy Finance Limited ("the Company") together with the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2023.

**1. Financial Performance of the Company**

The summarized audited financial performance of the Company is as follows:

**Amount (Rs in '000')**

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Revenue from Operations	10,003	34,894
Expenses	5,154	29,189
<b>Profit before Tax &amp; Provision</b>	<b>4,849</b>	<b>5,706</b>
Less: Provision for Tax	461	-
Less: Deferred Tax	(315)	615
Less: Provision for Standard Assets	55	(4)
<b>Profit After Tax</b>	<b>4,649</b>	<b>5,095</b>
Transfer to Statutory NBFC Reserve Fund	930	1,019
<b>Profit for the period</b>	<b>3,719</b>	<b>4,076</b>
<b>Basic/ Diluted Earnings Per Share</b>	<b>0.35</b>	<b>0.44</b>

**2. Dividend**

The Board has not recommended dividend for the Financial Year.

The provisions of Section 125(5) of the Companies Act, 2013 regarding transfer of Unclaimed Dividend to Investor Education and Protection Fund do not apply on the company as no dividend has been declared during the year.

**3. General Reserve**

The Company during the year under review has transferred Rs. 9,30,000 to Special Reserve as per applicable regulation for NBFCs, prescribed by the Reserve Bank of India Act, 1934.

**4. NBFC Company**

The Company is engaged in the Business of Non-Banking Financial Institution and it has obtained a certificate of Registration from the Reserve Bank of India. The Company has not accepted any deposit from the public. Being an NBFC company the Company continues to comply with all the rules, regulations and the guidelines issued by RBI and applicable on NBFC - Non-Deposit Accepting.



**5. Change in the nature of business, if any**

The Company has not changed its nature of business during the year.

**6. Public Deposits**

The Company being an NBFC - non deposit taking Company, the provisions relating to Chapter V of the Companies Act, 2013 i.e., acceptance of deposit, are not applicable to the Company and that the Company has not accepted any deposits from the public within the meaning of the provisions of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016.

**7. Operations and State of Company's Affairs**

The Company being a Non-Banking Financial Company (NBFC) is currently engaged in the financial activities. The business of the Company largely depends on the policies by the Reserve Bank of India, Ministry of Finance as well as Global volatility in the financial market.

Particulars	Amount (Rs in '000')
Revenue	10,003
Expenditure	5,154
Profit/Loss before Tax	4,849

**8. Material Changes and Commitments affecting the Financial Position of the Company**

No material changes and commitments which can affect the financial position of the Company occurred between the end of the financial year of the company and the date of this report.

**9. Significant and Material Orders Passed by the Regulators or Courts or Tribunals**

The Company is not subject to any legal proceedings or claims and no significant and material order has been passed by the regulators, courts, tribunals which will have a material or adverse effect on the going concern status or company's operations or financial conditions.

**10. Internal Financial Control**

The Company has in place adequate internal financial control with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was noticed. The details in respect of Internal Financial Control Systems and their Adequacy are included in the Management Discussion and Analysis which form part of this report.

**11. Details of Subsidiary/Joint Ventures/Associate Companies**

The Company does not have any Subsidiary, Joint venture or Associate Company. Hence, statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014 under Form AOC-1, is not applicable to the Company.

**12. Declaration by Independent Directors**

Independent Directors of the Company have confirmed that they meets the criteria of independence as laid down in sub-section (6) of Section 149 of the Companies Act, 2013 and clause (b) of sub-regulation (1)

of regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. The Board of Directors have taken on record the declaration and confirmation submitted by the independent directors after undertaking due assessment of the veracity of the same.

### **13. Familiarization Programme for Independent Directors**

In terms of Reg. 25(7) of the SEBI (LODR) Regulations, 2015 the Company has conducted the Familiarization Programme for Independent Directors (IDs) to familiarize them about their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various initiatives. Details of program for familiarization of independent directors of the company are accessible on your company website.

### **14. Independent Directors' Meeting**

During the year under review, Independent Directors met on 10<sup>th</sup> February, 2023, inter-alia, to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board as whole.
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
- Evaluation of the quality, quantity, content and timeliness of flow of information between the management and the Board.

### **15. Annual Return**

In accordance with Section 92(3) and 134(3)(a) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Annual Return as on 31<sup>st</sup> March, 2023 is available on the Company's website [www.canopyfinance.org](http://www.canopyfinance.org).

### **16. Share Capital**

The Authorized Share Capital of your Company is Rs. 15,00,00,000/- divided into 1,50,00,000 Equity Shares of face value of Rs. 10/- each.

The Issued, Subscribed and Paid-up Share Capital of your Company as on 31<sup>st</sup> March, 2023 is Rs. 10,59,30,010/- divided into 1,05,93,001 Equity Shares of face value of Rs. 10/- each.

#### Issue of equity shares with differential rights

The Company has not issued any of its securities with differential rights during the year under review.

#### Buy Back of Securities

The Company has not bought back any of its securities during the year under review.

#### Sweat Equity, Bonus Shares & Employee Stock Option Plan

The Company has neither issued sweat equity or bonus shares nor has provided any stock option scheme to the employees.

### Preferential Issue of Securities

The Company vide resolution dated 29<sup>th</sup> August, 2022 allotted 13,00,001 equity shares (F.V Rs 10/-) at a premium of Rs 20/- per share to Strategic Investors being Non-Promoters on Preferential Allotment basis. The Company has duly complied with section 42 and 62 of the Companies Act, 2013. Money was raised with an object to meet the long-term funding requirements of the Company including but not limited to working capital requirement, lending activities and for general corporate purposes in order to support the future growth plan of the Company.

Amount of fund raised- Rs. 3.900 crores

Amount of fund utilized- Rs. 3.888 crores

### **17. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**

Business activities of the Company being financial in nature, no energy is used or technology absorbed by the Company for conducting its business. The Company does not have entered into any Foreign Exchange transactions during the financial year under review.

### **18. Corporate Social Responsibility (CSR)**

In terms of Section 135 of the Companies Act, 2013, the provisions relating to Corporate Social Responsibility is not applicable to the Company as the Company does not have net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year.

### **19. Changes in Directors and Key Managerial Personnel**

Your Company's Board is duly constituted in compliance with the requirement of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

During the financial year under review following changes in Directors were as follows:

- a) Mr. Bipinchandra Shivnarayan Kabra, Non- Executive Independent Director of the Company, resigned his office with effect from 13<sup>th</sup> May, 2022 due to preoccupation in other activities and inability to devote time.
- b) Mr. Aneish Kumaran Kumar was appointed with effect from 25<sup>th</sup> May, 2022 by the Board of the Directors as Additional Non- Executive Independent Director of the Company. His appointment was regularized at the Annual General Meeting held on 30<sup>th</sup> September, 2022.
- c) Mrs. Khushboo Vasudev, Non- Executive Independent Director of the Company, resigned her office with effect from 5<sup>th</sup> September, 2022 due to relocation from Mumbai.
- d) Mr. Suresh Salian was appointed as Additional Non- Executive Independent Director with effect from 9<sup>th</sup> November, 2022 by the Board of the Directors of the Company. His appointment was regularized by the Shareholders through passing Special Resolution via postal ballot dated 4<sup>th</sup> February, 2023.
- e) Mrs. Priyanka Agarwal, Company Secretary and Compliance Officer of the Company resigned with effect from 3<sup>rd</sup> January, 2023 due to personal reasons, and

- f) Ms. Prity Bishwakarma was appointed as a Company Secretary & Compliance Officer of the Company with effect from 27<sup>th</sup> March, 2023.

## **20. Annual Performance Evaluation of the Directors**

In compliance with the Schedule IV of the Companies Act 2013 and regulation 25(3) of SEBI(Listing Obligations and Disclosure Requirements), 2015, a meeting of the Independent Directors of the Company was held on 10<sup>th</sup> February, 2023 to review and evaluate the performance of the Non- Independent Directors and the Chairman of the Company taking into account the views of the Executive Directors and Non- Executive Directors, assessing the quality, quantity and timeliness of flow of information between the Company's management and the Board and also to review the overall performance of the Board.

Further the same was discussed in the Board meeting that followed the meeting of the Independent Directors, at which the performance of the Board, its committees and Individual Directors was also discussed. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

## **21. Meetings of the Board:**

The Board Meetings of your Company are normally planned in advance in consultation with the Board Members. However, in certain emergency situation and /or to maintain the price sensitivity of the transaction, Board meeting was also convened on shorter notice after complying necessary requirement for the same.

The Board met at least once in every calendar quarter and the gap between two meetings did not exceed one hundred and twenty days. 13 (Thirteen) Meetings of the Board of Directors were held during the financial year 2022-23.

The Board Meetings were well attended by the directors and validly held on the following dates:

- 5<sup>th</sup> April, 2022
- 25<sup>th</sup> May, 2022
- 28<sup>th</sup> June, 2022
- 15<sup>th</sup> July, 2022
- 12<sup>th</sup> August, 2022
- 19<sup>th</sup> August, 2022
- 29<sup>th</sup> August, 2022
- 5<sup>th</sup> September, 2022
- 9<sup>th</sup> November, 2022
- 15<sup>th</sup> November, 2022
- 4<sup>th</sup> January, 2023
- 10<sup>th</sup> February, 2023 and
- 27<sup>th</sup> March, 2023

## **22. Compliance with Secretarial Standards**

The Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meeting and General Meeting.

## 23. Corporate Insolvency

There is no Corporate Insolvency Resolution Process initiated under the Insolvency and Bankruptcy Code, 2016.

## 24. Promoter's Group Shareholding

As on 31<sup>st</sup> March, 2023, the total shareholding of the Promoter of your Company is 16.35 per cent and none of the Promoter/Promoters' Group shareholding is under pledge. Further, in compliance with Regulation 31(2) of SEBI Listing Regulations, 2015, the entire shareholding of promoter(s) and promoter group is in dematerialized form.

## 25. Audit Committee:

Audit Committee meeting is generally held for the purpose of recommending the Quarterly, half yearly and yearly financial result. Additional meeting is held for the purpose of reviewing the specific item included in terms of reference of the Committee. Committee met 5 (Five) times during the year on 25.05.2022, 12.08.2022, 09.11.2022, 15.11.2022 and 10.02.2023. As on 31<sup>st</sup> March, 2023 following are the members of the Committee.

Name	Designation
Manisha Agarwal	Chairperson
Aneish Kumaran Kumar	Member
Varun Newatia	Member

The Statutory Auditors of the Company are invited in the meeting of the Committee wherever requires. Chief Financial Officer of the Company is a regular invitee at the Meeting. Recommendations of Audit Committee, wherever/whenever given, have been accepted by the Board.

## 26. Nomination and Remuneration Committee

The Company has formed Nomination and Remuneration committee in line with the provisions of Section 178 of the Companies Act, 2013. Nomination and Remuneration Committee meetings are generally held for identifying the persons who are qualified to become Directors and may be appointed in senior management and recommending their appointments and removal. Committee met three times during the year on 25.05.2022, 09.11.2022 & 27.03.2023. As on 31<sup>st</sup> March, 2023, following is the composition of committee.

Name	Designation
Manisha Agarwal	Chairperson
Aneish Kumaran Kumar	Member
Suresh Salian	Member

## 27. Nomination and Remuneration Policy

The Nomination and Remuneration Policy formulated by the Nomination and Remuneration committee of the Company is in conformity with the requirement of Section 178(3) of the Companies Act, 2013 and Listing Regulations. The objectives and key features of this Policy are:

- Formulation of the criteria for determining qualifications, positive attributes and independence of the Directors, Key Managerial Personnel and Senior Management Personnel;
- Devising a policy on Board diversity;

- Identifying persons who are qualified to become Directors and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy;
- Formulation of criteria for performance evaluation of the Board, its Committees and Directors including Independent Directors / Non-Executive Directors; and
- Recommend to the Board all the remuneration in whatever form, payable to the Senior Management.

**The guiding principles of the Policy are:**

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company and its goals.

The aforesaid Nomination and Remuneration Policy has been uploaded on the website of your Company [www.canopyfinance.org](http://www.canopyfinance.org).

**28. Stakeholder’s Grievance & Relationship Committee**

The Company has constituted Stakeholder’s Grievance & Relationship Committee mainly to focus on the redressal of Shareholder’s/ Investor’s Grievances, if any, like Transfer / Transmission /Demat of Shares; Loss of Share Certificates; Non-receipt of Annual Report; Dividend Warrants; etc. Committee met four times during the year respectively on 25.05.2022, 12.08.2022, 09.11.2022 and 10.02.2023. As on 31<sup>st</sup> March, 2023 following are the members of the Committee.

Name	Designation
Manisha Agarwal	Chairperson
Aneish Kumaran Kumar	Member
Suresh Shivanna Salian	Member

**29. Details of establishment of vigil mechanism for directors and employees**

The Company is committed to the high standards of Corporate Governance and stakeholder responsibility. The Company has established a vigil mechanism to be known as the 'Whistle Blower Policy' for its Director’s and employees, to report instances of unethical behavior, actual or suspected, fraud or violation of the Company’s Code of Conduct.

The aim of the policy is to provide adequate safeguards against victimization of whistle blower who avails of the mechanism and also provide direct access to the Chairman of the Audit Committee, in appropriate or exceptional cases. The details of establishment of such mechanism have been disclosed on the website of the Company at [www.canopyfinance.org](http://www.canopyfinance.org).

**30. Prevention of Insider Trading**

The Company has adopted a Code of Conduct for Prevention of Insider Trading as amended from time to time with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company’s shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

The Board is responsible for implementation of the Code. All Board Directors and the designated employees have confirmed compliance with the Code.

**31. Risk Management**

Your Company recognizes that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner. The Board of the Company at regular intervals monitors the financial, operational, legal risk to the Company. There is no risk, which in the opinion of the Board which may threaten the existence of the Company. Pursuant to section 134 (3) (n) of the Act it is stated that at present the company has not identified any element of risk which may threaten the existence of the Company

**32. Particulars of Loans, Guarantees or Investments**

Being an NBFC, the disclosures regarding particulars of loans given, guarantees given and security provided is exempted under the provisions of section 186 of the Act. As regards investments made by the Company, the details of the same are provided under Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2023.

**33. Particulars of Contracts or Arrangements with Related Parties:**

The Company has no material individual transactions with its related parties which are covered under section 188 of the Companies Act, 2013, which are not in the ordinary course of business and not undertaken on an arm's length basis during the financial year 2022-23, there are no transactions to be reported in Form AOC-2 and as such do not form part of this report.

**34. Statutory Auditors**

M/s SDG & Co., Chartered Accountants (Firm Regn No 137864W), the Statutory Auditors of the Company were appointed at the 41<sup>st</sup> Annual General Meeting held on 30<sup>th</sup> September 2022 for the term of 5 (five) consecutive years from the conclusion of 41<sup>st</sup> AGM till the conclusion of the 46<sup>th</sup> AGM to be held for the financial year 2026-27.

Further, the observations made by the Statutory Auditors are self- explanatory and do not require any further clarification. There are no qualifications or reservations on adverse remarks or disclaimers in the said report. Further, there are no frauds has been reported by the Auditors to the Audit & Compliance Committee or the Board under Section 143(12) of the Companies Act, 2013.

**35. Secretarial Audit Report**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with corresponding Rules framed there under, Mrs. Twinkle Agarwal, Practicing Company Secretary was appointed as the Secretarial Auditor of the Company to carry out the Secretarial Audit for the year ending 31<sup>st</sup> March, 2023.

