CAPITAL INDIA
Rediscover Business

Wednesday September 2, 2020

Ref. No. CIFL/BSE-28/2020-21

To,
The Manager-Listing
BSE Limited,
25th Floor, Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai-400001
Scrip Code: BSE-530879

Sub: **Submission in compliance with Regulation 30 and Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")**

Ref: **Notice of 26th Annual General Meeting and Annual Report of Capital India Finance Limited ("Company") for the financial year 2019-20**

Dear Sir / Madam,

Pursuant to Regulation 30 and Regulation 34 read with Schedule III of the Listing Regulations, we are enclosing herewith:

a) Notice of 26th Annual General Meeting of the Company (including e-voting instructions) ("**Notice**") scheduled to be held on Monday, September 28, 2020 at 11:00 A.M. (IST) through Video Conferencing (VC) / Other Audio-Visual Means (OAVM); and
b) Annual Report of the Company for the financial year 2019-20 ("**Annual Report**").

The Notice and Annual Report is also available on the website of the Company at www.capitalindia.com.

The aforesaid documents are being dispatched electronically to the members whose email IDs are registered with the Company / KFin Technologies Private Limited (Registrar & Share Transfer Agent) or Depositories.

Kindly take the same on record.

Thanking you,
For **Capital India Finance Limited**

RACHIT MALHOTRA
Digitally signed by RACHIT MALHOTRA
Date: 2020.09.02 17:40:49 +05'30'

Rachit Malhotra
Company Secretary & Compliance Officer
Membership No.: A39894

Encl: As above

CAPITAL INDIA FINANCE LIMITED

CIN: L74899DL1994PLC128577

Registered Office: 2nd Floor, DLF Centre, Sansad Marg, New Delhi - 110001, Tel.: 011-49546000

Website: www.capitalindia.com, E-mail: secretarial@capitalindia.com

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the **26th (Twenty Sixth) Annual General Meeting** (“***AGM***”) of the members of Capital India Finance Limited (“**the Company**”) for the financial year ended on March 31, 2020, will be held on **Monday, September 28, 2020 at 11:00 A.M.** through Video Conferencing/Other Audio Visual Means (**“VC/OAVM”**) facility to transact the following business(es):

ORDINARY BUSINESS:

1. To consider and adopt:

   a) the audited Standalone Financial Statements of the Company for the financial year ended on March 31, 2020, comprising of the Balance Sheet as at March 31, 2020, Statement of Profit & Loss for the year ended on that date along with the Cash Flow Statement as at March 31, 2020 and the explanatory notes annexed thereto, or forming part of any of the aforesaid documents (“**Financial Statements**”) and the reports of the Board of the Directors and the Auditors thereon and in this regard, pass the following resolution as an **Ordinary Resolution:**

   “RESOLVED THAT the audited Standalone Financial Statements of the Company, for the financial year ended on March 31, 2020, along with the auditors’ report issued by Deloitte Haskins & Sells LLP, Chartered Accountants (Statutory Auditors of the Company), and the report of the Board of Directors thereon presented before this meeting, be and is hereby considered and adopted.”

   b) the audited Consolidated Financial Statements of the Company for the financial year ended on March 31, 2020, comprising of the Balance Sheet as at March 31, 2020, Statement of Profit & Loss for the year ended on that date along with the Cash Flow Statement as at March 31, 2020 and the explanatory notes annexed thereto, or forming part of any of the aforesaid documents (“**Financial Statements**”) and the report of the Auditors thereon and in this regard, pass the following resolution as an **Ordinary Resolution:**

   “RESOLVED THAT the audited Consolidated Financial Statements of the Company, for the financial year ended on March 31, 2020, along with the auditors’ report issued by Deloitte Haskins & Sells LLP, Chartered Accountants (Statutory Auditors of the Company), thereon presented before this meeting, be and is hereby considered and adopted.”

2. To declare dividend on equity shares of the Company for the financial year ended on March 31, 2020 and in this regard, may pass the following resolution as an **Ordinary Resolution:**

   “RESOLVED THAT a dividend of Re. 0.10 (Ten Paisa only) per equity share of Rs. 10/- (Rupees Ten only) each fully paid-up, of the Company be and is hereby declared for the financial year ended on March 31, 2020 and the same be paid as recommended by the Board of Directors, out of the accumulated profits of the Company.”

3. To re-appoint Mr. Vineet Kumar Saxena (DIN:07710277), Non-Executive Director, who retires by rotation, and being eligible, offers himself for re-appointment as a Non-Executive Director and in this regard, pass the following resolution as an **Ordinary Resolution:**

   “RESOLVED THAT pursuant to Section 152 of the Companies Act, 2013, Mr. Vineet Kumar Saxena (DIN:07710277), Non-Executive Director, who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Non-Executive Director of the Company, liable to retire by rotation.”

SPECIAL BUSINESS:

4. To consider and approve the issue of non-convertible debentures and other debt securities and in this regard pass the following resolution as a **Special Resolution:**

   “RESOLVED THAT pursuant to the provisions of Section 42, 71, 179 and other applicable provisions, if any, of the Companies Act, 2013 (“**the Act**”), the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014, the Securities and Exchange Board of India (Listing

Obligations and Disclosure Requirements) Regulations, 2015, the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, the Foreign Exchange Management Act, 1999 (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof for the time being in force), subject to the provisions of the Articles of Association of the Company, any other applicable rules / regulations/ guidelines, prescribed by the Securities and Exchange Board of India, the Reserve Bank of India and any other regulatory and/ or statutory authorities, institutions or bodies (hereinafter collectively referred to as the **"Competent Authorities"**) and subject to the required approvals, consents, permissions and/or sanctions of the Competent Authorities and subject to such other conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, consents, permissions and/or sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "**Board**", which term shall deem to include any committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the power conferred on the Board), consent of the members of the Company be and is hereby accorded to offer, issue and allot, secured and unsecured, non-convertible debentures / bonds, medium term notes and other debt securities (hereinafter collectively referred to as the "**Debt Securities**"), denominated in Indian Rupees and/ or foreign currency, in domestic and /or overseas market,on private placement basis or otherwise, in one or more tranches, up to an amount not exceeding Rs. 10,00,00,00,000/- (Rupees One Thousand Crores only), ("**the Issue**") on such terms and conditions and at such times, and at such price, as may be decided by the Board, from time to time, to the eligible investors, including body corporates, statutory corporations, commercial banks, lending agencies, financial institutions, insurance companies, mutual funds, pension / provident funds, individuals, etc., as the Board may determine and consider beneficial in the interest of Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to appoint merchant bankers and registrars, trustees, underwriters, guarantors, brokers, legal advisors, depositories,depository participants, stabilizing agents, custodians, bankers, printers,advertising agencies and such other persons / agencies / intermediaries and service providers to the Issue, and to remunerate all such persons / agencies, with commission, brokerage, fees, etc., as may be deemed fit.

RESOLVED FURTHER THAT the Board be and is hereby authorised to create and perfect the security on the assets and properties (both present and future), including immovable, movable, tangible and / or intangible, of the Company, including mortgage, hypothecation, pledge or any other charge over such identified assets and/or properties of the Company, and such receivables and accounts of the Company (including all amounts deposited therein and / or investments made therefrom) as may be determined by the Company for securing the obligations of the Company in respect of the Debt Securities.

RESOLVED FURTHER THAT the Board be and is hereby authorised to negotiate, modify and finalise the terms and conditions of the Debt Securities and sign the relevant documents/agreements in connection with the Debt Securities, including without limitation, the offer letter (along with the application form), information memorandum, disclosure documents, debenture subscription agreement, debenture trust deed and any other document(s) as may be required, in connection with the offering(s), issuance(s) and/or allotment(s) of Debt Securities by the Company and to further delegate the above powers to any Committee of the Board or any Official of the Company to act on its behalf as they may deem fit and to do all such other acts and things and to execute all such documents as may be necessary for giving effect to this resolution."

5. To consider and approve issuance of securities and in this regard may pass the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 23, 41, 42 and 62(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any amendment/ modifications thereto or re-enactment thereof, for the time being in force) ("**the Act**") and in accordance with the provisions of the Memorandum of Association and Articles of Association of the Company and subject to any other applicable laws, rules or regulations, in India or outside India, including but not limited to, the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 ("**SEBI ICDR Regulations**") (including any amendment/ modifications thereto or re-enactment thereof, for the time being in force), the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, as amended or restated from time to time, the Depository Receipt Scheme 2014, as amended or restated from time to time, the Foreign Exchange Management Act, 1999 ("**FEMA**"), as amended from time to time, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, as amended from time to time, and in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued thereon, from time to time, by the Securities and Exchange Board of India, the Reserve Bank of India, the Government of India, the Registrar of Companies or any other relevant authority, whether in India or abroad, from time to time ("**Government Authorities**"), to the extent applicable and subject to such approvals, consents, permissions and sanctions as may be required from such Government Authorities and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "**Board**", which term shall deem to include any committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the power conferred on the Board by this resolution), the approval of the members of the Company be and is hereby accorded to the Board to create, offer, issue and allot (including with provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons, as may be permitted), with or without a green shoe option, such number of equity shares of the Company with a face value of Rs. 10/- (Rupees Ten only) each ("**Equity Shares**") and/or Equity Shares through convertible bonds (whether denominated in Indian rupees or foreign currency) and/or other securities convertible into Equity Shares at the option of the Company and/or the holder(s) of such securities and/or securities linked to Equity Shares or other securities with or without warrants, which may either be detachable or linked, and which warrant has a right exercisable by the warrant holder to subscribe to the Equity Shares and/ or warrants with an option exercisable by the warrant holder to subscribe for Equity Shares and/or any instruments or securities representing either Equity Shares and/or convertible securities linked to Equity Shares (including the issue and allotment of Equity Shares pursuant to a green shoe option, if any), or any combination of securities convertible into or exchangeable for equity shares, including but not limited to, Global Depository Receipts ("**GDRs**"), American Depository Receipts ("**ADRs**"), convertible preference shares, convertible debentures (compulsorily and/or optionally, fully and/ or partly), commercial papers and/or warrants with a right exercisable by the warrant holder to exchange or convert such warrants into the Equity Shares of the Company at a later date simultaneously with the issue of non-convertible debentures, Foreign Currency Convertible Bonds ("**FCCBs**"), Foreign Currency Exchangeable Bonds ("**FCEBs**") and/or any other permitted fully and/or partly paid securities/ instruments/ warrants, convertible into or exchangeable for equity shares at the option of the Company and/or holder(s) of the security(ies) and/ or securities linked to equity shares, in registered or bearer form, secured or unsecured, listed on a recognised stock exchange in India or abroad whether denominated in rupee or any other foreign currency (hereinafter collectively referred to as the "**Securities**") or any combination of Securities, in one or more tranches, in India or in course of international offering(s) in one or more foreign markets, by way of one or more public and/or private offerings, Qualified Institutional Placement ("**QIP**") and/or on preferential allotment basis or any combination thereof, through issue of prospectus and /or placement document/ or other permissible/ requisite offer document to any eligible person, including qualified institutional buyers ("**QIBs**") in accordance with Chapter VI of the SEBI ICDR Regulations, (whether residents and/or non-residents and/or institutions/banks and/ or incorporated bodies, mutual funds, venture capital funds (foreign or Indian) alternate investment funds, foreign institutional investors, foreign portfolio investors, qualified foreign investors and/or multi-lateral financial institutions, stabilizing agents and/or any other eligible investors, and/or to such investors who are eligible to acquire such Securities in accordance with all the applicable laws, rules, regulations, guidelines and approvals, whether they be holders of the Equity Shares of the Company or not (collectively called the "**Investors**") as may be decided by the Board in its absolute discretion and permitted under the applicable laws and regulations, in consultation with the merchant bankers (including but not limited to book running lead managers and/or stabilizing agent), underwriters, advisors or other intermediaries for an aggregate amount not exceeding Rs. 500,00,00,000/- (Rupees Five Hundred Crore only) or its equivalent thereof, in one or more currencies, if any, inclusive of such premium as may be fixed on the Securities by offering the Securities, at such price or prices, at a permissible discount (including but not limited to any discount as may be permitted under Chapter VI of SEBI ICDR Regulations) or premium to market price or prices permitted under the applicable laws in such manner and on such terms and conditions including security, rate of interest, etc., as may be deemed appropriate by the Company at its absolute discretion, including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of other categories of Investors at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with the merchant bankers, underwriters, advisors or other intermediaries appointed and / or to be appointed by the Company (the "**Issue**").