There is a qualification remarks but no reservation or adverse remark or disclaimer made by the Practicing Company Secretary in the Secretarial Audit Report.

*Mr. Aneish Kumaran Kumar was appointed as Additional Non-Executive Independent Director w.e.f. 25<sup>th</sup> May, 2022 but his appointment was not regularized within the stipulated time frame as stated in Regulation 17(1C) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2022.*

Reply by the Board on such qualification: We would like to state that we had inadvertently missed to regularize his appointment within stipulated time frame as stated in Regulation 17(1C) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2022 and duly assures that the same inadvertence shall not be repeated and would take care to comply with good corporate governance in future.

The Secretarial Audit Report is enclosed herewith and forms part of this Report.

**36. Internal Auditor**

Mr. Supratim Roy Chowdhury, Chartered Accountants, Internal Auditor has submitted a report based on the internal audit conducted during the period under review. The Internal Auditor has not reported any qualification, reservation or adverse opinion during the period under review.

**37. Reporting of Fraud by Auditors**

During the year under review, the Statutory Auditors and Secretarial Auditor have not reported, any incident of fraud committed in your Company by its Officers or Employees, to the Audit Committee and / or to the Board under Section 143(12) of the Companies Act, 2013 details of which needs to be mentioned in this Report.

**38. Maintenance of Cost Records:**

The provisions relating to maintenance of cost records are not applicable to the Company.

**39. Managerial Remuneration, Particulars of Employees and related disclosure**

Disclosures pertaining to remuneration and other details as required under Section 197(12), read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are given in Annexure enclosed hereto and forms part of this Report.

**40. Management Discussion & Analysis Reports**

The Management Discussion & Analysis Report has been annexed with the report.

**41. Corporate Governance**

Pursuant to Regulation 15 of SEBI (LODR) Regulations, 2015, the compliance with the corporate governance provisions as specified in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of SEBI (LODR) Regulations, 2015, shall apply, in respect of the listed entity having paid up equity share capital exceeding rupees ten crore and net worth exceeding rupees twenty five crore, as on the last day of the previous financial year.

Thus, a separate report of Corporate Governance providing the disclosures as required under para-C of Schedule V has not been provided in this Annual report.

**42. Operational Review**

The Company discloses Unaudited Financial Results on a quarterly basis, Audited Financial Results on an annual basis. The Company has complied with all the norms prescribed by the Reserve Bank of India (RBI) including the Fair practices, Anti Money Laundering and Know Your Customer (KYC) guidelines.



#### **43. Sexual Harassment of Women at Work Place**

The Company has in place a policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy.

Policy on Prevention of Sexual Harassment at Workplace is available on the website of the Company at [www.canopyfinance.org](http://www.canopyfinance.org). No complaints relating to the sexual harassment has been received during the year under report.

#### **44. Other Information:**

##### **Merger**

The Company has made application to SEBI under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for Scheme of Merger by Absorption of Canopy Finance Limited ("the Transferor Company"/ "the Company"/ "CFL") and Purple Finance Limited ("the Transferee Company"/ "PFL") as per section 230 to 232 of the Companies Act, 2013. Hon'ble RBI has given their no objection for the proposed Merger by Absorption and approval from SEBI is awaited as on date.

#### **45. Directors' Responsibility Statement**

Pursuant to Section 134(5) of the Companies Act, 2013, your Directors confirm that –

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) 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 have prepared the annual accounts on a going concern basis;
- e) the directors, have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively, and
- f) 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.

#### **46. Acknowledgements**

Your Director's would like to express their appreciation of the co-operation and assistance received from the shareholders, bankers and other business constituents during the year under review. Your Director's also place on record their deep sense of appreciation to all employees for their dedicated services rendered at various levels.

**On behalf of the Board of Directors  
For Canopy Finance Limited**

Sd/-

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**Lalit Kumar Tapadia**  
Managing Director  
DIN: 08117881

Sd/-

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**Varun Newatia**  
Director  
DIN: 08071741

**Place: Mumbai**  
**Date: 8th May, 2023**

## PARTICULARS OF EMPLOYEES

The information required pursuant to section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given hereunder:

- i. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year are given hereunder:

Name	Designation	Remuneration paid during FY 2022-23*	Ratio of remuneration to median remuneration of employees (Including Whole-time Directors)
Varun Newatia	Director	6,00,000	3.70

*\*Sitting fees paid to Non-executive Directors during the year is not considered as remuneration for ratio calculation purpose.*

- ii. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year are given hereunder: Nil
- iii. The percentage of increase in the median remuneration of employees in the financial year: Nil.
- iv. The number of permanent employees on the role of company as on 31<sup>st</sup> March, 2023 is 3 nos., including Executive directors.
- v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average percentage increase in salaries of employees other than managerial personnel during 2022-23	Nil
The percentage increase in the Managerial Remuneration	Nil

- vi. Affirmation that the remuneration is as per the remuneration policy of the company: The Board of Directors of the Company affirms that the remuneration is as per the Remuneration Policy of the Company.

**On behalf of the Board of Directors  
For Canopy Finance Limited**

Sd/-

\_\_\_\_\_  
**Lalit Kumar Tapadia**  
Managing Director  
DIN: 08117881

Sd/-

\_\_\_\_\_  
**Varun Newatia**  
Director  
DIN: 08071741

Place: Mumbai  
Date: 8th May, 2023

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **INTRODUCTION**

Management Discussion and Analysis mainly comprises of the statements which, inter-alia, involve predictions based on perceptions and may, therefore, be prone to uncertainties. It is the sum total of the Company's expectations, beliefs, estimates and projections which are forward looking within the meaning of applicable laws and regulations. The actual results could differ materially from those expressed herein specifically or impliedly.

### **GLOBAL ECONOMY**

The global economy in the year 2022 has been very ambiguous. The war in Ukraine has triggered a costly humanitarian crisis that demands a peaceful resolution. At the same time, economic damage from the conflict will contribute to a significant slowdown in global growth in 2023 and add to inflation. Fuel and food prices have increased rapidly, hitting vulnerable populations in low-income countries hardest. According to the IMF (International Monetary Fund), global growth is projected to slow from an estimated forecast to fall from 3.4% in 2022 to 2.8% in 2023, before settling at 3.0% in 2024. Advanced economies are expected to see an especially pronounced growth slowdown, from 2.7 % in 2022 to 1.3 % in 2023.

The baseline forecast is for growth to fall from 3.4 % in 2022 to 2.8 % in 2023, before settling at 3.0 % in 2024. Advanced economies are expected to see an especially pronounced growth slowdown, from 2.7 % in 2022 to 1.3 % in 2023.

### **INDIAN ECONOMY**

India's growth continues to be resilient despite some signs of moderation in growth, says the World Bank in its latest India Development Update, the World Bank India's biannual flagship publication.

The Update notes that although significant challenges remain in the global environment, India was one of the fastest growing economies in the world.

India's GDP is estimated to have grown by 6.9 % in F.Y. 2022 after growth slid to 4.6 % in January-March quarter (Q4 F.Y. 2023), data released on 31<sup>st</sup> May by the Ministry of Statistics and Programme Implementation showed. Growth likely slowed down in the first quarter of the calendar year 2022 because of the Russia-Ukraine war.

The high growth figure is largely due to a favourable base effect, with the economy having contracted by 6.6 % in F.Y. 2022 because of the COVID-19 pandemic and Russia-Ukraine war which restricted economic activity.

The overall growth remains robust and is estimated to be 6.9 % for the full year with real GDP growing 7.7 % year-on-year during the first three quarters of fiscal year 2022-23. There were some signs of moderation in the second half of FY 20, 22-23

### **INDIAN FINANCIAL SERVICES INDUSTRY**

The financial services sector in India is a diversified sector consisting of commercial banks, insurance companies, non-banking financial companies, housing finance companies, co-operatives, pension funds, mutual funds and other smaller financial entities. Financial inclusion drive by RBI has expanded the target market to semi-urban and rural areas. NBFCs especially those catering to the urban and rural poor namely NBFC-MFIs and Asset Finance Companies have a complimentary role in the financial inclusion agenda of the country. Financial Services sector is poised to grow on the back of rising incomes, significant government attention and the increasing pace of digital adoption.

Financial inclusion has been a key agenda of the Central Government. To promote financial inclusion, the Central Bank has set up a pilot project in association with banks under which at least one district in each State/UT would be 100 per cent digitally enabled. The digital payment regime has grown since the introduction of fast payment systems, such as Immediate Payment Service (IMPS) and Unified Payment Interface (UPI),

which provide immediate credit to beneficiaries and are available round the clock. Moreover, the financial inclusion drive in the country is now supported by a benchmark. The Reserve Bank of India (RBI) has launched a “Financial Inclusion Index” or FI-Index to measure and improve the extent of access, usage and quality of financial inclusion in the country.

The banking and non-banking financial company (NBFC) sector in India has witnessed significant market driven and regulatory events in the last decade. Cumulatively, these have had a profound impact on the industry. Some of the noteworthy developments include the issuance of new bank licences for universal banks, introduction of a new category of banks (small finance banks and payments banks); insolvency processes and the resolution of a few large non-performing assets (NPA) situations; and consolidation of public sector banks (PSBs), etc.

The Reserve Bank of India recently issued discussion documents on the extent of ownership of banks as well as scale-based governance frameworks for NBFCs. While the industry provided feedback on both these documents, it is now eagerly awaiting the regulator’s final decision and circular on the matters. It appears almost certain that larger NBFCs that have the potential to systematically influence the overall banking and financial services system may now enjoy less of a regulatory arbitrage and be subject to a governance framework akin to banks. With expected regulations around corporate houses being allowed to own a bank (albeit with restrictions), we can also expect significant consolidation in this segment resulting in a few large NBFCs either converting into a bank or merging with existing banks. The decision to convert into a bank though could also depend on the transition guidelines, especially those related to liquidity ratio. At the same time, it would be interesting to see if large NBFCs will leverage the government’s privatisation of PSB programme to convert into banks.

Ongoing stress in public sector banks (PSUs) because of increasing bad debt, lending in rural areas deterioration has provided NBFCs with the opportunity to increase presence. The success of these NBFCs vs. PSUs can be attributed to product lines, lower cost, wider and effective reach, strong risk management capabilities to check and control bad debts, and a better understanding of customer segments versus banks. NBFC’s have witnessed success in the passenger and commercial vehicle finance segments as well as growing AUM in the personal loan and housing finance sector. Additionally, improving macro-economic conditions, higher credit penetrations, consumption themes and disruptive digital trends have influenced NBFC credit growth. Stress in public sector units (PSUs), underlying credit demand, digital disruption for MSMEs and SMEs as well as increased consumption and distribution access and sectors where traditional banks do not lend are major reasons for the switch from traditional banks to NBFCs.

Banking and NBFC sector are once again at an inflexion point, given the potential transformational, operational and stakeholder changes influenced by the above-mentioned drivers. There’s a need for financial institutions to assess and evaluate their current business model and take a strategic call on their commercial and operational framework in anticipation of newer ways of doing business coupled with changes in market and competition landscape.

## **OPPORTUNITIES & THREATS**

Digital ecosystem development pushed by the government as well as regulators and other market participants offer opportunities to provide better customer experience and become more efficient. With the increase in usage of smart phone across various geographies and continuous growth in data connectivity adoption, the Company foresees a big opportunity to understand customers better and offer more personalized services and offerings in a cost-efficient way. In addition, the need for finance and new investment opportunities in a growing economy like India are positives for the Company.

The main factors that may pose a threat to the Company’s business are the uncertainties that may prevail due to increasing competition in the Financial Market.

## **SEGMENT WISE PERFORMANCE REVIEW**

The Company has only one line of business, i.e., Financing and Investment Activities during the year under review, hence no segment wise information is required. The Company has no activity outside India. Therefore, there is no geographical segment.

## **REGULATORY**

The Reserve Bank of India (RBI) has been continually strengthening the supervisory framework from NBFC's in order to ensure sound and healthy functioning and avoid excessive risk taking. In furtherance of these objectives, RBI issued new guidelines during past years.

1. Know your customer guidance - Anti money laundering Standards
2. Guidance on classification, monitoring and reporting of frauds
3. Guidance on Securitisation of Standards Assets

## **INTERNAL CONTROL SYSTEMS & ITS ADEQUACY**

The Company has appointed M/s Supratim Roy Chowdhury., Chartered Accountants, an outside agency as its Internal Auditors, who conduct internal audit for various activities. The Company has developed adequate internal control system commensurate to its size and business. Personnel of the Internal Auditor conduct periodic audits in all the areas to ensure that the Company's control mechanism is properly followed and all statutory requirements are duly complied with. The reports of Internal Auditors are submitted to the Audit Committee which further reviews the adequacy of Internal Control System.

## **CAUTIONARY NOTE**

The statements in this Management Discussion and Analysis describing the company's objectives, estimates, expectations may be "forward-looking statements" within the meaning of applicable security laws and regulations. Actual results could differ materially from those expressed or implied due to several factors which are beyond the control of the management. In accordance with the Code of Corporate Governance approved by the Securities and Exchange Board of India, Shareholders and readers are cautioned that in the case of data and information external to the company, no representation is made on its accuracy and comprehensiveness though the same are based on sources believed to be reliable. Utmost care has been taken to ensure that the opinions expressed by the management herein contain its perceptions on the material impacts on the company's operations but it is not exhaustive. The Company assumes no obligation to amend or update forward looking statements in future on the basis of new information, subsequent developments or otherwise.

**On behalf of the Board of Directors  
For Canopy Finance Limited**

Sd/-

\_\_\_\_\_  
**Lalit Kumar Tapadia**  
**Managing Director**  
**DIN: 08117881**

Sd/-

\_\_\_\_\_  
**Varun Newatia**  
**Director**  
**DIN: 08071741**

**Place: Mumbai**

**Date: 8th May, 2023**

# MD & CFO CERTIFICATION

Date: 8<sup>th</sup> May, 2023

To  
The Board of Directors  
Canopy Finance Limited  
301, Corporate Arena Off, Aarey Piralal X Road,  
3rd Behind Mahindra Gardens, Goregaon West,  
Mumbai- 400062

We, Lalit Kumar Tapadia, Managing Director (MD) and Varun Newatia, Chief Financial Officer (CFO) of Canopy Finance Limited do hereby certify the following:

- a. We have reviewed the financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2023 and that to the best of our knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31<sup>st</sup> March, 2023, which is fraudulent, illegal or violative of the Company's Code of Conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d. We have disclosed, wherever applicable to the auditors and the Audit committee,
  - i) that there were no significant changes in internal control over financial reporting during the year;
  - ii) that there were no significant changes in accounting policies during the; and
  - iii) that there have been no instances of significant fraud, of which we have become aware and consequently no involvement therein, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Canopy Finance Limited

Sd/-  
Lalit Kumar Tapadia  
Managing Director (MD)  
DIN: 08117881

Sd/-  
Varun Newatia  
Chief Financial Officer (CFO)

## **Declaration of Compliance with Code of Conduct**

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management personnel have confirmed compliance with the Code of Conduct for the year ended 31<sup>st</sup> March, 2023.

**For and on behalf of Board of Directors**

**Sd/-  
Lalit Kumar Tapadia  
Managing Director  
DIN: 08117881**

**Place: Mumbai  
Date: 8<sup>th</sup> May, 2023**



## **REPORT ON CORPORATE GOVERNANCE**

Good Corporate Governance is not simply a phrase but the hallmark of every global organization that enthalls shareholders, stakeholders and the likes. Combined with multi-disciplinary practices, efficient business functions, codes of ethics and legal compliance, an organization's strengths grow from pillar to pillar owing to effective control and management ultimately leading to sustainable increased value and growth. Corporate governance plays a very imperative role in assisting the differentiation between a good organization and an extraordinary organization because legal compliance is mandatory and stipulated whereas sound corporate governance is rare skill set.

The Company is in compliance with the Corporate Governance Code as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

Details of compliances pursuant to the Listing Regulations for the year ended 31<sup>st</sup> March, 2023 are provided below:

### **COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:**

**CANOPY FINANCE LIMITED** ("the Company") strives to follow the best Corporate Governance practices, develop best policies/guidelines, adopting highest standards of professionalism, honesty; integrity and ethical behavior to achieve business excellence and enhancing and maximizing shareholders value and protect the interest of stakeholders. The governance structure involves distribution of rights and responsibilities among different participants in the corporation (such as the board of directors, managers, shareholders, creditors, auditors, regulators, and other stakeholders).

### **BOARD OF DIRECTOR & BOARD MEETINGS:**

The Company is fully compliant with the Corporate Governance norms in terms of constitution of the Board of Directors ("the Board") i.e., combination of executive and non-executive directors with not less than fifty percent of the Board of Directors comprising of non-executive directors. The Board of the Company is composed of eminent individuals from diverse fields. Every member of the Board, including the Non-Executive Directors, has full access to any information related to the Company.

The Board of Directors duly met 13 (thirteen) times respectively on i) 05.04.2022 ii) 25.05.2022, iii) 28.06.2022, iv) 15.07.2022 v) 12.08.2022 vi) 19.08.2022 vii) 29.08.2022 viii) 05.09.2022 ix) 09.11.2022 x) 15.11.2022 xi) 04.01.2023 xii) 10.02.2023 and xiii) 27.03.2023 in respect of these meetings proper Notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and at the last Annual General Meeting (AGM) and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on 31<sup>st</sup> March, 2023 are given herein below:

Name	Category	Attendance		No. of other Directorships**	No. of Audit/ Stakeholders Relationship Committees (other than Canopy Finance Limited)
		Board Meeting	Last AGM		
Lalit Kumar Tapadia	Managing Director	13	Yes	1	2
Varun Newatia	Director	13	Yes	0	0
Aneish Kumaran Kumar***	Independent Director	12	Yes	3	0
Suresh Salian****	Independent Director	5	No	2	2
Manisha Agarwal	Independent Director	13	Yes	1	0
Bipinchandra Shivnarayan Kabra*	Independent Director	1	No	0	0
Khushboo Vasudev**	Independent Director	8	No	2	4

\*Mr. Bipinchandra Shivnarayan Kabra resigned from the Board of Directors w.e.f. 13.05.2022.

\*\* Mrs. Khushboo Vasudev resigned from the Board of Directors w.e.f. 05.09.2022.

\*\*\* Mr. Aneish Kumaran Kumar was appointed as Non-Executive Independent Additional Director w.e.f. 25.05.2022 and his appointment was also duly regularized.

\*\*\*\* Mr. Suresh Salian was appointed as Non-Executive Independent Additional Director w.e.f. 09.11.2022 and his appointment was also duly regularized.

\*\*\*\*\*Excluding directorship in, private companies, foreign companies and companies incorporated under Section 8 of the Companies Act, 2013.

1. The Company did not have any pecuniary relationship and transaction with any of the Non- Executive Directors during the year under reference.
2. All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 ("the Act") and SEBI LODR Regulations, 2015.

#### APPOINTMENT AND TENURE:

The Directors of the Company are appointed by Members at the General Meetings. In accordance with the Articles of Association of the Company, all Directors, except the Managing Director and Independent Directors of the Company, step down at the Annual General Meeting each year and, if eligible, offer themselves for re-election. The Directors of the Company are appointed as per the requirement of the statute. The Executive Directors on the Board have been appointed as per the provisions of the Companies Act, 1956/ Companies Act, 2013 and serve in accordance with the terms of their contract of service with the Company.

As regards the appointment and tenure of Independent Directors, following is the policy adopted by the Board:

- The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which are consistent with the Companies Act, 2013 and Listing Regulations.

- The Independent Directors will serve a maximum of two terms of five years each.

## BOARD BUSINESS

The normal business of the Board includes:

- framing and overseeing progress of the Company's annual plan and operating framework;
- framing strategies for shaping of portfolio and direction of the Company and for corporate resource allocation;
- reviewing financial plans of the Company;
- reviewing quarterly and annual business performance of the Company;
- reviewing the Annual Report and Financial Statements for adoption by the Members;
- reviewing the progress of various functions and businesses of the Company;
- reviewing the functioning of the Board and its Committees.

## AUDIT COMMITTEE:

Committee is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations, read with Section 177 of the Act.

- Examination of Financial Statement and Statutory Auditors' report thereon and discussion of any related issues with the Internal & Statutory Auditors and the management of the Company.
- Review of Financial Statement before their submission to the Board, including Directors' Responsibility Statement, changes in accounting policies and practices, statutory compliances and qualification in draft audit report.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of internal financial controls.
- Evaluation of risk management system.
- Monitoring end use of funds raised through public offers and related matters.
- Establishing a vigil mechanism for Directors and employees to report genuine concerns and to make provision for direct access to the Chairperson of the Committee in appropriate or exceptional cases and review its findings.
- Review of Company's financial reporting processes and the disclosure of financial information to ensure that the Financial Statement is correct, sufficient and credible.
- Look into reasons for substantial defaults in payments to stakeholders.
- Approval of appointment of CFO or any other person heading Finance function after assessing the qualifications, experience, background etc. of the candidate.
- Recommendation for appointment, remuneration and terms of appointment of the Statutory Auditors of the Company.
- Review and monitor the Auditor's independence and performance, effectiveness of audit process and adequacy of internal control systems.
- Call for comments of the Statutory Auditors about internal control systems, the scope of audit, including

the observations of the Statutory Auditors.

- Reviewing the adequacy of the Internal Audit function including the structure of the Internal Audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of Internal Audit.
- Discussion with statutory auditors before the audit commences, about nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- Reviewing findings of any internal investigation into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board.
- The Chairman of the Committee to attend the General Meeting to respond to the queries of shareholders.

At present the Audit Committee consists of 3 members viz. Mrs. Manisha Agarwal, Mr. Aneish Kumaran Kumar and Mr. Varun Newatia.

The Audit Committee met 5 (five) times during the year, i.e., on 25.05.2022, 12.08.2022, 09.11.2022, 15.11.2022 and 10.02.2023.

<u>Name</u>	<u>Category</u>	<u>No. of Meetings during the year 2022-23</u>	
		<u>Held</u>	<u>Attended</u>
Manisha Agarwal	Independent Director- Chairperson	5	5
Aneish Kumaran Kumar	Independent Director- Member	5	5
Varun Newatia	Executive Director- Member	5	5

STAKEHOLDERS RELATIONSHIP COMMITTEE:

This Committee has been constituted in line with the provisions of Section 178 of the Companies Act, 2013, and Corporate Governance Norms (Regulation 20(4) of SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015).

The Committee monitors the Company's response to investor complaints. The Committee exercises the power to transfer of shares, non-receipt of dividend/notices/annual reports, etc.

At present the Stakeholders Relationship Committee consists of 3 members viz. Mrs. Manisha Agarwal, Mr. Aneish Kumaran Kumar and Mr. Suresh Salian.

The Stakeholders Relationship Committee met four times during the year, i.e., on 25.05.2022, 12.08.2022, 09.11.2022 and 10.02.2023.

<u>Name</u>	<u>Category</u>	<u>No. of Meetings during the year 2022-23</u>	
		<u>Held</u>	<u>Attended</u>
Manisha Agarwal	Independent Director- Chairperson	4	4
Aneish Kumaran Kumar	Independent Director- Member	2	2
Suresh Salian	Independent Director- Member	2	2
Khushboo Vasudev*	Independent Director- Member	2	2

Varun Newatia	Director-Member	2	2
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\* Mrs. Khushboo Vasudev resigned from the Board of Directors w.e.f. 05.09.2022.

Status Report of Investor Complaints for the year ended 31<sup>st</sup> March, 2023:

No. of Complaints Received–Nil

No. of Complaints Resolved–Nil

No. of Complaints Pending– Nil

**NOMINATION AND REMUNERATION COMMITTEE:**

This Committee has been constituted in line with the provisions of Section 178 of the Companies Act, 2013, and Corporate Governance Norms (Regulation 19(4) of SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015).

The terms of reference for the Nomination and Remuneration Committee includes:

- To formulate a Nomination and Remuneration Policy on determining qualifications, positive attributes and independence of a director.
- guiding remuneration of Directors, Key Managerial Personnel (“KMP”) and other employees and Board diversity.
- Recommend Nomination and Remuneration Policy to the Board.
- Identify candidates who are qualified to become Directors.
- Identify persons who are qualified to become Senior Management (Senior Management of the Company means employees of the Company who are Divisional Heads and Corporate Functional Heads).
- Recommend to the Board the appointment and removal of Directors and Senior Management.
- Lay down the process for evaluation of the performance of every Director on the Board.
- The Chairman of the Committee to attend the General Meeting to respond to the queries of shareholders.
- The draft appointment letter for independent directors is available on the website of the Company.

At present the Nomination & Remuneration Committee consists of 3 members viz. Mr. Aneish Kumaran Kumar, Mrs. Manisha Agarwal and Mr. Suresh Salian.

The Committee met three times during the year under reference i.e., on 25.05.2022, 09.11.2022 & 27.03.2023.

Name	Category	No. of Meetings during the year 2022-23	
		Held	Attended
Manisha Agarwal	Independent Director- Chairperson	3	3
Aneish Kumaran Kumar	Independent Director- Member	3	3
Khushboo Vasudev*	Independent Director- Member	1	1
Suresh Salian	Independent Director- Member	2	2

\* Mrs. Khushboo Vasudev resigned from the Board of Directors w.e.f. 05.09.2022.

## WHISTLE BLOWER POLICY (VIGIL MECHANISM)

Pursuant to sub-section (9) & (10) of section 177 of the Companies Act, 2013, read with rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Company has established a Whistle Blower Policy (Vigil mechanism) for Directors and Employees of the Company to report their genuine concerns or grievances. The Audit Committee was empowered by the Board of Directors to monitor the same and to report to the Board about the complaints in an unbiased manner. The policy may be referred to on the website of the Company ([www.canopyfinance.org](http://www.canopyfinance.org)).

## FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

In terms of Regulation 25 of SEBI LODR Regulations, 2015, your Company is required to conduct the Familiarisation Programme for Independent Directors (IDs) to familiarize them about their roles, rights, responsibilities in your Company, nature of the industry in which your Company operates, business model of your Company, etc., through various initiatives. The details of such familiarization programmes are available on your Company's website ([www.canopyfinance.org](http://www.canopyfinance.org)).

## BOARD EVALUATION:

In terms of the requirement of the Companies Act, 2013 and the Listing Regulations, an annual performance evaluation of the Board was undertaken. During the year, the Board undertook the process of evaluation through discussions and made an oral assessment of its functioning. The Board had, during the year, opportunities to interact and make an assessment of its functioning as a collective body.

From time to time during the year, the Board was appraised of the business issues and the related opportunities and risks. The Board discussed various aspects of the functioning of the Board and its Committees such as structure, composition, meetings, functions and interaction with Management and what needs to be done to further improve the effectiveness of the Board's functioning.

## SEPARATE MEETING OF INDEPENDENT DIRECTORS

During the year, separate meeting of the Independent Directors was held on 10.02.2023 as per the requirement of the Act and SEBI LODR Regulations; 2015. The Independent Directors and inter alia discussed:

- the performance of Non-Independent Directors and the Board as a whole;
- the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties; and
- other matters arising out of Board / Committee(s) deliberations.

## POLICY ON RELATED PARTY TRANSACTION

The Company has not entered into any material Related Party Transaction during the year. In line with requirement of the Companies Act, 2013 and Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is also available at Company's website under the weblink: <http://www.canopyfinance.org/investor.html>.

#### PREVENTING CONFLICT OF INTEREST:

The Board of Directors is responsible for ensuring that rules are in place to avoid conflict of interest by the Board Members and the Management Committee. The Board has adopted the Code of Conduct for the members of the Board and Senior Management Team.

The Members of the Board and the Management Committee annually confirm the compliance of the Code of Conduct to the Board. The Code of Conduct is in addition to the Code of Business Principles of the Company. A copy of the said Code of Conduct is available on the website of the Company <http://www.canopyfinance.org/investor.html#para8>.

#### SUBSIDIARY COMPANY

As on date, the company does not have any Subsidiary/ Joint Ventures/ Associate Companies.

#### POLICY ON ARCHIVAL AND PRESERVATION OF DOCUMENTS

Pursuant to Regulation 9 of SEBI Listing Regulations, The Company has adopted a Policy on Archival and Preservation of Documents.

#### SHARE DEALING CODE:

The Company has instituted a mechanism to avoid Insider Trading and abusive self-dealing in the securities of the Company. In accordance with the SEBI Regulations as amended, the Company has established systems and procedures to prohibit insider trading activity and has framed a Share Dealing Code. The Share Dealing Code of the Company prohibits the Directors of the Company and other specified employees dealing in the securities of the Company on the basis of any unpublished price sensitive information, available to them by virtue of their position in the Company. The objective of this Code is to prevent misuse of any unpublished price sensitive information and prohibit any insider trading activity, in order to protect the interest of the shareholders at large.

#### ANNUAL GENERAL MEETINGS:

The details of the Annual General Meetings held in the past three years and the special resolutions passed there are as follows:

Year	Date	Venue	Time	No. of Special Resolution Passed
2019-20	30 <sup>th</sup> December, 2020	M/s Prezens Maniram Dewan Road, Bamunimaidan Opp Anuradha Cinema, Guwahati, Kamrup-781021	3:00 p.m.	NIL
2020-21	30 <sup>th</sup> September, 2021	Video Conferencing/Other Audio-Visual Means	1:00 p.m.	NIL
2021-22	30 <sup>th</sup> September, 2022	Video Conferencing/Other Audio-Visual Means	5:00 p.m.	1

#### AFFIRMATION AND DISCLOSURE:

All the members of the Board and the Management Committee have affirmed their compliance with the Code of Conduct as on 31<sup>st</sup> March, 2023 and a declaration to that effect, signed by the Managing Director is attached and forms part of this Report.

The Company has complied with the requirements as specified in the Listing Regulations.

#### DISCLOSURE ON WEBSITE:

Pursuant to the requirement of Regulation 46 of the Listing Regulations, the Company maintains a functional website of the Company and website address of the Company is [www.canopyfinance.org](http://www.canopyfinance.org). The following information has been disseminated on the website of the Company:

- Details of business of the Company.
- Terms and conditions of appointment of Independent Directors.
- Composition of various Committees of Board of Directors.
- Code of Conduct for Board of Directors and Senior Management Personnel.
- Details of establishment of vigil mechanism/Whistle Blower policy.
- Policy on dealing with Related Party Transactions.
- Details of familiarization programmes imparted to Independent Directors.
- Other details as per shareholding pattern, Results, Notices and various policies

#### DISCLOSURE OF PENDING CASES / INSTANCES OF NON-COMPLIANCE:

There were no pending cases or instances of non-compliances during the period under review.