RESOLVED FURTHER THAT in case of any offering of Securities, including but not limited to any GDRs / ADRs/ FCCBs / FCEBs / other securities convertible into Equity Shares, the Board be and is hereby authorised to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion, redemption or cancellation of any such Securities referred to above in accordance with the terms of the issue/ offering in respect of such Securities and such Equity Shares shall rank pari-passu with the existing equity shares of the Company in all respects, except as may be provided otherwise under the terms of issue/offering and in the offer document and/or offer letter and/or offering circular and /or listing particulars.

RESOLVED FURTHER THAT in case of any issue of Securities made by way of QIP in terms of Chapter VI of the SEBI ICDR Regulations, the allotment of the Securities or any combination of Securities as may be decided by the Board shall be completed within 365 (Three Sixty Five) days from the date of passing of this resolution by the members of the Company or such other time as may be allowed under the SEBI ICDR Regulations, at such a price being not less than the price determined in accordance with the pricing formula provided under Chapter VI of SEBI ICDR Regulations. The Board may, in accordance with the applicable laws, also offer a discount of not more than 5% (Five Percent) or such percentage as permitted under the applicable laws on price calculated in accordance with the pricing formula provided under SEBI ICDR Regulations.

RESOLVED FURTHER THAT in the event, where the Equity Shares are issued through QIP in accordance with Chapter VI of the SEBI ICDR Regulations, the "relevant date" for the purpose of pricing of the Equity Shares shall be the date of the meeting in which the Board decides to open the proposed Issue and in the event eligible convertible securities (as defined under the SEBI ICDR Regulations) are issued through QIP, the relevant date for the purpose of pricing of such convertible securities and for the purpose of pricing of the Securities by way of GDRs/ADRs/ FCCBs/FCEBs or by way of any other issue(s), shall be either the date of the meeting in which the Board decides to open the proposed Issue of such convertible securities or the date on which the holder of such convertible securities become entitled to apply for the Equity Shares or the date as specified under the applicable laws or regulations.

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of Equity Shares as may be required to be issued and allotted, including issue and allotment of Equity Shares upon conversion of any Securities referred to above or as may be necessary in accordance with the terms of the Issue, all such Equity Shares shall rank pari-passu inter-se and with the then existing equity shares of the Company in all respects, including dividend, which shall be subject to relevant provisions of the Memorandum of Association and Articles of Association of the Company and the applicable laws and regulations including any rules and regulations of the stock exchange(s) where the shares of the Company are listed.

RESOLVED FURTHER THAT the Board be and is hereby authorised to engage and/or appoint lead manager(s), underwriter(s), guarantor(s), depository(ies), custodian(s), registrar(s), stabilizing agent(s), trustee(s), banker(s), lawyer(s), advisor(s) and all such professional(s) or intermediary(ies) or agency(ies) as may be involved or concerned in such offerings of Securities and to remunerate them with commission, brokerage, fees or the like and also to enter into and execute all such arrangement(s), memorandum(s), arrangement(s), placement agreement(s), underwriting agreement(s), deposit agreement(s), trust deed(s), subscription agreement(s), payment and conversion agency agreement(s), and any other agreements or documents, etc., with such agencies and also to seek the listing of such Securities on the stock exchange(s)/international stock exchange(s) and the Equity Shares to be issued on conversion of the Securities as aforesaid, if any, on the stock exchange(s), authorising any director(s) or officer(s) of the Company to sign for and on behalf of the Company, the offer document(s), agreement(s), arrangement(s), application(s), authority letter(s), or any other related paper(s) / document(s) and give any undertaking(s), affidavit(s), certificate(s), declaration(s) as the Board may in its absolute discretion deem fit including the authority to amend or modify the aforesaid document(s).

RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of Equity Shares and / or the Securities or instruments representing the same, as described above, the Board be and is hereby authorised to, where required in consultation with the merchant banker(s)/ lead manager(s) and/or other advisor(s) as mentioned above, do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, including but not limited to finalising, negotiating, approving, issuing and ratifying any document(s), including finalisation and approval of the preliminary as well as final offer document(s), letter of offer, determining the form and manner of the Issue, including the selection of qualified institutional buyers and/or such Investors to whom the Securities are to be offered, issued and allotted, number of Securities to be allotted, issue price, face value, discounts permitted under applicable law (now or hereafter), premium amount on issue/conversion of the Securities, if any, rate of interest, period of conversion or redemption, listing on one or more stock exchanges in India and/or abroad and any other terms and conditions of the issue, including any amendments or modifications to the terms of the Securities and any agreement or document (including without limitation, any amendment or modification, after the issue of the Securities), the execution of various transaction documents, creation of mortgage/ charge in accordance with the provisions of the Act and any other applicable laws or regulations in respect of any Securities, either on a pari-passu basis or otherwise, fixing of record date or book closure and related or incidental matters as the Board in its absolute discretion may deem fit and to settle all questions, difficulties or doubts that may arise in relation to the issue, offer or allotment of the Securities, accept any modifications in the proposal and matters related thereto and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to such issue(s) or allotment(s) as it may, in its absolute discretion, deem fit.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take such steps and to do all such acts, deeds, matters and things and accept any alterations or modification(s) as it may deem fit and proper and give such directions as may be necessary to settle any question or difficulty that may arise in regard to the aforesaid resolution.

RESOLVED FURTHER THAT subject to the applicable laws, the Board be and is hereby authorised to delegate all or any of its powers herein conferred by this resolution to any Committee of Board or Officials of the Company to give effect to the above resolution."

6. **To consider and approve the appointment of Mr. Malay Mukherjee as an Independent Director of the Company and in this regard may pass the following resolution as an Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 160 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the rules, directives, circulars and guidelines issued by the Reserve Bank of India, subject to the provisions of the Articles of Association of the Company, and basis the recommendation of Nomination & Remuneration Committee and the Board of Directors, Mr. Malay Mukherjee (DIN: 02272425) who was appointed as an Additional Director (Independent) pursuant to Section 161 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company for a period of 5 (five) consecutive years, with effect from July 31, 2020, not liable to retire by rotation."

7. **To consider and approve the appointment of Dr. Harsh Kumar Bhanwala as an Executive Chairman of the Company and in this regard may pass the following resolution as a Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) or any other applicable rules, directives, regulations or circulars issued by the Securities and Exchange Board of India and /or the Reserve Bank of India, Articles of Association of the Company and subject to such approvals, as may be required and based on the recommendation of Nomination & Remuneration Committee and Board of Directors, consent of the members be and is hereby accorded for the appointment of Dr. Harsh Kumar Bhanwala (DIN: 06417704) as an Executive Chairman, liable to retire by rotation, for a period of 3 (three) years from August 6, 2020, on the terms and conditions including remuneration as enumerated herein below:

No.	Particulars	Remuneration per annum (Rs.)
A	**Remuneration**	
	Basic Salary	40,40,000
	Supplementary Allowance	47,38,533
	Other allowances (fixed)	5,00,000
	Leave Travel Allowance	3,36,667
	Employer's Provident Fund contribution	**4,84,800**
	Sub-Total	1,01,00,000
B	**Perquisites**	
	Company provided car with driver	Actuals
	Company provided accommodation	Actuals
C	**Other benefits, if any**	
	Gratuity	As per the Payment of Gratuity Act, 1972
	Medical Insurance	As per Company's Policy
	Life Insurance/ Personal Accident Insurance	As per Company's Policy
D	**Leave**	
	Casual Leave	As per Company's Policy
	Casual Leave	24 days

RESOLVED FURTHER THAT the Board (which term shall include the Nomination & Remuneration Committee of the Board) be and is hereby authorised to revise the remuneration of Dr. Harsh Kumar Bhanwala, Executive Chairman of the Company, by way of an annual increment of up to 25% (Twenty Five percent) over the remuneration of preceding year during the currency of his term.

RESOLVED FURTHER THAT Dr. Harsh Kumar Bhanwala, Executive Chairman of the Company, shall also be entitled to an annual performance bonus as may be determined by the Board, from time to time.

RESOLVED FURTHER THAT the Board be and is hereby authorised to alter and vary the terms and conditions of the appointment of Dr. Harsh Kumar Bhanwala, Executive Chairman of the Company (including authority, from time to time, the type and amount of perquisites, bonus and other benefits payable to him, in such manner as may be agreed to between him and the Company), within the limits and to the extent, the Board may consider appropriate, from time to time.

RESOLVED FURTHER THAT in the event of inadequacy of profits/loss, the above referred remuneration will be the minimum remuneration in accordance with the provisions of Section 197 and/or any other applicable provisions of the Companies Act, 2013 and rules made thereunder and that the Board be and are hereby authorised to take such steps as may be necessary and desirable to give effect to this resolution.

RESOLVED FURTHER THAT Dr. Harsh Kumar Bhanwala, Executive Chairman of the Company shall have such roles and powers as may be delegated to him by the Board, from time to time.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things and to execute any agreements, documents, instruments and writings as may be required, with the power to settle all questions, difficulties or doubts that may arise in regard to the aforesaid as it may in its sole discretion deem fit and to delegate all or any of its powers conferred herein to any Director(s) and/or Officer(s) to give effect to this resolution."

By order and on behalf of the Board
Capital India Finance Limited

Rachit Malhotra
Company Secretary & Compliance Officer
Membership No.: A39894
Date: July 31, 2020

Registered Office:
2nd Floor, DLF Centre, Sansad Marg,
New Delhi – 110 001

Notes:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, with respect to the items of Special Businesses as set out in Item No. 4 to 7 is annexed hereto. The relevant details as required under Regulation 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Schedule V of the Companies Act 2013 and Secretarial Standard-2, of persons seeking appointment / re-appointment as Directors under Item No. 3, 6 and 7 of the Notice are also annexed herewith.

2. Deloitte Haskins & Sells LLP, Chartered Accountants, were appointed as Statutory Auditors of the Company at the 24th (Twenty Fourth) Annual General Meeting held on June 02, 2018 to hold office for a period of 5 (five) years from the conclusion of the 24th (Twenty Fourth) Annual General Meeting until the conclusion of the 29th (Twenty Ninth) Annual General Meeting of the Company, subject to ratification of their appointment by the members in every annual general meeting, as may be applicable.

   Subsequent to the Notification issued by the Ministry of Corporate Affairs on May 07, 2018 amending Section 139 of the Companies Act, 2013 and rules made thereunder, the mandatory requirement to place the matter relating to appointment of Auditors for ratification by members at every annual general meeting has been omitted. Accordingly, no resolution is being proposed for ratification of appointment of the Statutory Auditors at the 26th (Twenty Sixth) Annual General Meeting.

3. General instructions for accessing and participating in the 26th AGM through VC/OAVM Facility and voting through electronic means including remote e-Voting:

   a) In view of the outbreak of the COVID-19 pandemic, social distancing norm to be followed and pursuant to General Circular Nos.14/2020, 17/2020 and 20/2020 dated 8th April 2020, 13th April 2020 and 5th May 2020, respectively, issued by the Ministry of Corporate Affairs ("MCA Circulars") and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May 2020 issued by the Securities and Exchange Board of India ("SEBI Circular") and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 26thAGM of the Company is being conducted through VC/OAVM Facility. The deemed venue for the AGM shall be the Registered Office of the Company.

   b) In terms of the MCA Circulars since the physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for the AGM. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the Members such as the President of India or the Governor of a State or Body Corporate may be appointed for the purpose of voting through remote e-Voting, for participation in the AGM through VC/OAVM and e-Voting during the AGM.

   c) Members may join the AGM through VC/OAVM by following the procedure as mentioned below which shall be kept open for the Members from 10:45 a.m. IST i.e. 15 minutes before the scheduled to start the AGM and the Company may close the window for joining the VC/OAVM facility 15 minutes after the scheduled time of the commencement of the Meeting.

   d) The Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

   e) In line with the MCA Circulars and SEBI Circular, the Notice of the 26th AGM will be available on the website of the Company at www.capitalindia.com, on the website of BSE Limited at www.bseindia.com and also on the website of CDSL at www.evotingindia.com.

   f) Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.

4. Corporate member(s) intending to attend the meeting are required to send to the Company a certified copy of the Board Resolution together with the Specimen Signatures of the representative(s) or upload on the VC/OAVM Portal/ e-Voting Portal.

5. A person authorised by Board Resolution under point 4 above, shall be entitled to exercise the same rights and powers, including the right to vote by proxy and by postal ballot, on behalf of the corporate member(s).

6. Electronic copy of all the documents referred to in the accompanying Notice of the AGM and the Explanatory Statement shall be available for inspection in the Investor Section of the website of the Company at www.capitalindia.com.

7. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company on all days, except Saturdays and Sundays between 11:00 A.M. and 1:00 P.M. up to the date of the 26th (Twenty Sixth) AGM.

8. The Register of Members and Share Transfer Book of the Company will be closed from **September 19, 2020,** to **September 28, 2020 (both days inclusive)** for the purpose of holding the 26th (Twenty Sixth) Annual General Meeting.

9. The dividend on equity shares, as recommended by the Board, if approved at the AGM, will be payable within 30 days, not being later than Tuesday October 27, 2020, to those members: (a) whose names appear as members in the Register of Members of the Company, as on **September 18, 2020, (Record Date)**, after giving effect to the valid share transfers lodged with the Company / the Company's Registrar and Share Transfer Agent; and (b) whose names appear as Beneficial Owners in the list of Beneficial Owners as on September 18, 2020, furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.

10. Process for those shareholders whose email ids are not registered for procuring user id and password and registration of e-mail ids for e-voting for the resolutions set out in this Notice:

    (a) Those Members, who hold shares in physical form or who have not registered their email address with the Company and who wish to participate in the AGM or cast their vote through remote e-Voting or through the e-Voting system during the meeting, may obtain the login ID and password by providing 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) to the email address of the Company at secretarial@capitalindia.com or to the RTA at einward.ris@kfintech.com.

    (b) In case shares are held in demat mode, may obtain the login ID and password by providing DP ID / Client ID (16 digit DP ID + Client ID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to the email address of the Company at secretarial@capitalindia.com or to the RTA at einward.ris@kfintech.com.

11. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrar and Share Transfer Agent – KFin Technologies Private Limited having their office at KFin Selenium, Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 ("**RTA**"), to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to RTA.

12. The Securities and Exchange Board of India ("**SEBI**") had vide Notification Nos. SEBI/ LAD-NRO/GN/2018/24 dated 8th June, 2018 and SEBI/LADNRO/GN/2018/49 dated 30th November, 2018 read with the Circular No. LIST/COMP/15/2018- 19 dated 5th July, 2018 issue by BSE Limited, directed that the transfer of securities would be carried out in dematerialised form only with effect from 1st April, 2019, except in case of transmission or transposition of physical shares. However, the transfer deed(s) lodged prior to the 1st April, 2019 deadline and returned due to deficiency in the document, may be re-lodged for transfer even after the deadline of 1st April, 2019 with RTA or the Company.

13. In view of the above and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holding to dematerialised form. Members can contact the Company or RTA for assistance in this regard.

14. SEBI and the Ministry of Corporate Affairs encourage paperless communication as a contribution to greener environment. Members holding shares in physical mode are requested to register their e-mail IDs with RTA and the members holding shares in dematerialised form are requested to register their e-mail IDs with their respective Depository Participants (DPs) in case the same is still not registered. If there is any change in the e-mail ID already registered with the Company, the members are requested to immediately notify such change to RTA in respect of shares held in physical form and to the DPs in respect of shares held in electronic form.

15. Pursuant to the MCA Circulars and SEBI Circular and in view of the prevailing situation, owing to the difficulties involved in dispatching of physical copies of the Notice of the AGM and the Annual Report for the Financial Year

2019-20 including therein the Audited Financial Statements for Financial Year 2019-20, Auditor's report, Board's report, along with all the annexures are being sent only by email to the those Members whose email addresses are registered with the Company / Depository Participants. Therefore, the Members, who wish to receive the Notice of the AGM and the Annual Report for the year 2019-20 and all other communications sent by the Company, from time to time, are requested to update their email address with the Company / its RTA (in case of shares held in physical mode) by sending the request at secretarial@capitalindia.com or RTA at einward.ris@kfintech.com and Depository Participants (in case of shares held in demat mode).

16. Pursuant to Section 72 of the Companies Act, 2013, the members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 with the Company's Registrar and Share Transfer Agent. In respect of shares held in electronic/ dematerialised form, the members may please contact their respective depository participant.

17. Recorded transcript of the AGM will be made available on he website of the Company www.capitalindia.com.

18. In case of joint holders attending the meeting, 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.

19. The SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their DP with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or RTA.

20. In compliance with the provisions of Section 108 of the Companies Act, 2013, and the Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has executed an agreement with Central Depository Services (India) Limited ("**CDSL**") for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

21. The instructions for remote e-voting are as under:

    In terms of the provisions of section 108 of the Act, read with rule 20 of the Companies (Management and Administration) Rules, 2014 as amended (hereinafter called 'the Rules' for the purpose of this section of the Notice) and regulation 44 of the Listing Regulations, the Company is providing facility of remote e-voting facility to exercise votes on the items of business given in the Notice through electronic voting system, to members holding shares as on September 18, 2020 (end of day), being the cut-off date fixed for determining voting rights of members, entitled to participate in the remote e-voting process, through the e-voting platform provided by RTA or to vote at the AGM. Person who is not a member as on the cut-off date should treat this Notice for information purposes only.

    (i) The voting period begins on September 25, 2020 (09:00 A.M.) and ends on September 27, 2020 (05:00 P.M.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 18, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

    (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting.

    (iii) The shareholders should log on to the e-voting website www.evotingindia.com.

    (iv) Click on "Shareholders" module.

    (v) 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.

        OR

        Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at https://www.cdslindia.com from Login - Myeasiusing your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

    (vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

(viii) If you are a first-time user follow the steps given below:

	For Shareholders holding shares in Demat Form and Physical Form
PAN	Enter your 10-digit 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 OR Date of Birth (DOB)	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 as mentioned in instruction (v).

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) 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.

(xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN for Capital India Finance Limited on which you choose to vote.

(xiii) 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.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) 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.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xviii) 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.

(xix) Shareholders can also cast their vote using CDSL's mobile app "**m-Voting**". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

22. The instructions for the Members for attending the AGM through VC/OAVM:

i) Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at https://www.evotingindia.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/ members login where the EVSN of Company will be displayed.

ii) Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

iii) Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

iv) 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.

v) Shareholders/viewers/Attendee to download the software/app of cisco WebEx in advance & ready to connect fast for meeting

vi) 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 at least **2 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at secretarial@capitalindia.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **2 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at secretarial@capitalindia.com. These queries will be replied to by the Company suitably by email.

vii) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting.