#### RECONCILIATION OF SHARE CAPITAL AUDIT:

A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (“NSDL”) and the Central Depository Services (India) Limited (“CDSL”) and the total issued and listed Equity Share Capital. The Share Reconciliation Audit Report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

#### MEANS OF COMMUNICATION:

- The Management Discussion and Analysis Report, in accordance SEBI LODR Regulations is annexed to the Directors’ Report and forms part of this Annual Report being sent to all the members of the Company.
- The Internal Auditor regularly reviews and reports their audit findings to Audit Committee.
- The quarterly and annual results of the Company are published in the newspaper and are promptly submitted to the stock exchanges. The results are also displayed on the website of the company.

#### GENERAL SHAREHOLDER INFORMATION:

Date, Time and Venue of AGM	Friday, 14 <sup>th</sup> July, 2023 at 10.30 a.m. (IST) through Video Conferencing (“VC”)/Other Audio-Visual Means (“OAVM”)
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Financial Year	1 <sup>st</sup> April, 2022 to 31 <sup>st</sup> March, 2023
Dates of Book Closure	8 <sup>th</sup> July, 2023 to 14 <sup>th</sup> July, 2023 (both days inclusive)
Dividend Payment Date	Not Applicable
Financial Calendar Period Quarter ending 30 <sup>th</sup> Jun, 2022 Quarter ending 30 <sup>th</sup> Sep 2022 Quarter ending 31 <sup>st</sup> Dec 2022 Quarter ending 31 <sup>st</sup> Mar 2023	Board Meeting to approve quarterly financial results (Tentative Schedule) -Mid August 2022 -Mid November 2022 -Mid February 2022 -May 2023

Listing on Stock Exchanges	BSE Ltd The Calcutta Stock Exchange Ltd
ISIN	INE095R01016
Listing Fees	Listing fees paid to the stock exchanges up-to 31 <sup>st</sup> March, 2024.
Stock Code	BSE: 539304 CSE Scrip Code: 021114
Registered Office	301, Corporate Arena Off, Aarey Piramal X Road, 3rd Floor, Behind Mahindra Gardens, Goregaon West, Mumbai, Maharashtra, 400062
Compliance Officer & Contact Address	Ms. Prity Bishwakarma 301, Corporate Arena Off, Aarey Piramal X Road, 3rd Floor, Behind Mahindra Gardens, Goregaon West, Mumbai, Maharashtra, 400062 Phone: 8777760846 Email id: <a href="mailto:info@canopyfinance.org">info@canopyfinance.org</a>

#### REGISTRAR AND TRANSFER AGENTS:

Purva Shareregistry (India) Private Limited Unit No.9, Shiv Shakti Ind. Estate, J.R. Boricha Marg, Opp. Kasturba Hospital Lane, Lower Parel (E), Mumbai, Maharashtra, 400011, Phone: 022 - 23016761 / 8261, Email ID: [support@purvashare.com](mailto:support@purvashare.com).

#### SHARE TRANSFER SYSTEM:

Share transfers in physical form are processed by the Registrar and Transfer Agents, Purva Shareregistry (India) Private Limited and are approved by the Stakeholders Relationship Committee of the Company or the authorized signatories of the Company. Share transfers are registered and returned within 15 days from the date of lodgment if documents are complete in all respects. The depository system handles share transfers in dematerialized form.

#### DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>st</sup> MARCH, 2023

Particulars	Shareholders		Equity shares	
	Number	% of total	Amount (Rs.)	% of total
Up to 5000	489	54.09%	1114550	1.05%
5001 to 10000	79	8.74%	674680	0.64%
10001 to 100000	237	26.22%	8701150	8.21%

Above 100000	99	10.95%	95439630	90.10%
<b>Total</b>	<b>904</b>	<b>100.00%</b>	<b>105930010</b>	<b>100.00%</b>

CATEGORIES OF SHAREHOLDERS AS AT 31<sup>st</sup> MARCH, 2023

Sr. No	Description	No. of Shares	% to Capital
A.	Resident Individuals	51,68,802	48.80
B.	Promoters & Promoters Group - Saguna Mercantile Private Limited	17,31,495	16.35%
C.	<u>Public Shareholding</u>		
	-Institutions Alternate Investment Funds	375001	3.53%
	Non-institutions Body Corporates and HUF	2165182	20.44%
	Any Other	1152521	10.88%
	<b>Total</b>	<b>1,05,93,001</b>	<b>100%</b>

ADDRESS OF CORRESPONDENCE:

Members may contact Mr. Lalit Kumar Tapadia, Managing Director for all investor related matters at the registered office of the company at the following address:

**CANOPY FINANCE LIMITED**

Corporate Arena Off, Aarey Piramal X Road, 3rd Floor, Behind Mahindra Gardens, Goregaon West, Mumbai, Maharashtra, 400062, India

Phone: 022-6758 5876 / 9867309169,

Email id: [info@canopyfinance.org](mailto:info@canopyfinance.org)

DETAILS OF UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONAL PLACEMENT (QIP) AS SPECIFIED UNDER REGULATION 32(7A)

The Company vide resolution dated 29<sup>th</sup> August, 2022 has allotted 13,00,001 equity shares (F.V Rs 10/-) at a premium of Rs 20/- per share to Strategic Investors being Non-Promoters on Preferential Allotment basis and raised funds amounting to Rs. 3.90 crores out of which Rs. 3.888 crores have already been utilized. The disclosure of the same is made in Directors' Report for the financial year 2022-23.

CERTIFICATE FROM A COMPANY SECRETARY IN PRACTICE THAT NONE OF THE DIRECTORS ON THE BOARD OF THE COMPANY HAVE BEEN DEBARRED OR DISQUALIFIED FROM BEING APPOINTED OR CONTINUING AS DIRECTORS OF THE COMPANY BY THE BOARD MINISTRY OF CORPORATE AFFAIRS OR ANY SUCH STATUTORY AUTHORITY.

The Company has obtained a certificate from Mrs. Twinkle Agarwal, Company Secretary & Secretarial Auditor of the Company, regarding confirmation that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Board (i.e., SEBI) / Ministry of Corporate Affairs or any such statutory authority. This certificate is annexed to this Report.

THE DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATIONS 17 TO 27 AND CLAUSE (B) TO (I) OF SUB-REGULATION (2) OF REGULATION 46 OF THE SEBI (LODR) REGULATIONS, 2015.

The Company is in compliance with corporate governance requirements specified in regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI (LODR) Regulations, 2015.

**On behalf of the Board of Directors  
For Canopy Finance Limited**

Sd/-

\_\_\_\_\_  
**Lalit Kumar Tapadia**  
**Managing Director**  
**DIN: 08117881**

Sd/-

\_\_\_\_\_  
**Varun Newatia**  
**Director**  
**DIN: 08071741**

**Place: Mumbai**  
**Date: 8<sup>th</sup> May, 2023**

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR  
MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

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This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the Company's website.

I confirm that the Company has in respect of the year ended 31<sup>st</sup> March, 2023, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

**On behalf of the Board of Directors  
For Canopy Finance Limited**

Sd/-

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**Lalit Kumar Tapadia**  
**Managing Director**  
**DIN: 08117881**

Sd/-

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**Varun Newatia**  
**Director**  
**DIN: 08071741**

**Place: Mumbai**

**Date: 8<sup>th</sup> May, 2023**

## Independent Auditor's Certificate on Corporate Governance

To,  
The Members of  
Canopy Finance Limited

1. We, SDG & Co., Chartered Accountants, have examined the compliance of conditions of Corporate Governance by Canopy Finance Limited (hereinafter referred to as "the Company"), for the year ended 31<sup>st</sup> March, 2023, as stipulated in Regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, as amended ("SEBI Listing Regulations"), pursuant to the Listing Agreement of the Company with the Stock Exchanges.

### Management's Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management, including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

### Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company, for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India, (ICAI) the Standards on Auditing specified under Section 143(10) of Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

### Opinion

6. Based on our examination of the relevant records and according to the information and explanation provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27, Clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations during the year ended 31<sup>st</sup> March, 2023.

7. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Restriction on use**

8. This certificate has been issued at the request of the Company solely for the purpose of enabling the Company to comply with the requirement of the SEBI Listing Regulations and should not be used by any other person or for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

**For SDG & Co.  
Chartered Accountants  
FRN No. 137864W**

**Sd/-  
Ajay S Yadav  
Partner  
Mem No: - 170602**

**UDIN: 23170602BGVQGU7593**

**Date: 08.05.2023  
Place: Mumbai**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

*[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]*

To  
The Members of  
M/s Canopy Finance Limited  
301 Corporate Arena Off, Aarey Piramal X Road,  
3<sup>rd</sup> Floor, Behind Mahindra Gardens, Goregaon West,  
Mumbai-400062

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. Canopy Finance Limited (hereinafter referred to as 'the Company') bearing CIN L65910MH1981PLC380399 and having its Registered Office at 301 Corporate Arena Off, Aarey Piramal X Road, 3<sup>rd</sup> Floor, Behind Mahindra Gardens, Goregaon West Mumbai-400062, produced before me by the Company for the purpose of issuing this Certificate in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S/N	Name of the Director	DIN	Date of Appointment in the Company
1	Manisha Agarwal	06815164	12.02.2019
2	Varun Newatia	08071741	24.03.2018
3	Lalit Kumar Tapadia	08117881	21.05.2018
4	Aneish Kumaran Kumar	08766256	25.05.2022
5	Suresh Salian	09189069	09.11.2022

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Twinkle Agarwal**  
**Company Secretary in Practice**

Sd/-

\_\_\_\_\_  
**Twinkle Agarwal**  
**Membership No. 52868(A)**  
**COP: 25605**  
**Peer Re ICSI Peer Review No: 2540/2022**

**Date: 08.05.2023**  
**Place: Kolkata**

**Form No. MR-3**

**Secretarial Audit Report**

(For the Financial year ended 31<sup>st</sup> March, 2023)

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**M/s Canopy Finance Limited**  
**301, Corporate Arena Off, Aarey Piramal X Road,**  
**3<sup>rd</sup> floor, Behind Mahindra Gardens, Goregaon West,**  
**Mumbai- 400062**

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Canopy Finance 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 my opinion thereon.

The Company's Management is responsible for preparation and maintenance of secretarial and other records and for devising proper systems to ensure compliance with the provisions of applicable laws and regulations.

Based on my verification of the 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended as on 31<sup>st</sup> March, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended as on 31<sup>st</sup> March, 2023, to the extent applicable, according to the provisions of:

- a) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- b) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- c) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- d) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- e) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') or by SEBI, to the extent applicable to the Company: -
  - a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
  - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;



- c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and 2018; **Not applicable during the financial year under review**
- e. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 - **Not applicable as the Company has not issued any shares to its Employees during the financial year under review;**
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993- **Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review;**
- g. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not applicable as the Company has not issued any debt securities during the financial year under review;**
- h. The Securities & Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021: **Not applicable as the Company has not delisted its equity shares during the financial year under review;**
- i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- **Not applicable**
- j. Reserve Bank of India Act, 1934

I have also examined compliance with the applicable clauses of the 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, Listing Agreements etc mentioned above except:

- *Mr. Aneish Kumaran Kumar was appointed as Additional Non-Executive Independent Director w.e.f. 25<sup>th</sup> May, 2022 but his appointment was not regularized within the stipulated time frame as stated in Regulation 17(1C) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2022.*

**I further report that:**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Director, 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.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance, 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 meeting.
- As per the minutes of the meetings duly recorded and signed by the Chairman the decisions of the Board were unanimous and no dissenting views have been recorded.

- The Company has duly complied with the requirements of Structured Digital Database under Regulations 3(5) & 3(6) of SEBI (Prohibition of Insider Trading), Regulations, 2015 during the financial year under review.

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

**I further report that** the Company has passed Board Resolution for approval of Scheme of Merger by Absorption under Section 230 to 232 and other applicable provisions of Companies Act, 2013 with Purple Finance Limited (“The Transferee Company”) and their respective shareholders and creditors.

**I further report that** the Company has passed Board Resolution for allotment of 13,00,001 equity shares of Rs. 10/- at a premium of Rs. 20/- to Strategic Investors being Non-Promoters on the basis of Preferential Allotment.

**I further report that** during the Audit Period, the Company has not undertaken any specific events / actions that can have a bearing on the Company’s compliance responsibility in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc.

**For Twinkle Agarwal  
Company Secretary in Practise**

Sd/-

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**Twinkle Agarwal  
Membership No. 52868(A)  
COP: 25605**

**UDIN: A052868E000267170  
Peer Re ICSI Peer Review No: 2540/2022**

**Date: 08.05.2023  
Place: Kolkata**

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

**Annexure 'A'**

To,  
The Members,  
**Canopy Finance Limited**  
**301, Corporate Arena Off, Aarey Piramal X Road,**  
**3<sup>rd</sup> floor, Behind Mahindra Gardens, Goregaon West,**  
**Mumbai- 400062**

My Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on audit;
2. I have followed the audit practices and the 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. I believe that the processes and practices, I followed provide a reasonable basis for my opinion;
3. I have not verified the correctness and appropriateness of financial records and books of account of the Company;
4. Wherever required, I have obtained 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 etc. is the responsibility of management. My 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 Twinkle Agarwal**  
**Company Secretary in Practise**

Sd/-

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**Twinkle Agarwal**  
**Membership No. 52868(A)**  
**COP: 25605**

**UDIN: A052868E000267170**  
**Peer Re ICSI Peer Review No: 2540/2022**

**Date: 08.05.2023**  
**Place: Kolkata**

**INDEPENDENT AUDITOR'S REPORT**  
To the Members of Canopy Finance Limited

**Report on the Audit of the Standalone Financial Statements**

**Opinion**

We have audited the standalone financial statements of Canopy Finance Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and 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 standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the State of Affairs of the Company as at March 31, 2023, and its Profit and other comprehensive income , Changes in Equity and its Cash Flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (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 on the Financial Statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, 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.

There is no Key Audit Matters Reportable as per SA 701 issued by ICAI.

**Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, Management Discussion and Analysis Report but does not include the standalone financial statements and our auditor's report thereon. These reports are expected to be made available to us after the date of our auditor's report.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the other information included in the above reports, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and determine the actions under the applicable laws and regulations.

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind-AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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.

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

### **Auditor's Responsibilities**

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 standalone 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

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 Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable and as required by Non-Banking Financial Companies Auditors' Report (Reserve Bank) Directions 2016 we give the report in the "Annexure B".

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

- c. The Balance Sheet and Statement of Profit and Loss including Other Comprehensive Income Statement of Cash Flow and Statement of Changes of Equity dealt with this report are in agreement with the books of account;
- d. In our opinion, the aforesaid Standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with relevant rule made thereunder in the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e. On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
- h. In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- 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, in our opinion and to best of our information and according to the explanation given to us -
  - i) The company has no pending litigation which would impact its financial position.
  - ii) The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.
  - iv) a. The management has represented, that, to the best of its knowledge and belief, as referred in notes to the accounts, no funds 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 persons or entities, including foreign entities ("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, as referred in the notes to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("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; and  
  
c. Based on the information and details provided and other audit procedures followed, nothing has come to our notice that has caused us to believe that the representations under sub clause iv(a) and (b) contain any material misstatement.

- j. Proviso Rule 3(1) of the Companies(Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from 1 April, 2023, and accordingly, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules 2014 is not applicable for financial year ended March 31 2023.

**For SDG & Co.**  
Chartered Accountants  
FRN No: 137864W

**Sd/-**  
(Partner)  
**Ajay S Yadav**  
Membership No: - 170602

**UDIN: 23170602BGVQGA4946**

Place: Mumbai  
Date: 8<sup>th</sup> May, 2023



**Canopy Finance Limited**  
**Annexure A to Independent Auditors' Report**

(Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

- 1) In respect of property, plant & equipment and intangible assets of the Company:
  - (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant and equipment;  
  
(B) Based on our scrutiny of the Company's Book of Account and other records and according to the information and explanations received by us from the management, we are of the opinion that the question of commenting on maintenance of proper records showing full particulars of intangible assets does not arise since the company had no intangible assets as on 31st March, 2023 nor at any time during the financial year ended on 31st March, 2023;
  - (b) The property, plant and equipment were physically verified during the year by the Management at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification;
  - (c) According to the information and explanations received by us, as the company owns no immovable properties, the requirement of reporting whether title deeds is held in the name of the company or not is not applicable;
  - (d) According to the information and explanations received by us, the company has not revalued its Property, Plant and Equipment (including Right of Use of assets) during the year, hence requirement of reporting on revaluation of Property, Plant and Equipment is not applicable;
  - (e) According to the information and explanations received by us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder;
- 2) In respect of inventories and working capital of the Company:
  - (a) Physical verification of inventory has been conducted by the management at reasonable intervals as required under clause 3(ii)(a) of the Order and no material discrepancies were noticed on physical verification;
  - (b) According to the information and explanations received by us, during any point of time of the year, no working capital has been sanctioned to the Company by banks or financial institutions on the basis of security of current assets, hence requirement of reporting on working capital is not applicable;
- 3) In respect of the investments in, guarantee or security provided, loans, secured or unsecured, granted by the Company to companies, firms, limited liability partnerships or other parties:
  - (a) as the company's principal business is to give loans, requirement of reporting under clause 3(a) of the Order in respect of loans or advances to subsidiaries, joint ventures and associates are not applicable;
  - (b) The Company being a Non Banking Finance Company (NBFC), registered under provisions of RBI Act, 1931. In our opinion and according to information and explanation given to us, the investment 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 not prejudicial to the company's interest;
  - (c) The Company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors repayments of principal and payment of interest by its customers as stipulated. In our opinion and according to the information and explanations given to us, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been

stipulated and in cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. According to the information and explanation made available to us, reasonable steps are taken by the Company for recovery thereof.

- (d) In our opinion and according to the information and explanations given to us, no amount is overdue;
  - (e) as the company's principal business is to give loans, requirement of reporting under clause 3(e) of the Order in respect of renewal or extension or fresh loans granted to settle the overdue of existing loans is not applicable;
  - (f) In our opinion and according to the information and explanations given to us, no loan or advances, in the nature of loans either repayable on demand or without specifying any terms or period of repayment, has been granted. No loans has been granted to Promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013;
- 4) In our opinion and according to the information and explanations given to us, the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security, have been complied with.
- 5) In our opinion and according to the information and explanations given to us, the company has not accepted deposits within the meaning of section 73 to 76 or any other relevant provisions of the Companies Act, 2013, during the year and does not have any unclaimed deposits. Therefore, reporting under clause 3(v) of the Order are not applicable.
- 6) As the company is not covered by section 148(1) of the Companies Act, 2013 read with applicable rules made under the Companies (Cost Records and Audit) Rules, 2014, reporting under clause 3(vi) of the order are not applicable to the company.
- 7) According to the information and explanation given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues including Income Tax, Goods and Services Tax, Cess and other material statutory dues applicable to it with the appropriate authorities;
  - (b) There were no amounts of statutory dues pending for depositing on account of any dispute;
- 8) According to the information and explanation given to us, no transactions, which are not recorded in the books of account, have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- 9) According to the information and explanation given to us, in respect of loans or borrowings:
- (a) the company does not have any borrowings or loans from any financial institution, bank or governments nor it has issued any debentures as at the balance sheet date;
  - (b) the company is not a declared wilful defaulter by any bank or financial institution or other lender;
  - (c) as the company has not taken any term loans, the question of reporting on the application of such loans for the same purpose of raising does not arise;
  - (d) as the company has not raised any short term fund, the question of reporting on utilization of funds raised on short term basis for long term purpose does not arise;
  - (e) as the company does not have any subsidiaries, joint ventures or associate companies, the question of reporting on raising any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures does not arise;
  - (f) as the company does not have any subsidiaries, joint ventures or associate companies, the question of reporting on raising of loan on the pledge of securities held in its subsidiaries, joint ventures or associate companies does not arise;

- 10)** According to the information and explanations given to us, in respect of money raised by way of initial public offer or further public offer and preferential allotment or private placement of shares or convertible debenture:
- (a)** as the company did not raise any money by way of initial public offer or further public offer (including debt instruments), hence question of reporting on the application of said money for the same purpose of raising does not arise;
  - (b)** the company vide resolution dated 29<sup>th</sup> August, 2022 allotted 13,00,001 equity shares (F.V Rs 10/-) at a premium of Rs 20 per share to Strategic Investors being Non Promoters. Company has duly complied with section 42 and 62 of the Companies Act, 2013. Money was raised with an object to meet the long term funding requirements of the Company including but not limited to working capital requirement, lending activities and for general corporate purposes in order to support the future growth plan of the Company.  
  
Amount of fund raised- Rs 3.90 crores  
Amount of fund utilized- Rs Rs 3.888 crores
- 11)** According to the information and explanations given to us, in respect of fraud:
- (a)** no fraud by the company or on the company has been noticed or reported during the year;
  - (b)** no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
  - (c)** no whistle-blower complaints has been received during the year by the company;
- 12)** Having regard to the nature of the Company's business/activities during the year, reporting under Clause 3(xii) of the Order relating to Nidhi Company are not applicable to the Company.
- 13)** In our opinion and according to the information and explanations given to us all transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by applicable accounting standards.
- 14)** According to the information and explanations given to us, in respect of Internal Audit:
- (a)** the company has an internal audit system commensurate with the size and nature of its business;
  - (b)** the reports of the Internal Auditors for the period under audit were considered by us, the statutory auditor;
- 15)** In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him.
- 16)** According to the information and explanations given to us, in respect of registration under section 45-IA of the Reserve Bank of India Act, 1934:
- (a)** the company has obtained registration under section 45-IA of the Reserve Bank of India Act, 1934 and a separate report in Annexure B is enclosed herewith;
  - (b)** the company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934;
  - (c)** the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India;
  - (d)** the company does not have any Core Investment Company (CIC) as its group company;
- 17)** The company has not incurred any cash losses in the financial year and in the immediately preceding financial year.
- 18)** No resignation of statutory auditor has taken place during the year.

- 19) According to the information and explanations given to us, 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, we are of the opinion:
- that no material uncertainty exists as on the date of the audit report;
  - that company is 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;
- 20) As the Section 135 of the Companies Act, 2013 is not applicable on the company, reporting under clause 3(xx) of the Order relating to corporate social responsibility is not required.
- 21) As the company is not required to prepare consolidated financial statements, the question of reporting under clause 3(xxi) on qualifications made by the auditors of the Companies included in the consolidated financial statements, does not arise.

**For SDG & Co.**  
Chartered Accountants  
FRN No: 137864W

**Sd/-**  
(Partner)  
**Ajay S Yadav**  
Membership No: - 170602

**UDIN: 23170602BGVQGA4946**

Place: Mumbai  
Date: 8<sup>th</sup> May, 2023

**Annexure B to the Audit Report**  
**Relating to Non Banking Financial Company Auditor's Report (Reserve Bank) Directions 2016**  
**of Canopy Finance Limited**

According to the information and explanation given to us and on the basis of test check carried on by us during the course of the audit of the company for the year ended 31<sup>st</sup> March 2023, our reports on the matters as specified under para 3A and 3C of Non Banking Financial Company Auditor's Report (Reserve Bank) Directions 2016 is as follows:

- (a) The company is a registered Non Banking Financial Company within the meaning of section 45(1A) of the Reserve Bank of India Act (2 of 1934) and has received certificate of registration (CoR) having registration no. N-13.02430.
- (b) The company is entitled to hold such CoR in terms of its Principal Business Criteria (Financial asset/income pattern) as on March 31, 2023.
- (c) The company is meeting the required net owned fund requirement as laid down in Master Direction - Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.
- (d) The board of directors of company has passed the resolution for non acceptance of any public deposits.
- (e) The company has not accepted any public deposits during the financial year ended on 31.03.2023.
- (f) As reported the company has complied with the prudential norms relating to income recognition, accounting standards and asset classification and provisioning for bad and doubtful debts as applicable to it.
- (g) The Company has made provision on Standard Assets @0.25% for the current financial year.
- (h) The Company has incurred profit and accordingly has transferred 20% of the profit earned during the year to special reserve fund.

**For SDG & Co.**  
Chartered Accountants  
FRN No: 137864W

**Sd/-**  
(Partner)  
**Ajay S Yadav**  
Membership No: - 170602

**UDIN: 23170602BGVQGA4946**

Place: Mumbai  
Date: 8<sup>th</sup> May, 2023

**Canopy Finance Limited**  
Annexure C to Independent Auditors' Report

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

We have audited the internal financial controls over financial reporting of M/s Canopy Finance 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 over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that;

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For SDG & Co.**  
Chartered Accountants  
FRN No: 137864W

**Sd/-**  
(Partner)  
**Ajay S Yadav**  
Membership No: - 170602

**UDIN: 23170602BGVQGA4946**

Place: Mumbai  
Date: 8<sup>th</sup> May, 2023

# CANOPY FINANCE LIMITED

CIN: L65910MH1981PLC380399  
BALANCE SHEET AS AT 31ST MARCH 2023

Amount (Rs in '000')

S/N	Particulars	Note No	As at 31st March, 2023	As at 31st March, 2022
	<b>ASSETS</b>			
<b>I</b>	<b>FINANCIAL ASSETS</b>			
(a)	Cash & Cash Equivalents	1	880	220
(b)	Receivables			
	(i) Trade Receivables	2(a)	-	1,229
	(ii) Other Receivables	2(b)	-	3,000
(c)	Loans	3	80,606	43,875
(d)	Investments	4	36,464	25,525
	Total financial assets		1,17,950	73,849
<b>II</b>	<b>NON-FINANCIAL ASSETS</b>			
(a)	Property, Plant and Equipment - Laptop	5	11	29
(b)	Inventories	6	162	215
	Total non-financial assets		172	244
	<b>Total Assets</b>		<b>1,18,122</b>	<b>74,092</b>
	<b>LIABILITIES &amp; EQUITY</b>			
<b>I</b>	<b>LIABILITIES</b>			
<b>1</b>	<b>Financial Liabilities</b>			
(a)	Payables			
	(I) Trade Payables	7		
	(i) total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
	(II) Other Payables			
	(i) total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(b)	Other financial liabilities	8	222	42
	Total financial liabilities		222	42
<b>2</b>	<b>Non-Financial Liabilities</b>			
(a)	Provisions	9	625	110
(b)	Deferred Tax liabilities (Net)	10	454	769
	Total non financial liabilities		1,080	879
<b>II</b>	<b>Equity</b>			
(a)	Equity Share capital	11	1,05,930	92,930
(b)	Other Equity	12	10,890	(19,758)
	Total equity		1,16,820	73,172
	<b>Total Liabilities &amp; Equity</b>		<b>1,18,122</b>	<b>74,092</b>

See accompanying notes to the financial statements  
The Notes referred to above form an integral part of the Balance Sheet.  
This is the Balance Sheet referred to in our report of even date.

For SDG & Co.  
Chartered Accountants  
Firm Registration Number- 137864W

For and on behalf of Board of Directors

sd/-  
Ajay S Yadav  
Partner  
Membership no. - 170602  
UDIN: 23170602BGVQGA4946

sd/-

sd/-

\_\_\_\_\_  
Varun Newatia  
Director & CFO  
DIN: 08071741

\_\_\_\_\_  
Lalit Kumar Tapadia  
Managing Director  
DIN: 08117881

sd/-

\_\_\_\_\_  
Prity Bishwakarma  
Company Secretary

Place:- Mumbai  
Dated :- 8th May, 2023





# CANOPY FINANCE LIMITED

CIN: L65910MH1981PLC380399

## CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2023

Amount (Rs in '000')

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before tax	4,849	5,706
<u>Adjustment for :</u>		
(a) Depreciation	18	7
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>4,867</b>	<b>5,713</b>
<u>Adjustment for :</u>		
(a) Trade Receivables	1,229	980
(b) Other Receivables	3,000	(950)
(c) Inventories	54	574
(d) Other Financial Liabilities	180	(3,538)
(e) Other Non-Financial Liabilities	-	-
(f) Trade Payables	-	-
<b>CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>4,462</b>	<b>(2,934)</b>
<b>CASH FLOW BEFORE EXTRAORDINARY ITEMS</b>		
Extraordinary Items Prior Period		
(a) Prior period Expenses/Income	-	-
(b) Income Tax/Deferred Tax	-	-
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>9,330</b>	<b>2,779</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
(a) Sale of Investments	(10,939)	(5,036)
(b) Purchase of Fixed Assets	-	(36)
<b>NET CASH FLOW IN INVESTING ACTIVITIES</b>	<b>(10,939)</b>	<b>(5,072)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
(a) Proceeds from issue of share capital (including share premium)	39,000	-
(b) Increase in Loans	(36,731)	1,753
(c) Increase in Borrowings	-	-
<b>NET CASH FLOW IN FINANCING ACTIVITIES</b>	<b>2,269</b>	<b>1,753</b>
Net Increase (Decrease) in Cash (A + B + C)	660	(540)
Opening Balance of Cash & Cash Equivalents	220	760
Closing Balance of Cash & Cash Equivalents	880	220
<b>Components of cash &amp; cash equivalents:</b>	<b>As at 31st March, 2023</b>	<b>As at 31st March 2022</b>
Cash & cash equivalents at the end of the year		
(a) Cash in hand	396	93
(b) Balances with Bank (Current account)	484	127

### EXPLANATIONS

- The above Statement of Cash Flows has been prepared under the Indirect Method as set out in the Ind AS 7 'Statement of Cash Flows'.
- Previous year figures have been rearranged/ regrouped wherever necessary to conform to the current year's classification. This is the Cash Flow Statement referred to in our report of even date.

For SDG & Co.  
Chartered Accountants,  
Firm Registration Number- 137864W

For and on behalf of Board of Directors

sd/-  
Ajay S Yadav  
Partner  
Membership no. - 170602  
UDIN: 23170602BGVQGA4946

sd/-  
Varun Newatia  
Director & CFO  
DIN: 08071741

sd/-  
Lalit Kumar Tapadia  
Managing Director  
DIN: 08117881

Place: Mumbai  
Dated :- 8th May, 2023

sd/-  
Prity Bishwakarma  
Company Secretary

# CANOPY FINANCE LIMITED

CIN: L65910MH1981PLC380399  
STATEMENT OF CHANGES IN EQUITY SHARE CAPITAL

A. Equity Share Capital		Amount (Rs in '000')
Particulars		
Balance as at March 31, 2021		92,930
Changes in Equity Share Capital during the year (Refer Note 10)		-
Balance as at March 31, 2022		92,930
Changes in Equity Share Capital during the year (Refer Note 10)		13,000
Balance as at March 31, 2023		1,05,930

\*The Company has not made any adjustment in equity share capital due to prior period errors.