23. The instructions for members for e-Voting during the AGM session:

i) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.

ii) 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.

iii) 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 shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

iv) Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

24. Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to 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.
- 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 should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour 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 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 secretarial@capitalindia.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, 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 or call on 022-23058542/43.

25. Other Instructions:

i. The e-voting period commences on **September 25, 2020 (9.00 A.M.) and ends on September 27, 2020 (5.00 P.M.)**. During this period, the members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. September 18, 2020, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, he shall not be allowed to change it subsequently.

ii. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on September 18, 2020.

iii. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. September 18, 2020, may obtain the login ID and password by sending a request to Company/ RTA.

iv. Mr. Arun Kumar Gupta (COP: 8003) of M/s Arun Gupta & Associates, Company Secretaries, has been appointed as the Scrutinizer to scrutinize the e-voting process (including the votes cast during AGM) in a fair and transparent manner.

v. The results declared, along with the Scrutinizer's Report shall be placed on the Company's website www.capitalindia.com immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchange where the shares of the Company are listed. Further, the results shall be displayed on the notice board of the Company at its Registered Office as well as its Corporate Office.

vi. Members may send their concerns / queries to the Company Secretary & Compliance Officer of the Company at – secretarial@capitalindia.com. Telephone - +91-11-49546000. Website – www.capitalindia.comand/or at the registered office address of the Company.

26. Tax on dividend:

Members may note that the Income Tax Act, 1961 (**"the IT Act"**) as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a Company after April 01, 2020 shall be taxable in the hands of Members. The Company shall therefore be required to deduct tax at source (TDS) at the time of making the payment of dividend. In order to enable us to determine the appropriate TDS rate as applicable, Members are requested to submit the documents mentioned herein.

For resident shareholders, taxes shall be deducted at source under Section 194/206AA of the IT Act, as follows:

Shareholders having valid PAN	7.5% or as notified by the Government of India
Shareholders not having PAN/invalid PAN	20% or as notified by the Government of India

No tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during financial year 2020-2021 does not exceed Rs. 5,000 and also in cases where Members provide Form 15G (applicable to an individuals, with no tax liability on total income and income not exceeding maximum amount which is not chargeable to tax) / Form 15H (applicable to an Individual's age of 60 years or more with no tax liability on total income) subject to conditions specified in the IT Act. Resident shareholders may also submit any other document as prescribed under the IT Act to claim a lower/NIL withholding tax. PAN is mandatory for shareholders providing Form 15G / 15H or any other document as mentioned above.

For non-resident shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as notified by Government of India on the amount of dividend payable. However, as per Section 90 of the IT Act, Non-Resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) between India and the country of tax residence of the shareholder, if they are more beneficial to them. For this purpose, i.e. to avail the benefits under the DTAA, Non-Resident shareholders will have to provide the following:

- Copy of the PAN card allotted by the Income Tax authorities duly attested by the Member.
- Copy of Tax Residency Certificate (TRC) for financial year 2020-2021 obtained from the revenue authorities of the country of tax residence, duly attested by Member.

- Self-declaration in Form 10F.
- Self-declaration by the Member of having no permanent establishment in India in accordance with the applicable tax treaty.
- Self-declaration of beneficial ownership by the Non-Resident shareholder.
- Any other documents as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by the Member.

In case of Foreign Institutional Investors/ Foreign Portfolio Investors, tax will be deducted under Section 196D of the IT Act @ 20% (plus applicable surcharge and cess).

The aforementioned documents are required to be uploaded on the portal at our Registrar and Transfer Agent website at URL https://ris.kfintech.com/form15/ during the period commencing from September 4, 2020 and ending on September 18, 2020. We request you to visit a weblink as provided by our RTA at URL https://ris.kfintech.com/form15/ for more instructions and information in this regard. No communication would be accepted from Members after September 18, 2020 regarding the tax withholding matters.

In case the exemption forms are not received on or before September 18, 2020, tax will be deducted on the dividend amount, wherever applicable and no refund will be entertained by the Company.

By order and on behalf of the Board
Capital India Finance Limited

Rachit Malhotra
Company Secretary & Compliance Officer
Membership No.: A39894
Date: July 31, 2020

Registered Office:
2nd Floor, DLF Centre, Sansad Marg,
New Delhi – 110 001

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

As required under Section 102 of the Companies Act, 2013, the following statement sets out all material facts relating to the Special Business mentioned in the Notice:

Item No. 4

Pursuant to the provisions of Section 42 of the Act read with Rule 14(2)(a) of Companies (Prospectus and Allotment of Securities) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), a Company offering or making an invitation to subscribe to non-convertible debentures, bonds, MTNs and other debt securities (hereinafter collectively referred to as the "**Debt Securities**") on private placement basis, is required to obtain the prior approval of the members of the Company by way of a Special Resolution. Such an approval by way of Special Resolution can be obtained once a year for all the offers and invitations proposed to be made for such Debt Securities during the year. The Company may borrow up to Rs. 10,00,00,00,000/- (Rupees One Thousand Crores only) by way of issue of Debt Securities during the period of 1 (One) year from the date of passing of the proposed resolution. The proceeds from the issue of the Debt Securities are proposed to be utilised inter alia for business and operation requirements of the Company. Further, in order to maintain its regulatory capital adequacy requirements, the Company would issue Debt Securities in the form of subordinated debt and perpetual debt instruments from time to time.

The Board has accordingly decided to seek the approval of the members of the Company by Special Resolution for the issue of the Debt Securities, as stipulated above.

None of the Directors of the Company and/or their relatives, are deemed to be concerned or interested, financially or otherwise in the said resolution, except to the extent of their shareholding, if any, in the Company or any of their interest as Director or member or otherwise mentioned herein above, in the Company.

Your Directors recommend passing of the above Resolution at Item no. 4 as Special Resolution.

Item No. 5

The Special Resolution proposed is an enabling resolution to facilitate and meet the Business expenditure requirements and to utilise the issue proceeds for general corporate purposes including but not limited to pursuing new business opportunities, meeting the issue expenses etc. The resolution contained in the attached Notice pertains to a proposal by the Company to offer, issue and allot equity shares, american depository receipts and other securities, as stated therein, in one or more tranches (referred to as "**Securities**"). The intention is to raise additional capital to meet the funding requirements and business objectives of the Company. For this purpose, the Company seeks your approval as per the resolution stated in the Notice.

The members may please note that the appended resolution is only an enabling resolution and the detailed terms and conditions for the offer will be determined in consultation with merchant bankers, advisors, underwriters and such other authorities and agencies as may be required to be consulted by the Company in due consideration of the prevailing market conditions and other relevant factors. As the price of the Securities shall be determined at a later stage, exact number of Securities to be issued shall also be crystallized later. However, an enabling resolution is being proposed to give adequate flexibility and discretion to the Board to finalise the terms of the offer.

As per Section 62 of the Companies Act, 2013 and rules made thereunder, the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the approval of members is being sought to empower the Board to issue, offer and allot Equity Shares at such price (at a discount of not more than 5% on the price calculated for the qualified institutions placement or at such other discount as may be permitted under Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018) or premium to market price or prices in such a manner and on such terms and conditions including security, rate of interest, etc. to such person(s) including institutions incorporated.

The members' approval to the resolution would have the effect of allowing the Board to offer and allot Securities otherwise than on pro-rata basis to the existing members in one or more tranche or tranches, at such time or times, at such price or prices and to such person(s) including institutions, incorporated bodies and/ or individuals or otherwise as the Board, in its absolute discretion, deems fit. The Special Resolution also seeks to empower the Board (which term shall be deemed to include any committee which the Board has constituted to exercise its powers including the power conferred by this resolution) to undertake a qualified institutional placement as defined by Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 ("**SEBI ICDR Regulations**").

The Board may in its discretion adopt this mechanism, as prescribed under Chapter VI of the SEBI ICDR Regulations. The pricing of the Equity Shares to be issued to qualified institutional buyers pursuant to Chapter VI of the SEBI ICDR Regulations shall be freely determined subject to such price not being less than the price calculated in accordance with the SEBI ICDR Regulations.

None of the Directors of the Company and/or their relatives, are deemed to be concerned or interested, financially or otherwise in the said resolution, except to the extent of their shareholding, if any, in the Company or any of their interest as Director or member or otherwise mentioned herein above, in the Company.

Your Directors recommend passing of the above Resolution at Item no. 5 as Special Resolution.

Item No. 6

Mr. Malay Mukherjee (DIN: 02272425) who was appointed as an Additional Director (Independent) of the Company w.e.f. July 31, 2020 pursuant to Section 161 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (the "**Act**"), holds office up to the date of this Annual General Meeting of the Company or the last date on which the Annual General Meeting should have been held, whichever is earlier and is eligible for appointment.

He has submitted the declaration of Independence, as required under Section 149 (7) of the Act, stating that he meets the criteria of independence as provided in Section 149(6) and Regulation 16 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"). Mr. Mukherjee is not disqualified from being appointed as a Director in terms of Section 164 of the Act.

Mr. Mukherjee has over 41 years of experience in the field of Banking and NBFC, including Venture Funding, Factoring, and Broking. He is the former Chief Executive Officer and Managing Director of IFCI Limited and was responsible for the growth and development of the business of IFCI. He also held the position of Chairman on various group companies of IFCI Limited. As a former Executive Director of the Central Bank of India, he looked after portfolios such as Client, HR, General Administration, IT, Corporate Communications, Publicity, Marketing, Client Coverage, and New Initiatives.

Further being associated with Indian Bank for 35 years, he accrued wide field exposure, having worked in various branches, regions and zones including Assam, Bihar, West Bengal, Karnataka, Maharashtra, Gujarat and New Delhi. He is also the past Chairman of the Board of Governors of Management Development Institute (MDI) and Chairman of the Institute of Leadership Development, Jaipur. Additionally, he also served as a member of the Governing Body of Entrepreneurship Development Institute of India (EDII), Ahmedabad.