B. Other Equity		Amount (Rs in '000')			
Current reporting period	Reserves and Surplus				
Particulars	Statutory (NBFC) Reserve	Retained Earnings	Securities Premium	Total Other Equity	
Balance as at March 31, 2022	3,166	(22,924)	-	(19,758)	
<u>Addition:</u>					
Profit/(Loss) for the year	-	3,719	-	3,719	
Transfer to reserve fund in terms of Section 45-1C(1) of Reserve Bank of India Act, 1934	930	-	-	930	
Issue of Shares at Premium	-	-	26,000	26,000	
Other Comprehensive Income/(Expense)	-	-	-	-	
<b>Total Comprehensive Income for the Period</b>	<b>930</b>	<b>3,719</b>	<b>26,000</b>	<b>30,649</b>	
Less: IncomeTax for earlier years not recoverable	-	-	-	-	
Transfer In Equity	-	-	-	-	
Balance as at March 31, 2023	4,096	(19,206)	26,000	10,890	
Previous reporting period	Reserves and Surplus				
Particulars	Statutory (NBFC) Reserve	Retained Earnings	Securities Premium	Total Other Equity	
Balance as at March 31, 2021	2,147	(27,000)	-	(24,853)	
<u>Addition:</u>					
Profit/(Loss) for the year	-	4,076	-	4,076	
Transfer to reserve fund in terms of Section 45-1C(1) of Reserve Bank of India Act, 1934	1,019	-	-	1,019	
Other Comprehensive Income/(Expense)	-	-	-	-	
<b>Total Comprehensive Income for the year</b>	<b>1,019</b>	<b>4,076</b>	<b>-</b>	<b>5,095</b>	
Less: IncomeTax for earlier years not recoverable	-	-	-	-	
Transfer In Equity	-	-	-	-	
Balance as at March 31, 2022	3,166	(22,924)	-	(19,758)	

**Statutory reserve:** Every year the Company transfers a sum of not less than twenty per cent of net profit of that year as disclosed in the statement of profit and loss to its Statutory Reserve pursuant to Section 45-1C of the RBI Act, 1934.

The conditions and restrictions for distribution attached to statutory reserves as specified in Section 45-1C(1) in The Reserve Bank of India Act, 1934:

- (1) Every non-banking financial company (NBFC) shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.
- (2) No appropriation of any sum from the reserve fund shall be made by the NBFC except for the purpose as may be specified by the RBI from time to time and every such appropriation shall be reported to the RBI within twenty-one days from the date of such withdrawal: Provided that the RBI may, in any particular case and for sufficient cause being shown, extend the period of twenty-one days by such further period as it thinks fit or condone any delay in making such report.
- (3) Notwithstanding anything contained in sub-section (1), the Central Government may, on the recommendation of the RBI and having regard to the adequacy of the paid-up capital and reserves of a NBFC in relation to its deposit liabilities, declare by order in writing that the provisions of sub-section (1) shall not be applicable to the NBFC for such period as may be specified in the order: Provided that no such order shall be made unless the amount in the reserve fund under sub-section (1) together with the amount in the share premium account is not less than the paid-up capital of the NBFC.

**Securities Premium :** Securities Premium is used to record the premium on issue of shares.

**Retained earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to statutory reserve, debenture redemption reserve, general reserve, dividends distributions paid to shareholders and transfer from debenture redemption reserve.

For SDG & Co.  
Chartered Accountants  
Firm Registration Number- 137864W

For and on behalf of Board of Directors

sd/-  
Ajay S Yadav  
Partner  
Membership no. - 170602  
UDIN: 23170602BGVQGA4946

sd/-  
Varun Newatia  
Director & CFO  
DIN: 08071741

sd/-  
Lalit Kumar Tapadia  
Managing Director  
DIN: 08117881

Place:- Mumbai  
Dated :- 8th May, 2023

sd/-  
Prity Bishwakarma  
Company Secretary

# CANOPY FINANCE LIMITED

CIN: L65910MH1981PLC380399

Notes to Financial Statements		Amount (Rs in '000')				
Particulars	Figures as at 31.03.2023	Figures as at 31.03.2022				
<b>Note No: 1</b>						
<b>Cash &amp; Cash Equivalents</b>						
<b>Cash on hand (As certified by the management)</b>	396	93				
<b>Balances with Bank</b> (of the nature of cash and cash equivalents)						
- In Current Account (HDFC Bank Ltd)	484	127				
	<b>880</b>	<b>220</b>				
<b>Note No: 2</b>						
<b>Receivables</b>						
(Outstanding for less than 6 months from other than related parties)						
<b>(a) Trade Receivables</b>						
- Intellect Stock Broking Ltd	-	1,229				
(Unsecured, Considered Good)	-	1,229				
<b>Trade Receivables aging schedule of Current period</b>						
Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	-	-	-	-	-
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Trade Receivables aging schedule of Previous Year</b>						
Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	1,229	-	-	-	-	1,229
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
The managements expects no default in receipt of trade receivables; also there is no history of default observed by the management. Hence, no ECL has been recognised on trade receivables.						
There are no dues from directors or other officers of the Company or any firm or private company in which any director is a partner, a director or a member. Trade receivables are non-interest bearing and are generally on terms of 30 days.						
<b>(b) Other Receivables</b>		-	-	-	-	3,000
		-	-	-	-	<b>3,000</b>
Particulars	Figures as at 31.03.2023	Figures as at 31.03.2022				
Other receivables considered good-secured	-	-				
Other receivables considered good-unsecured	-	3,000				
Other receivables which have significant increase in credit risk	-	-				
Other receivables - credit impaired	-	-				
<b>Gross</b>	-	<b>3,000</b>				
Less: Allowances for impairment loss on credit impaired other receivables	-	-				
<b>Net</b>	-	<b>3,000</b>				
There are no dues from directors or other officers of the Company or any firm or private company in which any director is a partner, a director or a member.						

**CANOPY FINANCE LIMITED**

CIN: L65910MH1981PLC380399

**Notes to Financial Statements**

**Note No: 3**

Loans		Amount (Rs in '000')											
		31.03.2023					31.03.2022						
S/N	Particulars	At Amortized Cost (1)	At Fair Value			Subtotal (5=2+3+4)	Total (6=1+5)	At Amortized Cost (1)	At Fair Value			Subtotal (5=2+3+4)	Total (6=1+5)
			Through Other Comprehensive Income (2)	Through Profit/Loss (3)	Designated at Fair Value Through Profit/Loss (4)				Through Other Comprehensive Income (2)	Through Profit/Loss (3)	Designated at Fair Value Through Profit/Loss (4)		
<b>A</b>													
(i)	Bills Purchased & Discounted	-	-	-	-	-	-	-	-	-	-	-	
(ii)	Loans Repayable on Demand	-	-	-	-	-	-	-	-	-	-	-	
(iii)	Term Loans	-	-	-	65,263	65,263	65,263	-	-	-	43,778	43,778	
(iv)	Leasing	-	-	-	-	-	-	-	-	-	-	-	
(v)	Factoring	-	-	-	-	-	-	-	-	-	-	-	
(vi)	Others (to be specified)	-	-	-	-	-	-	-	-	-	-	-	
	- TDS	-	-	-	493	493	493	-	-	-	97	97	
	- Advance Against Property	-	-	-	14,850	14,850	14,850	-	-	-	-	-	
	<b>Total (A) - Gross</b>	-	-	-	<b>80,606</b>	<b>80,606</b>	<b>80,606</b>	-	-	-	<b>43,875</b>	<b>43,875</b>	
	Less: Impairment Loss Allowance	-	-	-	-	-	-	-	-	-	-	-	
	<b>Total (A) - Net</b>	-	-	-	<b>80,606</b>	<b>80,606</b>	<b>80,606</b>	-	-	-	<b>43,875</b>	<b>43,875</b>	
<b>B</b>													
(i)	Secured by Tangible Assets	-	-	-	-	-	-	-	-	-	-	-	
(ii)	Secured by Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	
(iii)	Covered by Bank/ Government Guarantees	-	-	-	-	-	-	-	-	-	-	-	
(iv)	Unsecured	-	-	-	80,606	80,606	80,606	-	-	-	43,875	43,875	
	<b>Total (B) - Gross</b>	-	-	-	<b>80,606</b>	<b>80,606</b>	<b>80,606</b>	-	-	-	<b>43,875</b>	<b>43,875</b>	
<b>C</b>													
<b>I</b>	<b>Loans in India</b>	-	-	-	-	-	-	-	-	-	-	-	
(i)	Public Sector	-	-	-	80,606	80,606	80,606	-	-	-	43,875	43,875	
(ii)	Others (to be specified)	-	-	-	-	-	-	-	-	-	-	-	
	<b>Total (C) - Gross</b>	-	-	-	-	-	-	-	-	-	-	-	
	Less: Impairment Loss Allowance	-	-	-	-	-	-	-	-	-	-	-	
	<b>Total (C) (I) - Net</b>	-	-	-	<b>80,606</b>	<b>80,606</b>	<b>80,606</b>	-	-	-	<b>43,875</b>	<b>43,875</b>	
<b>II</b>	<b>Loans Outside India</b>	-	-	-	-	-	-	-	-	-	-	-	
	Less: Impairment Loss Allowance	-	-	-	-	-	-	-	-	-	-	-	
	<b>Total (C) (II) - Net</b>	-	-	-	-	-	-	-	-	-	-	-	
	<b>Total (C) (I &amp; II)</b>	-	-	-	<b>80,606</b>	<b>80,606</b>	<b>80,606</b>	-	-	-	<b>43,875</b>	<b>43,875</b>	

\* Above loans are not granted to promoters, directors, KMPs and other related parties.

# CANOPY FINANCE LIMITED

CIN: L65910MH1981PLC380399

## Notes to Financial Statements

### Note No: 4

<u>Investments</u>		31.03.2023					
S/N	Particulars	At Amortized Cost (1) Amount (Rs in '000)	At Fair Value			Subtotal (5=2+3+4) Amount (Rs in '000)	Total (6=1+5) Amount (Rs in '000)
			Through Other Comprehensive Income (2)	Through Profit/Loss (3)	Designated at Fair Value Through Profit/Loss (4)		
(a)	Mutual Funds	-	-	-	-	-	-
(b)	Government Securities	-	-	-	-	-	-
(c)	Other Approved Securities	-	-	-	-	-	-
(d)	Debt Securities	-	-	-	-	-	-
(e)	Equity Instruments	33,812	-	-	2,652	2,652	36,464
(f)	Subsidiaries	-	-	-	-	-	-
(g)	Associates	-	-	-	-	-	-
(h)	Joint Ventures	-	-	-	-	-	-
(i)	Others (Specify) (Fixed Deposit)	-	-	-	-	-	-
<b>I</b>	<b>Total Gross (A)</b>	<b>33,812</b>	<b>-</b>	<b>-</b>	<b>2,652</b>	<b>2,652</b>	<b>36,464</b>
(a)	Investment s outside India	-	-	-	-	-	-
(b)	Investment s in India	33,812	-	-	2,652	2,652	36,464
<b>II</b>	<b>Total (B)</b>	<b>33,812</b>	<b>-</b>	<b>-</b>	<b>2,652</b>	<b>2,652</b>	<b>36,464</b>
	Less: Allowance for Impairment (C)	-	-	-	-	-	-
<b>III</b>	<b>Total Net (A-C)</b>	<b>33,812</b>	<b>-</b>	<b>-</b>	<b>2,652</b>	<b>2,652</b>	<b>36,464</b>

<u>Investments</u>		31.03.2022					
S/N	Particulars	At Amortized Cost (1) Amount (Rs in '000)	At Fair Value			Subtotal (5=2+3+4) Amount (Rs in '000')	Total (6=1+5) Amount (Rs in '000')
			Through Other Comprehensive Income (2)	Through Profit/Loss (3)	Designated at Fair Value Through Profit/Loss (4)		
(a)	Mutual Funds	-	-	-	-	-	-
(b)	Government Securities	-	-	-	-	-	-
(c)	Other Approved Securities	-	-	-	-	-	-
(d)	Debt Securities	-	-	-	-	-	-
(e)	Equity Instruments	21,051	-	-	4,474	4,474	25,525
(f)	Subsidiaries	-	-	-	-	-	-
(g)	Associates	-	-	-	-	-	-
(h)	Joint Ventures	-	-	-	-	-	-
(i)	Others (Specify)	-	-	-	-	-	-
<b>I</b>	<b>Total Gross (A)</b>	<b>21,051</b>	<b>-</b>	<b>-</b>	<b>4,474</b>	<b>4,474</b>	<b>25,525</b>
(a)	Investment s outside India	-	-	-	-	-	-
(b)	Investment s in India	21,051	-	-	4,474	4,474	25,525
<b>II</b>	<b>Total (B)</b>	<b>21,051</b>	<b>-</b>	<b>-</b>	<b>4,474</b>	<b>4,474</b>	<b>25,525</b>
	Less: Allowance for Impairment (C)	-	-	-	-	-	-
<b>III</b>	<b>Total Net (A-C)</b>	<b>21,051</b>	<b>-</b>	<b>-</b>	<b>4,474</b>	<b>4,474</b>	<b>25,525</b>

# CANOPY FINANCE LIMITED

CIN: L65910MH1981PLC380399

## Details of Non-Current Investment

Quoted Shares		2023			2022		
S/N	Particulars	Figures as at the end of current reporting period			Figures as at the end of previous reporting period		
		Quantity	Rate (Rs)	Amount (Rs.'000')	Quantity	Rate (Rs)	Amount (Rs.'000')
1	APAR INDUSTRIES LTD	400	450	180	500	450	225
2	BHARAT WIRE ROPES LTD	-	-	-	10,000	29	287
3	BHARAT HEAVY ELECTRICALS LTD	2,000	74	148	2,000	74	148
4	CAMLIN FINE SCIENCES LTD	7,000	203	1,421	9,500	203	1,928
5	CARTRADE TECH LTD	-	-	-	1,000	1,436	1,436
6	HSBC ASSET MANAGEMENT (INDIA) LTD	12,352	2,186	27,000	-	-	-
7	ITC LTD	600	239	144	1,600	239	383
8	JKUMAR INFRAPROJECTS LTD	-	-	-	32,948	171	5,620
9	KAJARIA CERAMICS LTD	5,000	35	173	5,000	35	173
10	KAMAT HOTELS (INDIA) LTD	5,000	38	190	5,000	38	190
11	LAURAS LABS LTD	-	-	-	3,000	621	1,862
12	L&T FINANCE HOLDINGS LTD	13,387	79	1,054	13,387	79	1,054
13	MANAKSIA ALUMINIUM COMPANY LTD	1,49,998	9	1,292	1,49,998	9	1,292
14	MASTEK LTD	500	3,008	1,504	1,000	3,304	3,304
15	MAC CHARLES (INDIA) LTD	200	324	65	200	324	65
16	ORIENTAL RAIN INFRASTRUCTURE LTD	-	-	-	35,900	52	1,881
17	PRAKASH WOOLLEN & SYNTHETIC MILLS LTD	1,157	81	94	1,157	81	94
18	SPENCERS RETAIL LTD	1,500	90	134	1,500	90	134
19	TARAPUR TRANSFORMERS LTD	-	-	-	86,762	6	561
20	VEDANTA LIMITED	2,500	107	267	2,500	107	267
21	YES BANK LTD	10,000	15	145	10,000	15	145
	<b>Total</b>			<b>33,812</b>			<b>21,051</b>

	As at 31st March 2023	As at 31st March 2022
Aggregate book value of quoted investments	33,812	21,051
Aggregate market value of quoted investments	36,464	25,525

# CANOPY FINANCE LIMITED

CIN: L65910MH1981PLC380399

Note-5

Property, Plant & Equipments

Depreciation As Per Books

Amount (Rs in '000')

Sl. No.	NAME OF ASSETS	Year	GROSS BLOCK				DEPRECIATION				NET BLOCK	
			AS AT	ADD DURING	ADJUSTMENT	AS AT	UPTO	FOR THE	ADJUSTMENT	UPTO	AS AT	AS AT
			01.04.2022	THE PERIOD		31.03.2023	01.04.2022	PERIOD		31.03.2023	31.03.2023	31.03.2022
	<b>Office equipment</b>											
1	Laptop	5	36	-	-	36	7	18	-	25	11	29
	<b>Total</b>		<b>36</b>	<b>-</b>	<b>-</b>	<b>36</b>	<b>7</b>	<b>18</b>	<b>-</b>	<b>25</b>	<b>11</b>	<b>29</b>



# CANOPY FINANCE LIMITED

CIN: L65910MH1981PLC380399

Notes to Financial Statements						Amount (Rs in '000')	
Particulars						Figures as at 31.03.2023	Figures as at 31.03.2022
<b>Note No: 6</b>							
<b>Inventories</b>							
(At cost or Net Realizable value whichever is lower)							
Stock in trade of Securities						162	215
(As per inventories taken, valued and certified by the management)						<b>162</b>	<b>215</b>
<b>Note No: 7</b>							
<b>Trade Payables</b>							
Sundry Creditors						-	-
<b>Trade Payables aging schedule of Current Year</b>							
Particulars	Outstanding for following periods from due date of payment				Total		
	Less than 1 year	1-2 years	2-3 years	More than 3 years			
(i) MSME	-	-	-	-	-	-	
(ii) Others	-	-	-	-	-	-	
(iii) Disputed dues-MSME	-	-	-	-	-	-	
(iv) Disputed dues - Others	-	-	-	-	-	-	
<b>Note No: 8</b>							
<b>Other Financial Liabilities</b>							
Other Payables:							
- TDS Payable						17	30
- Liabilities for Expenses						205	12
						<b>222</b>	<b>42</b>
<b>Note No: 9</b>							
<b>Provisions</b>							
Provision for Taxation						461	-
<b>Others:</b>							
Provision for Standard Asset							
Opening Balance						110	114
Add: Changes during the year						55	(4)
Closing Balance						164	110
						<b>625</b>	<b>110</b>
<b>Note No: 10</b>							
<b>Deferred Tax Liabilities</b>							
Right of use assets						(1)	2
Allowance Credit Loss						-	-
Fair Valuation of Financial Instruments						455	768
						454	769
<b>Note No: 12</b>							
<b>Other Equity</b>							
<b>Securities Premium</b>							
Balance as per Last Balance Sheet						-	-
Add: Additions during the year						26,000	-
						26,000	-
<b>Retained Earnings</b>							
Balance as per Last Balance Sheet						(22,924)	(27,000)
Add: Profit/loss for the year						3,719	4,076
						(19,206)	(22,924)
<b>Other Reserves</b>							
<b>Statutory NBFC Reserve</b>							
Balance as per Last Balance Sheet						3,166	2,147
Add: Transfer from Retained earnings						930	1,019
						4,096	3,166
<b>Total Other Equity</b>						10,890	(19,758)

# CANOPY FINANCE LIMITED

CIN: L65910MH1981PLC380399

Notes forming part of the financial statements

NOTE NO- 11

## SHARE CAPITAL

Particulars	Figures as at 31.03.2023		Figures as at 31.03.2022	
	Number of shares	Amount (Rs in '000')	Number of shares	Amount (Rs in '000')
(a) Authorised Equity shares of Rs.10/- each	1,50,00,000	1,50,000	1,50,00,000	1,50,000
(b) Issued Equity shares of Rs.10/- each fully paid up	1,05,93,001	1,05,930	92,93,000	92,930
(c) Subscribed and fully paid up Equity shares of Rs.10/- each with voting rights	1,05,93,001	1,05,930	92,93,000	92,930
<b>Total</b>	<b>1,05,93,001</b>	<b>1,05,930</b>	<b>92,93,000</b>	<b>92,930</b>

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

Particulars	31.03.2022			31.03.2023
	Opening Balance	Fresh issue	Bonus, ESOP, Conversion, Buy back	Closing Balance
Equity shares				
- Number of shares	92,93,000	13,00,001	-	1,05,93,001
- Amount (in Rs 000)	92,930.00	13,000.01	-	1,05,930.01

Particulars	31.03.2021			31.03.2022
	Opening Balance	Fresh issue	Bonus, ESOP, Conversion, Buy back	Closing Balance
Equity shares				
- Number of shares	92,93,000	-	-	92,93,000
- Amount (in Rs 000)	92,930.00	-	-	92,930.00

### (ii) Details of shareholders holding more than 5% shares in the company:

Class of shares / Name of shareholder	Figures as at 31.03.2023		Figures as at 31.03.2022	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Saguna Mercantile Private Limited	17,31,495	16.35%	17,31,495	18.63%
Pranesh Dealmark Private Limited	**	**	7,50,475	8.08%
Intellect Stock Broking Limited	**	**	5,63,898	6.07%

\*\* holding less than 5% equity shares

### (iii) Rights, preferences and restrictions attached to Shares

The Company has only one class of equity shares having a par value of Rs 10 each. Each shareholder is eligible for one vote per share held. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders

<b>(iv) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:</b>				
Class of shares / Name of shareholder	As at 31st March, 2023		As at 31st March, 2022	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights	-	-	-	-
Equity shares with differential voting rights	-	-	-	-
Compulsorily convertible preference shares	-	-	-	-
Optionally convertible preference shares	-	-	-	-
Redeemable preference shares	-	-	-	-

(v) No shares have been reserved for issue under options and contracts/commitments for the sale of shares.

(vi) During the period of 5 years preceding the date at which the Balance Sheet is prepared.

(A) No shares have been allotted by the Company as fully paid-up pursuant to contract(s) without payment being received in cash.

(B) No shares have been allotted by the Company as fully paid-up by way of bonus shares.

(C) No shares have been brought back by the Company.

(vii) No calls are unpaid by any director or officer of the Company. Also no shares of the Company have been forfeited.

(viii) Capital management for the Company's objectives, policies and processes for managing capital- refer note 23.

**(ix) Shares held by promoters at the end of the year 31/03/2023**

Promoter name	No. of Shares	% of total shares	% Change during the year
ASHISH TRIVEDI	-	-	-
RAMA TRIVEDI	-	-	-
MANISH TRIVEDI HUF	-	-	-
OM PRAKASH TRIVEDI	-	-	-
OM PRAKASH TRIVEDI HUF	-	-	-
MANISH TRIVEDI	-	-	-
PAMPA TRIVEDI	-	-	-
SAGUNA MERCANTILE PRIVATE LIMITED	17,31,495	16.35	-2.28
<b>Total</b>	<b>17,31,495</b>	<b>16.35</b>	<b>-2.28</b>

**Shares held by promoters at the end of the year 31/03/2022**

Promoter name	No. of Shares	% of total shares	% Change during the year
ASHISH TRIVEDI	-	-	-
RAMA TRIVEDI	-	-	-
MANISH TRIVEDI HUF	-	-	-
OM PRAKASH TRIVEDI	-	-	-
OM PRAKASH TRIVEDI HUF	-	-	-
MANISH TRIVEDI	-	-	-
PAMPA TRIVEDI	-	-	-
SAGUNA MERCANTILE PRIVATE LIMITED	17,31,495	18.63	-
<b>Total</b>	<b>17,31,495</b>	<b>18.63</b>	<b>-</b>

# CANOPY FINANCE LIMITED

CIN: L65910MH1981PLC380399

## Notes to Financial Statements

Note No: 13

### Revenue from Operations

#### (i) Interest Income

Particulars	Amount (Rs in '000')					
	Figures as at 31.03.2023			Figures as at 31.03.2022		
	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss
Interest on Loans	-	-	3,703	-	-	596
Interest income from investments	-	-	-	-	-	-
Interest on deposits with Banks	-	-	350	-	-	-
Other interest income	-	-	4	-	-	-
<b>Total</b>	-	-	<b>4,057</b>	-	-	<b>596</b>

#### (ii) Dividend income on Investments

	241	251
	241	251

#### (iii) Net gain/ (loss) on fair value changes \*

Particulars	Figures as at 31.03.2023	Figures as at 31.03.2022
(A) Net gain/ (loss) on financial instruments at fair value through profit or loss	(1,822)	3,482
(i) On trading portfolio	-	-
- Investments	-	-
- Derivatives	-	-
- Others	-	-
(ii) On financial instruments designated at fair value through profit or loss	(1,822)	3,482
(B) Others ( to be specified)	-	-
Total Net gain/(loss) on fair value changes (C)	(1,822)	3,482
Fair Value changes:		
- Realised		
- Unrealised	(1,822)	3,482
Total Net gain/(loss) on fair value changes (D) to tally with (C)	(1,822)	3,482

\*Fair value changes in this schedule are other than those arising on account of accrued interest income/expense.

#### (iv) Sale of securities

	96	24,606
	96	24,606

#### (v) Others

- Professional fees	1,800	-
- Intraday Profit/ Loss	-	394
- Profit on F & O	26	5,884
- Long Term Capital Gain	2,909	1,057
- Short Term Capital Gain	2,696	(1,376)
	<b>7,431</b>	<b>5,959</b>

# CANOPY FINANCE LIMITED

CIN: L65910AS1981PLC017921

Notes to Financial Statements	Amount (Rs in '000')	
Particulars	Figures as at 31.03.2023	Figures as at 31.03.2022
<b>Note No: 14</b>		
<b>Purchase</b>		
Purchase of Securities	-	24,414
	-	<b>24,414</b>
<b>Note No: 15</b>		
<b>Changes in Inventories of Securities</b>		
Opening Stock of Securities	215	789
Less: Closing Stock of Securities	162	215
	<b>54</b>	<b>574</b>
<b>Note No: 16</b>		
<b>Employee Benefits Expenses</b>		
Salary	971	2,100
Staff Welfare Expenses	48	30
	<b>1,019</b>	<b>2,130</b>
<b>Note No: 17</b>		
<b>Depreciation, amortization and impairment</b>		
Aggregate Depreciation on Laptop (Refer Note 5)	18	7
	<b>18</b>	<b>7</b>
<b>Note No: 18</b>		
<b>Other expenses</b>		
Advertising Expenses	42	64
Accounting Charges	144	144
Audit Fees (details below)	12	12
Bad Debts	-	107
Bank Charges	0	-
Conveyance Expenses	111	119
Depository Charges	135	75
Demat Charges	2	3
Designing Charges	-	124
Filing & Professional Fee	15	232
General Expenses	105	135
Internal Audit fees	10	-
Listing Fees	1,327	459
Penalty Charges	-	322
Printing & Stationary	33	29
Professional fees	1,353	-
RTA Expenses	106	99
Rent Paid	120	108
SEBI fees	397	-
SEBI Settlement Scheme	130	-
Share Dealing Expenses	-	13
Stamp duty	3	-
Telephone Expenses	8	9
Website Expenses	12	10
	<b>4,063</b>	<b>2,064</b>
<b>Particulars</b>		
<b>(i) Details of payment to the Auditor</b>		
(a) as auditor	12	12
(b) for taxation matters	-	-
(c) for company law matters	-	-
(d) for other services	-	-
(e) for reimbursement of expenses	-	-

# Canopy Finance Limited

## Notes Forming Part of the Financial Statements

### **19. Corporate Information**

Canopy Finance Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its equity shares are listed on BSE Limited and Calcutta Stock Exchange Limited. The Company is primarily engaged in NBFC activities. The Registered Office of the Company is 301 Corporate Arena Off, Aarey Piralal X Road, 3rd Floor, Behind Mahindra Gardens, Goregaon West, Mumbai - 400062. The Directors of the company are Mrs. Manisha Agarwal, Mr. Varun Newatia, Mr. Aneish Kumaran Kumar, Mr. Suresh salian and Mr. Lalit Kumar Tapadia.

### **20. Basis of Preparation**

The financial statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) Rules, 2016, notified under the Section 133 of the Companies Act, 2013 ('the Act'). The financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant Accounting standards and other relevant provisions of the Companies Act 2013, guidelines issued by the RBI as applicable to a NBFC's and other accounting principles generally accepted in India. Any application guidance / clarifications / directions issued by RBI or other regulators are implemented as and when they are issued / applicable.

The regulatory disclosures as required by Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued by the RBI are prepared as per the Ind AS financial statements, pursuant to the RBI notification on Implementation of Indian Accounting Standards, dated March 13, 2020.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy.

The preparation of financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosed amount of contingent liabilities.

The financial statements are presented in Indian Rupees in thousands (INR '000) which is also the functional currency of the Company and all values are rounded to the nearest thousands, except when otherwise indicated.

### **21. Presentation of Financial Statements**

The financial statements of the company are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to Non-Banking Finance Companies (NBFCs), as notified by the MCA. The Statement of Cash Flows has been presented as per the requirements of Ind-AS 7 Statement of cash Flows.

The company classifies its assets and liabilities as financial and non-financial and presents them in the order of liquidity. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Part I of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current - non-current classification of assets and liabilities.

## **22. Compliance with Ind AS**

The financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 and the other relevant provisions of the act.

The company has consistently applied accounting policies to all the periods.

## **23. Capital Management**

The company maintains an actively managed capital base to cover risks inherent in the business which includes issued equity capital, share premium and all other equity reserves attributable to equity holders of the company.

The primary objectives of the company's capital management policy are to ensure that the company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value. Refer Note 26 for the company's calculation of ratios.

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

## **24. Significant Accounting Policies**

The Financial Assets has been measured at fair value through profit or loss which mainly comprises Investment in Equity Shares. Financial instruments held at fair value through profit or loss initially recognized at fair value, with transaction costs recognized in the statement of profit and loss as incurred. Subsequently, they are measured at fair value and any gain or losses are recognized in the statement of profit and loss as they arise.

### **Derivatives**

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non- financial variable, it is not specific to a party to the contract (i.e., the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- It is settled at a future date.

The company enters into derivative transactions in Equity/Index Future & Options. There is no Open Position at the end of the year.

### **Use of Estimates**

The preparation of the Ind AS financial statements in conformity with the generally accepted accounting principles in India requires management to make estimates and assumptions that affect the reported amount of assets and liabilities as of the Balance Sheet date, reported amount of revenue and expenses for the year and disclosure of contingent liabilities and contingent assets as of the date of Balance Sheet. The estimates and assumptions used in these Ind AS financial statements are based on management's evaluation of the relevant facts and circumstances as of the date of the Ind AS financial statements. The actual amounts may differ from the estimates used in the preparation of the Ind AS financial statements and the difference between actual results and the estimates are

recognized in the period in which the results are known/materialize.

### **Revenue recognition**

Revenue in respect of services is recognized accrual basis of work performed. Income from sales is recognized as and when sales are complete during the accounting year. Revenue is recognized when it is probable that economic benefit associated with the transaction flows to the Company in ordinary course of its activities and the amount of revenue can be measured reliably, regardless of when the payment is being made. Revenue is measured at the fair value of consideration received or receivable, taking into the account contractually defined terms of payments, net of its returns, trade discounts and volume rebates allowed. Interest and other income are accounted on accrual basis on loan & Advance but receipt of interest is doubtful/N.P.A. no provision has been made in books. Interest Income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable i.e. on the basis of matching concept.

Dividend income is recognised when the right to receive the payment is established.

Other items of Income are accounted as and when the right to receive arises.