The Nomination & Remuneration Committee of the Board had assessed the profile of Mr. Mukherjee and found him to be 'Fit and Proper' in terms of the Reserve Bank of India's applicable directions on 'Fit and Proper' criteria for directors and also recommended his appointment to the Board. In terms of Sections 149, 152 and 160 read with Schedule IV of the Act, the Board, basis the recommendation of the Nomination & Remuneration Committee of the Board, has reviewed the profile of Mr. Mukherjee and the declarations stating that he meets the criteria of independence as provided in Section 149(6) and Regulation 16 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Board is of the opinion that he fulfills the criteria of independence. In the opinion of the Board, Mr. Mukherjee meets the fit and proper criteria and is a person of integrity, and has the necessary knowledge, experience and expertise for being appointed as an Independent Director. Considering his vast expertise and knowledge in the field of Consultancy and Administration, it would be in the interest of the Company that Mr. Malay Mukherjee is appointed as an Independent Director on the Board of the Company.

Other details required to be disclosed in terms of the provisions of Secretarial Standard on General Meetings and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, form part of this Notice.

None of the Directors of the Company and/or their relatives, except Mr. Malay Mukherjee and his relatives, are deemed to be concerned or interested, financially or otherwise in the said resolution except to the extent of their shareholding, if any, in the Company or any of their interest as Director or member or otherwise mentioned herein above, in the Company.

Your Directors, therefore, recommend the appointment of Mr. Malay Mukherjee (DIN: 02272425) as an Independent Director of the Company, for a period of 5 (Five) years, not liable to retire by rotation, as set forth in Item No. 6 of this Notice.

Item No. 7

Based on the recommendations of Nomination & Remuneration Committee and the approval of the Board, Dr. Harsh Kumar Bhanwala (DIN: 06417704) was appointed as an Additional Director (Executive Chairman) of the Company w.e.f. August 6, 2020 pursuant to Section 161 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (the "Act"), who shall hold office up to the date of this Annual General Meeting of the Company or the last date on which the Annual General Meeting should have been held, whichever is earlier.

Dr. Harsh Kumar Bhanwala, Ex. Chairman – NABARD (December 18, 2013 – May 27, 2020), is a Post-Graduate in Management from IIM, Ahmedabad and a PhD holder.

Dr. Bhanwala has worked in various capacities in NABARD and has been the Managing Director of Delhi State Cooperative Bank Ltd (DSCB) during its turning around (1999 to 2005). During his stay with NABARD & DSCB, he led various initiatives related to Financial Inclusion, Microfinance, Coop. Credit Institutions, Rural Infrastructure Project Development and Project Appraisal related to Agricultural Projects.

Dr. Bhanwala has also been the Executive Director of India Infrastructure Finance Company Ltd. (IIFCL) and also functioned as its CMD between 2012 to 2013. He was leading the Credit Enhancement, Corporate Planning and Human Resource Development initiative as Chief General Manager in IIFCL. Development of Credit Enhancement initiative was first of its kind of initiative in our country which aimed at enabling the infrastructure projects to approach Debt Capital Markets substituting high cost debt and simultaneously helped banks in freeing up their capital and manage the challenges of exposure and long tenure which they faced in financing infrastructure sector.

During his tenure at IIFCL, he also held the Chairmanship of the two subsidiaries of the company looking into the overall supervision & management, viz. IIFC (UK) Ltd, London and IIFCL Projects Ltd, New Delhi.

Dr. Bhanwala has attended many Honorary Board Level Positions also, including the following:

- Chairman of Audit committee & Member of Board of Management, Deposit Insurance & Credit Guarantee Corporation (DICGC);
- Member, Governing Board, Institute of Rural Management, Anand;
- Member, Governing Board, National Institute of Bank Management (NIBM), Pune;
- Member, Board of Governors, Indian Institute of Management, Rohtak;
- Chairman, Advisory Board of Financial Inclusion Fund (FIF) and;

Other details required to be disclosed in terms of the provisions of Secretarial Standard on General Meetings and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, form part of this Notice.

None of the Directors of the Company and/or their relatives, except Dr. Harsh Kumar Bhanwala and his relatives, are deemed to be concerned or interested, financially or otherwise in the said resolution except to the extent of their shareholding, if any, in the Company or any of their interest as Director or member or otherwise mentioned herein above, in the Company.

Your Directors, therefore, recommend the appointment of Dr. Harsh Kumar Bhanwala (DIN: 06417704) as an Executive Chairman of the Company, for a period of 3 (three) years, liable to retire by rotation, as set forth in Item No. 7 of this Notice.

By order and on behalf of the Board
Capital India Finance Limited

Rachit Malhotra
Company Secretary & Compliance Officer
Membership No.: A39894
Date: July 31, 2020

Registered Office:
2nd Floor, DLF Centre, Sansad Marg,
New Delhi – 110 001

Details in pursuance of regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Schedule V of Companies Act 2013 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India

Brief Profile of Director being appointed/re-appointed:

I.	
Name	**Mr. Vineet Kumar Saxena**
DIN	07710277
Age	52 years
Brief Resume	Bachelor's degree in Electronics from University of Pune and Master's degree in Business Administration from University of Lucknow, Vineet has been associated with ICICI Bank, Barclays Bank PIC, ABN-AMRO Bank N.V., G E Capital, Religare Finvest, Magma Fincorp and StarAgri Finance in the past.
Date of first appointment on the Board	November 27, 2017
Qualification(s)	Bachelor's degree in Electronics from University of Pune and Masters' degree in Business Administration from University of Lucknow.
Terms and conditions of appointment	As may be approved by the Board subject to the maximum ceiling of remuneration prescribed under the Companies Act, 2013 and rules made thereunder.
Experience, background and expertise in specific functional areas	Vineet brings experience of two and half decades in commercial and retail lending functions.Rest of the details are specified in Brief Resume.
Recognition or awards	Nil
Job Profile and suitability	Based on his experience and background he is suitable for the position of Director.
Remuneration sought to be paid	Nil
Remuneration last drawn by such person, if applicable	Nil
Directorships (other than alternate directorships) held in other companies (excluding foreign companies and section 8 companies)	• Capital India Home Loans Limited; • CIFL Holdings Private Limited; • CIFL Investment Manager Private Limited; • Capital India Asset Management Private Limited; • Capital India Wealth Management Private Limited; and • Rapipay Fintech Private Limited.
Memberships/ Chairmanships of committees of other Public companies (includes only Audit Committee and Stakeholders' Relationship Committee)	-
Shareholding in the Company	Nil
Relationship with the Company, any Director(s), Manager and other Key Managerial Personnel of the Company	Nil
Number of meetings of Board attended during the financial year 2019-20	4

II.	
Name	**Mr. Malay Mukherjee**
DIN	02272425
Age	65 years

Brief resume	Mr. Mukherjee has over 41 years of experience in the field of Banking and NBFC, including Venture Funding, Factoring, and Broking. He is the former Chief Executive Officer and Managing Director of IFCI Limited and was responsible for the growth and development of the business of IFCI. He also held the position of Chairman on various group companies of IFCI Limited. As a former Executive Director of the Central Bank of India, he looked after portfolios such as Client, HR, General Administration, IT, Corporate Communications, Publicity, Marketing, Client Coverage, and New Initiatives. Further being associated with Indian Bank for 35 years, he accrued wide field exposure, having worked in various branches, regions and zones including Assam, Bihar, West Bengal, Karnataka, Maharashtra, Gujarat and New Delhi. He is also the past Chairman of the Board of Governors of Management Development Institute (MDI) and Chairman of the Institute of Leadership Development, Jaipur. Additionally, he also served as a member of the Governing Body of Entrepreneurship Development Institute of India (EDII), Ahmedabad.
Date of first appointment on the Board	July 31, 2020
Qualification(s)	Master of Science (Physics), CAIIB (Part -I) – Indian Institute of Banking and Finance
Terms and conditions of appointment	As may be approved by the Board subject to the maximum ceiling limits of remuneration prescribed under the Companies Act 2013 and rules made thereunder.
Experience, background and expertise in specific functional areas	As per aforesaid Brief Resume.
Recognition or awards	Passed the examination of proficiency test of Independent Directors conducted by Indian Institute of Corporate Affairs.
Job Profile and suitability	Based on his experience and background he is suitable for the position of an Independent Director.
Remuneration sought to be paid	Nil
Remuneration last drawn by such person, if applicable	Nil
Directorships (other than alternate directorships) held in other companies (excluding foreign companies and section 8 companies)	• SREI Infrastructure Finance Limited • Dilip Buildcon Limited • ENGENRIN Energy Private Limited • Chartered Finance Management Limited
Memberships/ Chairmanships of committees of other Public companies (includes only Audit Committee and Stakeholders' Relationship Committee.)	Member of the Audit Committee of SREI Infrastructure Finance Limited
Shareholding in the Company	Nil
Relationship with the Company, any Director(s), Manager and other Key Managerial Personnel of the Company	Nil
Number of meetings of Board attended during the financial year 2019-20	NA

III.	
Name	**Dr. Harsh Kumar Bhanwala**
DIN	06417704
Age	59 years
Brief Resume	Dr. Harsh Kumar Bhanwala, Ex. Chairman – NABARD (December 18, 2013 – May 27, 2020), is a Post-Graduate in Management from IIM, Ahmedabad and a PhD holder. Dr. Bhanwala has worked in various capacities in NABARD and has been the Managing Director of Delhi State Cooperative Bank Ltd (DSCB) during its turning around (1999 to 2005). During his stay with NABARD & DSCB, he led various initiatives related to Financial Inclusion, Microfinance, Coop. Credit Institutions, Rural Infrastructure Project Development and Project Appraisal related to Agricultural Projects. Dr. Bhanwala has also been the Executive Director of India Infrastructure Finance Company Ltd. (IIFCL) and also functioned as its CMD between 2012 to 2013. He was leading the Credit Enhancement, Corporate Planning and Human Resource Development initiative as Chief General Manager in IIFCL. Development of Credit Enhancement initiative was first of its kind of initiative in our country which aimed at enabling the infrastructure projects to approach Debt Capital Markets substituting high cost debt and simultaneously helped banks in freeing up their capital and manage the challenges of exposure and long tenure which they faced in financing infrastructure sector. During his tenure at IIFCL, he also held the Chairmanship of the two subsidiaries of the company looking into the overall supervision & management, viz. IIFC (UK) Ltd, London and IIFCL Projects Ltd, New Delhi.
Date of first appointment on the Board	August 6, 2020
Qualification(s)	Post-Graduate in Management from IIM, Ahmedabad and a PhD holder
Terms and conditions of appointment	As may be approved by the Board subject to the maximum ceiling limits of remuneration prescribed under the Companies Act 2013 and rules made thereunder.
Experience, background and expertise in specific functional areas	As per aforesaid Brief Resume.
Recognition or awards	Awarded honorary doctorate in Science by Tamil Nadu Agricultural University, Coimbatore.
Job Profile and suitability	Based on his experience and background he is suitable for the position of an Executive Chairman.
Remuneration sought to be paid	As per resolution proposed.
Remuneration last drawn by such person, if applicable	Nil
Directorships (other than alternate directorships) held in other companies (excluding foreign companies and section 8 companies)	Nil