### **Event after Reporting Date**

Where events occurring after the Balance Sheet date provide evidence of condition that existed at the end of reporting period, the impact of such events is adjusted within the standalone financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

### **Employee Benefits:**

All employees benefits falling due wholly within twelve month of rendering the services are classified as short term employee benefits which include benefits like salary, wages, short term compensated, absences and performance incentives and are recognised as expense in the period in which the employee renders the related services.

All other income and expense are recognised in the period they occur.

### **Provisions and contingencies**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed in the Notes.

The Company creates a provision when there is a present obligation as a result of past event that probably requires and outflows of resources and a reliable estimate can be made of the amount of obligation. A disclosure of contingent liability is made when there is possible obligation or a present obligation that will probably not require outflow of resources or where a reliable estimate of obligation cannot be made.

### **Contingent liabilities & Commitments (to the extent not provided for):**

#### **Contingent Liabilities:**

Claims against the company not acknowledged as debt	:	NIL
Guarantees	:	NIL
Other money for which the company is contingently liable	:	NIL



**Commitments:**

Estimated amount of contracts remaining to be executed on Capital A/c & not Provided for	:	NIL
Uncalled liability on shares & other investments which are partly	:	NIL
Other Commitments	:	NIL

The company generally complied with the direction issued by Reserve Bank of India and provision of section 73 of the Companies Act, 2013. The policy of provisioning for Non-Performing Loans & Advances has been decided by management considering prudential norms prescribed by the Reserve Bank of India.

**Foreign Currency Transactions: -**

Expenditure in Foreign Currency: - Nil

Earnings in Foreign Currency: - Nil

**Related Parties Transaction:-**

There were no transactions with the related parties as defined in the Accounting Standard except for salary paid to Directors and KMP s, details of which are as follows:

S. No	Name	Designation	Amount (Rs in '000')	
			As on 31 <sup>st</sup> March, 2023	As on 31 <sup>st</sup> March, 2022
1	Priyanka Agarwal (resigned w-e-f 03/01/2023)	Company Secretary	162	216
2	Prity Bishwakarma (appointed w-e-f 27/03/2023)	Company Secretary	15	-
3	Varun Newatia	Executive Director	600	600
4	Suresh Salian	Independent Director	50	-
5	Aneish Kumaran Kumar	Independent Director	130	-
6	Manisha Agarwal	Independent Director	20	-
7	Lalit Kumar Tapadia	Managing Director	-	900
8	Khushboo Vasudev	Independent Director	-	25

**Risk:-**

"Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. Since in Our case there has been no significant change in credit risk and are all in current bucket no expected credit loss assessment and corresponding expected loss provision is required as on Balance sheet date. We don't foresee any probable loss in the account in the near future. Hence the standard asset provision as per RBI requirement is done on these assets being in Stage I."

## Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations.

## Investment

All the Investments are in Listed Securities. The Investments were valued at their Fair Market Value in accordance with INDAS.

### Reconciliation of profit between Indian GAAP and IND AS for the year ended 31.03.2023

<u>Particulars</u>	<u>Amount in Rs'000.</u>
Profit/(loss) before tax as per IND AS	4,849
Add: Unrealized Loss due to change in Fair Value of Investment	<u>1,822</u>
Profit/(Loss) as per Indian GAAP	<b>6,671</b>

## Valuation of Inventory

Inventories includes shares which is to be held for trading purpose which is valued at lower of cost or Net Realisable value whichever is lower as per FIFO Method.

Stock-In-Trade :- Stock in trade are valued at cost or Net realizable value whichever is lower. Cost is determined on "First in First out basis (FIFO)".

"Net Realizable Value" is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated cost necessary to make the sales of the products.

## Cash and Cash equivalents

Cash and Cash equivalents comprise cash and cash on deposit with banks and corporations. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

### 25. Additional Regulatory Information:

(i) No loans or advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person.

(ii) No Benami Property is held by the Company and that no proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

- (iii) There are no borrowings from banks or financial institutions on the basis of security of current assets.
- (iv) The Company is not a declared wilful defaulter by any bank or financial Institution or other lender.
- (v) The company has not entered into any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.
- (vi) No charge is created on any property of the Company and that there are no charges or satisfaction yet to be registered with ROC beyond the statutory period.
- (vii) The company has complied with the provisions for number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- (viii) Company has made application to SEBI under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for Scheme of Merger by Absorption of Canopy Finance Limited ("the Transferor Company" / "the Company" / "CFL") and Purple Finance Limited ("the Transferee Company" / "PFL") as per section 230 to 232 of the Companies Act, 2013. Hon'ble RBI has given their no objection for the proposed Merger by Absorption and approval from SEBI is awaited as on date.
- (ix) Utilisation of Borrowed funds and share premium:
- No funds 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 persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has also not received any fund from any parties (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (x) There are no transactions not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (xi) The company is not covered under section 135 of the Companies Act, 2013 and therefore not required to spend any amount on corporate social responsibility activities.
- (xii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

**Note: "Previous Year's figure has been regrouped, rearranged wherever considered necessary."**

**For SDG & Co.,  
Chartered Accountants  
FRN: 137864W**

**For and on behalf of Canopy Finance Limited**

**Sd/-  
Ajay S Yadav  
Partner  
M. No. 170602**

**Sd/-  
Lalit Kumar Tapadia  
Managing Director  
DIN: 08117881**

**Sd/-  
Varun Newatia  
Director & CFO  
DIN: 08071741**

**Place: Mumbai  
Date: 8<sup>th</sup> May, 2023**

**Sd/-  
Prity Bishwakarma  
Company Secretary**

## CANOPY FINANCE LIMITED

CIN: L65910AS1981PLC017921

Note No: 26

Ratio (Continuing operations) :

Particulars	Numerator	Denominator	31-Mar-23	31-Mar-22	Variation	Reasons for variations
(a) Current Ratio	Current Assets	Current Liabilities	367.44	1156.07	-68%	Due to Increase in Current Liabilities
(b) Debt-Equity Ratio	Total Debt	Shareholders Equity	-	-	- **	
(c) Debt Service Coverage Ratio	Earnings for debt service = Net profit after taxes + Noncash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	-	-	- **	
(d) Return on Equity Ratio	Net Profits after taxes - Preference Dividend (if any)	Average Shareholder's Equity	0.04	0.07	-42%	Due to Decrease in Profit
(e) Inventory turnover ratio	Cost of goods sold	Average Inventory	0.60	116.03	-99%	Due to Decrease in Sale
(f) Trade Receivables turnover ratio	Net credit sales = Gross credit sales - sales return	Avg. Accounts Receivable	-	5.82	-100%	No Trade Receivables
(g) Trade payables turnover ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	-	-	- **	
(h) Net capital turnover ratio	Net sales = Total sales - sales return	Working capital = Current assets - Current liabilities	0.00	0.51	-100%	Due to Decrease in Sale
(i) Net profit ratio	Net Profit	Net sales = Total sales - sales return	48.79	0.21	23481%	Due to Decrease in Sale
(j) Return on Capital employed	Earning before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	0.04	0.07	-42%	Due to increase in profit
(k) Return on investment	Interest (Finance Income)	Investment	0.05	0.01	271%	Due to Increase in Interest Income
<b>Financial Ratios</b>						
(a) Tier I Capital	Tier I Capital	Risk Weighted Assets	172.20	171.22	1%	
(b) Tier II Capital	Tier II Capital	Risk Weighted Assets	-	-	0%	
(c) CRAR	Tier I Capital+ Tier II Capital	Risk Weighted Assets	172.20	171.22	1%	
(d) Liquidity Coverage Ratio	Cash and Cash Equivalent + Liquid Assets	Financial Liabilities	3663.00	2,574.00	42%	Due to increase in Value of High Quality Liquid Assets

\*\*Reasons for variations are required to be given for any change in the ratio by more than 25% as compared to the preceding year. As per the above calculations, variations are below the threshold limit and therefore reasons are not applicable.

# CANOPY FINANCE LIMITED

CIN: L65910MH1981PLC380399

Balance Sheet of a non deposit taking Non-Banking Financial Company (As required in terms of paragraph 13 of NonBanking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms [Reserve Bank] Directions, 2007) Liabilities Side:

Particulars		Amount (Rs in '000')	Amount (Rs in '000')
Liabilities side		Amount outstanding	Amount overdue
<b>(1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid :</b>			
(a)	Debtentures : Secured	-	-
	: Unsecured	-	-
	(other than falling within the meaning of public deposits*)		
(b)	Deferred Credits	-	-
(c)	Term Loans	-	-
(d)	Inter-corporate loans and borrowing	-	-
(e)	Commercial Paper	-	-
(f)	Public Deposits*	-	-
(g)	Other Loans (specify nature)	-	-
<b>(2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :</b>			
(a)	In the form of Unsecured debtentures	-	-
(b)	In the form of partly secured debtentures i.e. debtentures where there is a shortfall in the value of security	-	-
(c)	Other public deposits	-	-
<b>Assets side</b>		<b>Amount outstanding</b>	
<b>(3) Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :</b>			
(a)	Secured		-
(b)	Unsecured		80,606
<b>(4) Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities</b>			
(i)	Lease assets including lease rentals under sundry debtors :		-
(a)	Financial lease		-
(b)	Operating lease		-
(ii)	Stock on hire including hire charges under sundry debtors :		-
(a)	Assets on hire		-
(b)	Repossessed Assets		-
(iii)	Other loans counting towards asset financing activities		-
(a)	Loans where assets have been repossessed		-
(b)	Loans other than (a) above		-
<b>(5) Break-up of Investments</b>			
<b>Current Investments</b>			
<b>1 Quoted</b>			
(i)	Shares		
(ii)	(a) Equity		-
(iii)	(b) Preference		-
(iv)	Debtentures and Bonds		-
(v)	Units of mutual funds		-
	Government Securities		-
	Others (please specify)		-
<b>2 Unquoted</b>			
(i)	Shares		-
	(a) Equity		-
	(b) Preference		-
(ii)	Debtentures and Bonds		-
(iii)	Units of mutual funds		-
(iv)	Government Securities		-
(v)	Others (please specify)		-
<b>Long Term investments</b>			
<b>1 Quoted</b>			
(i)	Share		
	(a) Equity		36,464
	(b) Preference		-
(ii)	Debtentures and Bonds		-
(iii)	Units of mutual funds		-
(iv)	Government Securities		-
(v)	Others (please specify)		-
<b>2 Unquoted</b>			
(i)	Shares		-
	(a) Equity		-
	(b) Preference		-
(ii)	Debtentures and Bonds		-
(iii)	Units of mutual funds		-
(iv)	Government Securities		-
(v)	Others (please specify)		-

<b>(6) Borrower group-wise classification of assets financed as in (3) and (4) above :</b>					
Please see Note 2 below					
Category			Amount net of provisions		
			Secured	Unsecured	Total
1 Related Parties **					
	(a)	Subsidiaries	-	-	-
	(b)	Companies in the same group	-	-	-
	(c)	Other related parties	-	-	-
2 Other than related parties				80,606	80,606
Total			-	80,606	80,606
<b>(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :</b>					
Please see note 3 below					
Category			Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	
1 Related Parties **					
	(a)	Subsidiaries	-	-	-
	(b)	Companies in the same group	-	-	-
	(c)	Other related parties	-	-	-
2 Other than related parties				36,464	33,812
Total					
** As per Accounting Standard of ICAI (Please see Note 3)					
<b>(8) Other information</b>					
Particulars			Amount		
(i)	Gross Non-Performing Assets				
	(a)	Related parties	-	-	
	(b)	Other than related parties	-	-	
(ii)	Net Non-Performing Assets				
	(a)	Related parties	-	-	
	(b)	Other than related parties	-	-	
(iii)	Assets acquired in satisfaction of debt		-	-	
<b>Notes:</b>					
1 As defined in point xxv of paragraph 3 of Chapter -II of these Directions.					
2 Provisioning norms shall be applicable as prescribed in these Directions.					
3 All notified Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However,					

# CANOPY FINANCE LIMITED

CIN: L65910MH1981PLC380399

Annexure to the Financial Statement of a Non-Banking Financial Company as on 31.03.2023

As required in terms of Framework for Scale Based Regulation for Non-Banking Financial Companies

Exposure to real estate market	Amount (Rs in '000')	
Category	Current year	Previous Year
i) Direct exposure		
a) Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.	-	-
b) Commercial Real Estate - Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.	-	-
c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures -		
i. Residential	-	-
ii. Commercial Real Estate	-	-
ii) Indirect Exposure Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	-	-
<b>Total Exposure to Real Estate Sector</b>	-	-
Exposure to capital market	Amount (Rs in '000')	
Particulars	Current year	Previous Year
i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt	-	-
ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds	-	-
iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-
iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances.	-	-
v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources.	-	-
vii) Bridge loans to companies against expected equity flows / issues	-	-
viii) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
ix) Financing to stockbrokers for margin trading	-	-
x) All exposures to Alternative Investment Funds:	-	-
(i) Category I	-	-
(ii) Category II	-	-
(iii) Category III	-	-
<b>Total exposure to capital market</b>	-	-

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Annexure to the Financial Statement of a Non-Banking Financial Company as on 31.03.2023

As required in terms of Framework for Scale Based Regulation for Non-Banking Financial Companies

Sectoral exposure	Current Year			Previous Year		
Sectors	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ crore)	Gross NPAs (₹ crore)	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ crore)	Gross NPAs (₹ crore)	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	-	-	-	-	-	-
2. Industry						
i. Real Estate Construction	-	-	-	2.49	-	-
ii....	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total of Industry	-	-	-	2.49	-	-
(i+ii+...+Others)	-	-	-	-	-	-
3. Services						
i...	-	-	-	-	-	-
ii...	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total of Services	-	-	-	-	-	-
(i+ii+...+Others)	-	-	-	-	-	-
4. Personal Loans						
i. Individual and HUF	6.53	-	-	1.38	-	-
ii...	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total of Personal Loans	-	-	-	-	-	-
(i+ii+...+Others)	6.53	-	-	1.38	-	-
5. Others, if any (please specify)	-	-	-	0.51	-	-

**Note:**

i. The disclosures as above shall be based on the sector-wise and industry-wise bank credit (SIBC) return submitted by scheduled commercial banks to the Reserve Bank and published by Reserve Bank as 'Sectoral Deployment of Bank Credit'.

ii. In the disclosures as above, if within a sector, exposure to a specific sub-sector/industry is more than 10 per cent of Tier I Capital of a NBFC, the same shall be disclosed separately within that sector. Further, within a sector, if exposure to specific sub-sector/industry is less than 10 per cent of Tier I Capital, such exposures shall be clubbed and disclosed as "Others" within that sector.



## CANOPY FINANCE LIMITED

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### Related Party Disclosure

Related Party

Amount (Rs in '000')

Items	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint ventures		Key Management Personnel		Relatives of Key Management Personnel		Others		Total	
	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year
Borrowings#	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposits#	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Placement of deposits#	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances#	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments#	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest received	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others*	-	-	-	-	-	-	977.00	1,741.00	-	-	-	-	977.00	1,741.00

\* salary paid to Directors & KMP (details given in Note 24)

For SDG & Co.  
Chartered Accountants,  
Firm Registration Number- 137864W

For and on behalf of Board of Directors

sd/-  
Ajay S Yadav  
Partner  
Membership no. - 170602  
UDIN: 23170602BQVQGA4946

sd/-  
Varun Newatia  
Director & CFO  
DIN: 08071741

sd/-  
Lalit Kumar Tapadia  
Managing Director  
DIN: 08117881

sd/-  
Prity Bishwakarma  
Company Secretary

Place: Mumbai  
Dated - 8th May, 2023