Memberships/ Chairmanships of committees of other Public companies (includes only Audit Committee and Stakeholders' Relationship Committee.)	Nil
Shareholding in the Company	Nil
Relationship with the Company, any Director(s), Manager and other Key Managerial Personnel of the Company	Nil
Number of meetings of Board attended during the financial year 2019-20	NA

By order and on behalf of the Board
Capital India Finance Limited

Rachit Malhotra
Company Secretary & Compliance Officer
Membership No.: A39894
Date: July 31, 2020

Registered Office:
2nd Floor, DLF Centre, Sansad Marg,
New Delhi – 110 001

CAPITALINDIA

Rediscover Business

CAPITAL INDIA FINANCE LIMITED

26TH ANNUAL REPORT 2019-20

CORPORATE INFORMATION

BOARD OF DIRECTORS	DIN
Mr. Vinod Somani	: 00327231
Mr. Yogendra Pal Singh	: 08347484
Mr. Keshav Porwal	: 06706341
Mr. Amit Sahai Kulshreshtha	: 07869849
Mr. Vineet Kumar Saxena	: 07710277
Ms. Shraddha Suresh Kamat	: 07555355
Mrs. Promila Bhardwaj*	: 06428534
Mr. Subodh Kumar**	: 07781250

KEY MANAGERIAL PERSONNEL (KMP)

Mr. Keshav Porwal : Managing Director
Mr. Amit Sahai Kulshreshtha : Executive Director & Chief Executive Officer
Mr. Rachit Malhotra : Company Secretary & Compliance Officer
Mr. Neeraj Toshniwal : Chief Financial Officer

AUDIT COMMITTEE

Mr. Vinod Somani : Chairman
Mr. Yogendra Pal Singh : Member
Mr. Vineet Kumar Saxena : Member

NOMINATION AND REMUNERATION COMMITTEE

Mr. Vinod Somani : Chairman
Mr. Yogendra Pal Singh : Member
Mr. Vineet Kumar Saxena : Member

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Vinod Somani : Chairman
Mr. Yogendra Pal Singh : Member
Mr. Vineet Kumar Saxena : Member

INVESTMENT COMMITTEE

Mr. Vineet Kumar Saxena : Chairman
Mr. Keshav Porwal : Member
Mr. Amit Sahai Kulshreshtha : Member

RISK MANAGEMENT COMMITTEE

Mr. Achal Kumar Gupta : Chairman
Mr. Keshav Porwal : Member
Mr. Amit Sahai Kulshreshtha : Member

ASSET-LIABILITY COMMITTEE

Mr. Vinod Somani : Chairman
Mr. Keshav Porwal : Member
Mr. Amit Sahai Kulshreshtha : Member

MANAGEMENT COMMITTEE

Mr. Keshav Porwal : Chairman
Mr. Amit Sahai Kulshreshtha : Member
Mr. Vineet Kumar Saxena : Member

CREDIT COMMITTEE

Mr. Vinod Somani	: Chairman
Mr. Keshav Porwal	: Member
Mr. Amit Sahai Kulshreshtha	: Member
Mr. Vineet Kumar Saxena	: Member

SECURITIES ISSUANCE COMMITTEE

Mr. Vinod Somani	: Member
Mr. Amit Sahai Kulshreshtha	: Member
Mr. Vineet Kumar Saxena	: Member

IT STRATEGY COMMITTEE

Mr. Yogendra Pal Singh	: Chairman
Mr. Amit Sahai Kulshreshtha	: Member
Mr. Vineet Kumar Saxena	: Member
Mr. Manish Gupta	: Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Yogendra Pal Singh	: Chairman
Mr. Keshav Porwal	: Member
Mr. Amit Sahai Kulshreshtha	: Member

STATUTORY AUDITORS

M/s Deloitte Haskins & Sells LLP,
Chartered Accountants,
Indiabulls Finance CentreTower 3, 27th – 32nd Floor
Senapati Bapat Marg, Elphinstone Road (West), Mumbai-4000133

SECRETARIAL AUDITORS

M/s Naveen Garg & Associates,
Company Secretaries,
A – 2/ 73, New Kondly, Mayur Vihar – III, New Delhi – 110096

INTERNAL AUDITORS

M/s Aneja Associates,
Chartered Accountants,
301, Peninsula Towers, Peninsula Corporate Park,
Ganpatrao Kadam Marg, Lower Parel, Mumbai-400013

REGISTRAR & SHARE TRANSFER AGENT

KFin Technologies Private Limited,
(formerly known as Karvy Fintech Private Limited),
KFin Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad – 500 032

Registered Office

2nd Floor, DLF Centre,
Sansad Marg, New Delhi-110001

Corporate Office

One BKC, A-Wing, 14th Floor, G-Block,
BKC, Bandra East, Mumbai-400051

*Mrs. Promila Bhardwaj resigned with effect from April 1, 2019
**Mr. Subodh Kumar resigned with effect from August 31, 2019

CAPITALINDIA

CONTENTS

BOARD'S REPORT

To,

The Members,

CAPITAL INDIA FINANCE LIMITED ("the Company")

Your Board of Directors ("**Board**") take pride in presenting their 26th Annual Report together with the Audited Financial Statements (both on standalone and consolidated basis) ("**Financial Statements**") for the Financial Year ended on March 31, 2020 ("**FY 2019-20**" or "**period under review**"). The summarised consolidated and standalone financial performance of your Company is as follows:

1. FINANCIAL HIGHLIGHTS

(Rs. In Lakhs)

Particulars	Consolidated		Standalone	
	Year ended 31st March, 2020	Year ended 31st March, 2019	Year ended 31st March, 2020	Year ended 31st March, 2019
Total Income	11,899.48	5965.19	10,524.04	5,689.15
Less: Total Expenditure	9,465.24	4845.80	6,399.65	4,097.94
Profit before tax	**2,434.24**	**1119.39**	**4,124.39**	**1,591.21**
Less: Tax Expense	1,048.18	468.41	1,086.13	471.13
Profit for the year (Owners of the Company)	**1,723.08**	**650.98**	**3,038.26**	**1,120.08**
Other Comprehensive Income	11.59	(5.08)	7.08	(5.08)
Total Comprehensive Income for the year (Owners of the Company)	1,734.67	645.90	3,045.34	1,115.00
Add: Balance brought forward from previous year	534.99	135.17	1,020.09	151.16
Less: Appropriations:				
Transfer to Special Reserve under Section 45-IC of the RBI Act, 1934	607.64	203.91	607.65	203.91
Dividend on equity shares	310.94	35.03	310.94	35.03
Tax on Dividend	63.98	7.13	63.98	7.13
Other Additions/Deductions during the year	93.33	-	-	-
Surplus in the Statement of Profit and Loss	**1,193.77**	**534.99**	**3,082.86**	**1,020.09**

2. RESERVES

In order to comply with the provisions of Section 45-IC of the Reserve Bank of India Act, 1934, ("**RBI Act, 1934**"), the Company has transferred Rs. 607.64 Lakhs to Special Reserve Funds and has also made a provision of Rs.67.83 Lakhs for Employee Stock Options and Rs. 1,338.98 Lakhs for Expected Credit Losses ('ECL') during the period under review. Total provisions for ECL of the Company as at the end of FY 2019-20 is Rs. 1,733.71 Lakhs.

Except as mentioned above, no amount was transferred to any reserve by the Company during the period under review.

3. SHARE CAPITAL

During the period under review, there is no change in the Authorised and Paid up share Capital of the Company.

As on March 31, 2020, the authorised share capital of the Company is Rs. 21,400 Lakhs divided in to 21,40,00,000 (Twenty-one crore forty lakhs) equity shares of Rs.10/- (Rupees Ten only) each and paid up share capital of the Company is Rs. 7,773.43 Lakhs divided into 7,77,34,260 (Seven crore seventy-seven lakhs thirty-four thousand two hundred sixty) equity shares of Rs.10/- (Rupees Ten only) each.

4. NON-CONVERTIBLE DEBENTURES

During the period under review, the Securities Issuance Committee of the Board had vide resolution dated January 13, 2020, allotted 40 (Forty) Unlisted Unrated Redeemable Non-Convertible Debentures having face value of Rs.100 Lakhs each on private placement basis for an aggregate amount of Rs. 4,000 Lakhs. Necessary disclosures in this connection has been made to BSE Limited, the stock exchange where the equity shares of the Company are listed.

5. INFORMATION ON THE STATE OF AFFAIRS OF THE COMPANY

The Company is engaged in the business of finance and investments as a Non–Banking Financial Company without accepting public deposits for which the certificate of registration has been obtained from the Department of Non-Banking Supervision, Reserve Bank of India.

During the period under review, on standalone basis, the Company's total income was Rs.10,524.04 Lakhs as compared to Rs.5,689.15 Lakhs during the previous financial year and the Company has earned a Profit Before Tax of Rs. 4,124.39 Lakhs as compared to Rs. 1,591.21 Lakhs during the previous financial year.

The inter-corporate loans and investments made by the Company during the period under review, were in the ordinary course of business and at arm's length. The Financial Statements are forming part of this Annual Report.

6. CHANGE IN NATURE OF BUSINESS

There was no change in the nature of business activity of the Company during the period under review.

7. DETAILS OF HOLDING, SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANY(IES)

During the period under review, the Company does not have any Holding/Joint Venture/Associate Company and has the following 7 (Seven) subsidiaries:

S.No.	Name of Subsidiary	Percentage of Shareholding
1	Capital India Home Loans Limited	99.70%
2	Capital India Asset Management Private Limited	100%
3	Capital India Wealth Management Private Limited	100%
4	CIFL Holdings Private Limited	100%
5	CIFL Investment Manager Private Limited	100%
6	Rapipay Fintech Holding Private Limited	100%
7	Rapipay Fintech Private Limited	62.8%*

***including 26.66% of holding through its Subsidiary Company i.e. Rapipay Fintech Holding Private Limited**

Note:

- As required under Rule 8 (1) of the Companies (Accounts) Rules, 2014, the Board's Report has been prepared on Standalone Financial Statements and a Report on the Performance and Financial Position of each of the subsidiaries, as included in the Consolidated Financial Statements, is presented herewith in Form AOC-I as **Annexure-I.**
- In terms of Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Board of Directors adopted a Policy for Determining Material Subsidiary ("**Material Subsidiary Policy**") in terms of which none of the subsidiaries are material subsidiaries of the Company. Details of the Material Subsidiary Policy are given in the Corporate Governance Report which is annexed to and forms an integral part of this Board's Report.

- The standalone audited financial statements of each of the subsidiaries are available on the website of the Company at https://capitalindia.com under the "Investors" tab. Members interested in obtaining a copy of the standalone audited financial statements of the subsidiaries may write to the Company Secretary at the Registered Office of the Company.
- In accordance with the third proviso of Section 136 (1) of the Companies Act, 2013 and rules made thereunder, the Annual Report of the Company, containing therein its Financial Statements would be placed on the website of the Company at https://capitalindia.com ("**Website**") under the "Investors" tab.

8. DIVIDEND

Your Directors are pleased to recommend a final dividend of Re. 0.10/- (Rupee Ten Paisa only) per equity share for the FY 2019-20 payable to those shareholders whose names appear in the Register of Member as on the Record Date. The final dividend on 7,77,34,260 (seven crores seventy-seven lakhs thirty four thousand two hundred and sixty) equity shares, if approved by the members of the Company at the ensuing Annual General Meeting, would entail an outflow of Rs. 77,73,426/- (Rupees Seventy-seven lakhs seventy three thousand four hundred twenty six only) towards dividend.

9. INTERNAL CONTROL SYSTEM AND INTERNAL FINANCIAL CONTROLS

The Company has in place an adequate Internal Financial Control System with reference to the financial statements and Internal Control System, commensurate with the size, scale and complexity of its operations.

The Directors have laid down Internal Financial Control procedures to be followed by the Company which ensures the compliance with various policies, practices and statutes, keeping in view the organization's pace of growth and increasing complexity of operations for orderly and efficient conduct of its business.

The Audit Committee of the Board, is vested with the powers to evaluate the adequacy and effectiveness of the Internal Financial Control system of the Company, thereby ensuring that:

1. Systems have been established to ensure that all the transactions are executed in accordance with the management's general and specific authorisation.
2. Systems and procedures exist to ensure that all the transactions are recorded so as to permit preparation of Financial Statements in conformity with the Generally Accepted Accounting Principles (GAAP) or any other criteria applicable to such Statements, and to maintain accountability for effective and the timely preparation of reliable financial information.
3. Access to assets is permitted only with the management's general and specific authorisation. No assets of the Company are allowed to be used for personal purposes, except in accordance with the terms of employment or except as specifically permitted.
4. The existing assets of the Company are verified /checked at reasonable intervals and appropriate action is taken with respect to differences, if any.
5. Appropriate systems are in place for prevention and detection of frauds and errors and for ensuring adherence to the Company's various policies as listed on the Website and otherwise disseminated internally.

10. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The composition of the Board is governed by the relevant provisions of the Companies Act, 2013 and rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Articles of Association of the Company, and all other applicable laws and is in accordance with the best practices in corporate governance from time to time.

i. Board of Directors

The Company aims for an appropriate mix of Executive, Non-Executive and Independent Director to maintain the independence of Board and separate its functions of governance and management. As on March 31, 2020, the Board of the Company consists of following 6 (Six) directors:

Sr. No	Name	DIN	Designation	Details
1.	Mr. Vinod Somani	00327231	Independent Director	Appointed as an Additional Director in the capacity of Non – Executive Independent Director by the Board w.e.f. December 20, 2017 and as an Independent Director by the shareholders in their Annual General Meeting held on June 2, 2018.
2.	Mr. Yogendra Pal Singh	08347484	Independent Director	Appointed as an Additional Director in the capacity of Non – Executive Independent Director by the Board w.e.f. February 13, 2019 and as an Independent Director by the shareholders in their Annual General Meeting held on September 30, 2019
3.	Mr. Keshav Porwal	06706341	Managing Director	Appointed as an Additional Director in the capacity of Managing Director by the Board w.e.f. November 27, 2017 and as Managing Director by the shareholders in their Annual General Meeting held on June 2, 2018.
4.	Mr. Amit Sahai Kulshreshtha	07869849	Executive Director & CEO	Appointed as an Additional Director in the capacity of Executive Director & CEO by the Board w.e.f. November 27, 2017 and as an Executive Director & CEO by the shareholders in their Annual General Meeting held on June 2, 2018.
5.	Mr. Vineet Kumar Saxena	07710277	Non-Executive Director	Appointed as an Additional Director of the Company in the capacity of Non – Executive Director by the Board w.e.f. November 27, 2017 and as Non – Executive Director by the shareholders in their Annual General Meeting held on June 2, 2018.
6.	Ms. Shraddha Suresh Kamat	07555355	Non-Executive Director	Appointed as an Additional Director of the Company in the capacity of Women Non – Executive Director by the Board w.e.f. November 27, 2017 and as Women Non – Executive Director by the shareholders in their Annual General Meeting held on June 2, 2018.

Further, none of the Directors of your Company are disqualified under the provisions of Section 164 of the Companies Act, 2013 and rules made thereunder.

ii. **Fit and Proper Criteria**

All the Directors of the Company duly meet the fit and proper criteria stipulated by the Reserve Bank of India.

iii. **Directorships ceased during the year**

Mrs. Promila Bhardwaj resigned from the position of Independent Director with effect from April 1, 2019 due to her personal reasons. Mr. Subodh Kumar resigned from the position of Non-Executive Director with effect from August 31, 2019 due to his personal reasons.

iv. **Declaration of Independence:**

All the Independent Directors of the Company have submitted the declaration of their independence in conformity of Section 149(7) of the Companies Act, 2013 and rules made thereunder, stating that they meet the criteria of independence as provided in Section 149(6) of the Act and are not disqualified from continuing as Independent Directors.

During the period under review, the Independent Directors of the Company had no pecuniary relationship or transactions with the Company, other than the sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending the meetings of the Company.

v. Retirement by Rotation

In accordance with the provisions of the Companies Act, 2013 and rules made thereunder, and the Articles of Association of the Company, Mr. Vineet Kumar Saxena, Non-Executive Director of the Company, is liable to retire by rotation at the ensuing Annual General Meeting and has offered his candidature for re-appointment as a Non-Executive Director of the Company at the ensuing Annual General Meeting.

vi. Key Managerial Personnel

As on March 31, 2020, the Company has the following KMPs in accordance with the provisions of the Companies Act, 2013 and rules made thereunder:

Mr. Keshav Porwal	-	Managing Director
Mr. Amit Sahai Kulshreshtha	-	Executive Director & Chief Executive Officer
Mr. Neeraj Toshniwal	-	Chief Financial Officer
Mr. Rachit Malhotra	-	Company Secretary & Compliance Officer

During the period under review, there was no change in the Key Managerial Personnel ("**KMP**") of the Company.

vii. Board Meetings

During the period under review, 4 (Four) Board meetings were held and the intervening gap between the meetings were within the period prescribed under the Companies Act, 2013 and rules made thereunder.

viii. Committees of the Board

The following are the Committees constituted by the Board:

i) Audit Committee;

ii) Nomination & Remuneration Committee;

iii) Stakeholder Relationship Committee;

iv) Investment Committee;

v) Risk Management Committee;

vi) Asset-Liability Committee;

vii) Management Committee;

viii) Credit Committee;

ix) Securities Issuance Committee; and

x) IT Strategy Committee.

xi) Corporate Social Responsibility Committee

ix. Composition of the Committees:

The following was the composition of the Committees during the period under review:

Sl.No.	Committee meeting	Composition
1	**Audit Committee**	Mr. Vinod Somani (Chairman)
		Mr. Yogendra Pal Singh (Member)
		Mr. Vineet Kumar Saxena (Member)
2	**Nomination & Remuneration Committee**	Mr. Vinod Somani (Chairman)
		Mr. Yogendra Pal Singh (Member)
		Mr. Vineet Kumar Saxena (Member)
3	**Stakeholders Relationship Committee**	Mr. Vinod Somani (Chairman)
		Mr. Yogendra Pal Singh (Member)
		Mr. Vineet Kumar Saxena (Member)

4	**Investment Committee**	Mr. Vineet Kumar Saxena (Chairman)
		Mr. Keshav Porwal (Member)
		Mr. Amit Sahai Kulshreshtha (Member)
5	**Risk Management Committee**	Mr. Achal Kumar Gupta (Chairman)
		Mr. Keshav Porwal (Member)
		Mr. Amit Sahai Kulshreshtha (Member)
6	**Asset-Liability Committee**	Mr. Vinod Somani (Chairman)
		Mr. Keshav Porwal (Member)
		Mr. Amit Sahai Kulshreshtha (Member)
7	**Management Committee**	Mr. Keshav Porwal (Chairman)
		Mr. Amit Sahai Kulshreshtha (Member)
		Mr. Vineet Kumar Saxena (Member)
8	**Credit Committee**	Mr. Vinod Somani (Chairman)
		Mr. Keshav Porwal (Member)
		Mr. Amit Sahai Kulshreshtha (Member)
		Mr. Vineet Kumar Saxena (Member)
9	**Securities Issuance Committee**	Mr. Vinod Somani (Member)
		Mr. Amit Sahai Kulshreshtha (Member)
		Mr. Vineet Kumar Saxena (Member)
10	**IT Strategy Committee**	Mr. Yogendra Pal Singh (Chairman)
		Mr. Amit Sahai Kulshreshtha (Member)
		Mr. Vineet Kumar Saxena (Member)
		Mr. Manish Gupta (Member)
11	**Corporate Social Responsibility Committee**	Mr. Yogendra Pal Singh (Chairman)
		Mr. Keshav Porwal (Member)
		Mr. Amit Sahai Kulshreshtha (Member)

x. **Board and Committee Meetings**

Details of meetings of Board and Committees are as below:

S. No	Board of Directors / Committee	No. of meetings	Date of Meetings
1.	Board of Directors (Board)	4	May 10, 2019
			August 14, 2019
			November 12, 2019
			February 14, 2020
2	Audit Committee (AC)	4	May 10, 2019
			August 14, 2019
			November 12, 2019
			February 14, 2020
3	Stakeholder Relationship Committee (SRC)	1	November 12, 2019
4	Nomination & Remuneration Committee (NRC)	5	May 10, 2019
			May 20, 2019
			August 14, 2019
			November 12, 2019
			February 14, 2020

5	Risk Management Committee (RMC)	3	May 10, 2019
			August 20, 2019
			November 21, 2019
6	Asset-Liability Committee (ALCO)	4	May 10, 2019
			August 14, 2019
			November 12, 2019
			February 14, 2020
7	Investment Committee (IC)	7	April 15, 2019
			August 14, 2019
			September 16, 2019
			November 12, 2019
			November 27, 2019
			January 11, 2020
			February 26, 2020
8	IT Strategy Committee (IT)	2	August 14, 2019
			November 12, 2019
9	Securities Issuance Committee (SIC)	Nil	Nil
10	Management Committee (MC)	14	May 3, 2019
			July 16, 2019
			September 4, 2019
			November 12, 2019
			December 5, 2019
			January 27, 2020
			March 9, 2020
11	Credit Committee (CC)	Nil	Nil
12	Corporate Social Responsibility Committee	1	September 27, 2019

xi. <u>Attendance of Directors/Members at the Board and Committee meetings</u>

As per clause 9 of the Secretarial Standard-I on Meetings of the Board of Directors, issued by the Institute of Company Secretaries of India, the attendance of Directors/Members at the Board and Committee meetings held during the period under review is provided as under:

Name of Director/ Member	Board	AC	NRC	SRC	RMC	IC	SIC	MC	IT	ALCO
Mr.Vinod Somani	4/4	4/4	5/5	1/1	-	-	-	-	-	4/4
Mr. Yogendra Pal Singh	4/4	4/4	5/5	1/1	-	-	-	-	2/2	-
Mr. Keshav Porwal	4/4	-	-	-	3/3	7/7	-	6/7	-	4/4
Mr. Amit Sahai Kulshreshtha	4/4	-	-	-	3/3	7/7	-	7/7	2/2	4/4
Mr. Vineet Kumar Saxena	4/4	4/4	5/5	1/1	-	7/7	-	7/7	2/2	-
Ms. Shraddha Suresh Kamat	2/4	-	-	-	-	-	-	-	-	-
Mr. Subodh Kumar*	1/2	-	-	-	-	-	-	-	-	-
Mr. Achal Kumar Gupta	-	-			3/3		-	-	-	-
Mr. Manish Gupta	-	-	-	-	-	-	-	-	2/2	-

*Resigned from the position of Non-Executive Director w.e.f. August 31, 2019

xii. Separate Meeting of Independent Directors

In accordance with the provisions of Schedule IV to the Act and Regulation 25(3) of the SEBI (LODR) 2015, separate meeting of Independent Directors of the Company was held on February 5, 2020 to discuss relevant items including the agenda items as prescribed under the applicable laws. The meeting was attended by all the Independent Directors of the Company.

10 POLICIES GOVERNING THE APPOINTMENT AND REMUNERATION OF THE DIRECTORS AND EMPLOYEES

The Nomination & Remuneration Committee develops the competency requirements of the Board based on the industry and strategy of the Company, conducts a gap analysis and recommends the reconstitution of the Board, as and when required. It also recommends to the Board, the appointment of Directors having good personal and professional reputation and conducts reference checks and due diligence, before recommending them to the Board. Besides the above, the Nomination & Remuneration Committee ensures that the new Directors are familiarized with the operations of the Company and endeavors to provide relevant training to the Directors.

In accordance with the provisions of Section 178 of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has adopted a Policy on diversity of the Board of Directors and a Policy on remuneration of the directors, key managerial personnel and other employees. The Policy on Diversity of the Board of Directors have been framed to encourage diversity of thought, experience, knowledge, perspective, age and gender in the Board. The Policy on remuneration of the directors, key managerial personnel and other employees is aligned to the philosophy on the commitment of fostering a culture of leadership with trust.

The Policy on remuneration of the directors, key managerial personnel and other employees aims: (a) that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, Executives and Other Employees of the quality required to run the Company successfully; (b) that relationship of remuneration to performance is clear and meets appropriate performance benchmarks; (c) that remuneration to Directors, Executives and Other Employees involves a balance between fixed and variable pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals; and (d) to enable the Company to provide a well-balanced and performance-related compensation package, taking into account shareholder interests, industry standards and relevant Indian corporate regulations. The detailed policy on remuneration of the directors, key managerial personnel and other employees is available on the Website of the Company at URL https://capitalindia.com

The Company has also formulated a Fit and Proper Criteria policy for inter alia determining the qualification, technical expertise, positive attributes, integrity and independence of the directors. The Company has received declarations from all the Directors of the Company that they are meeting the criteria laid down in the Fit and Proper Criteria Policy and the applicable provisions of the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (“Master Directions”) issued by the Reserve Bank of India in this regard.

11 REMUNERATION OF THE EMPLOYEES

Disclosure with respect to the ratio of remuneration of each of the Director and employees of the Company as required under the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is forming part of this report as **Annexure II**.

The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Companies Act, 2013, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure on the website of the Company which forms part of this report. In terms of Section 136 of the Companies Act, 2013, the said annexure is open for inspection at the Registered Office and Corporate Office of the Company.

12 PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has framed a Policy on Prevention of Sexual Harassment at Workplace in accordance with the applicable laws for all employees of the Company to inter alia ensure that the women employees are not subject to any form of sexual harassment and to constitute the Internal Complaints Committee to redress the complaints, if any. Your company is fully committed to protect the rights of any women, of any age, whether employed or not, who alleges to have been subjected to any act of sexual harassment within the Company's premises. Your Company provides a safe and healthy work environment.

During the period under review, there were no cases of sexual harassment reported to the Company.

13 POLICY ON PERFORMANCE EVALUATION OF THE DIRECTORS, BOARD AND ITS COMMITTEES

The Nomination & Remuneration Committee has devised a policy for the performance evaluation of the Independent Directors, Board, its Committees and the other individual Directors and has laid down the performance evaluation and assessment criteria/parameters. The Independent Directors in terms of Schedule IV to the Companies Act, 2013 and the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, at its separate meeting, evaluated the performance of the Chairman, Non-Independent Directors and the Board as a whole.

The Nomination & Remuneration Committee carried out the evaluation of every Director's performance and the Board carried out a formal evaluation of its own performance, Board Committees and the performance of each of the Directors, without the presence of the Director being evaluated. The criteria/parameters laid down for the evaluation of performance of the Independent Directors is provided in the Corporate Governance report, forming part of this Annual Report.

14 MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As required under Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report is enclosed as a part of this Annual Report.

15 DIRECTORS RESPONSIBILITY STATEMENT

The Board acknowledges the responsibility for ensuring compliance with the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013 in preparation of the Financial Statements for the financial year ended on March 31, 2020 and state:

a. that in the preparation of Annual Accounts for the Financial Year ended as at March 31, 2020, the applicable Accounting Standards have been followed along with the proper explanation relating to the material departures.

b. that the Directors have selected such Accounting Policies and applied them consistently and made judgements 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 Financial Year ended as at March 31, 2020 and of the profit and loss of the Company for the Financial Year ended on March 31, 2020.

c. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud or other irregularities.

d. that the Directors have prepared the annual accounts on a going concern basis.

e. that the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

f. there is a proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants, including audit of internal financial controls over financial reporting by the statutory auditors, and the reviews performed by management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the period under review.

16 PUBLIC DEPOSITS

The Company did not accept any public deposits during the year under review. Therefore, the disclosures as required under the Companies Act, 2013 and the rules made thereunder, and Master Directions are not applicable on the Company.

17 PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 forms part of the *Notes to the Financial Statements* provided in this Annual Report.

18 AUDITORS

a) STATUTORY AUDITORS:

Pursuant to the provisions of Section 139 of the Companies Act, 2013, M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Regn. No.: 117366W/W100018), were appointed as the Statutory Auditors of the Company at the 24thAnnual General Meeting ("**AGM**") of the Company for a period from the conclusion of the said 24thAGM till the conclusion of the 29th AGM of the Company.

The report submitted by the Statutory Auditors on the Financial Statements of the Company forms part of this Annual Report. There has been no qualifications, reservations or adverse remarks or disclaimer given by the Statutory Auditors in their report.

b) SECRETARIAL AUDITORS

The Board had appointed M/s Naveen Garg & Associates, Company Secretaries, as the Secretarial Auditors of the Company to undertake the Secretarial Audit for the financial year 2019-20 in terms of the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Secretarial Auditors have submitted their report in the Form MR-3, which forms part of this Annual Report. There are no observations, reservations or adverse remarks in the Secretarial Audit Report.

c) INTERNAL AUDITORS

The Board had appointed M/s Aneja Associates, Chartered Accountants, as the Internal Auditors to undertake internal audit of the Company for the financial year 2019-20 in terms of the provisions of Section 138 of the Companies Act, 2013 and rules made thereunder.

19 COST RECORDS

The provisions of the Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, are not applicable on the Company for the period under review.

20 EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "**Annexure III**".

The extract of annual return of the Company has been placed on the website of the Company and can be accessed at the Website of the Company at URL https://capitalindia.com.

21 CORPORATE GOVERNANCE REPORT

It has always been the Company's endeavor to excel through better Corporate Governance and fair and transparent practices. The Company has put in place efficient and effective system to ensure proper compliance with regulatory provisions. The Company understands and respects its fiduciary role and responsibility towards its stakeholder and society at large.

The report on Corporate Governance under regulation 34 read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year 2019-20 is appended to this Annual Report.

In accordance with the Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015, issued by Reserve Bank of India, the Company has adopted the Internal Guidelines on Corporate Governance.

22 RELATED PARTY TRANSACTIONS

During the period under review, the transactions entered into with related parties were placed before the Audit Committee of the Board for its consideration and noting. The Audit Committee of the Board noted that such transactions were in the ordinary course of business and at arm's length. None of the transaction with related party(ies) comes within the ambit of Section 188 of the Companies Act, 2013. Accordingly, the particulars of the transactions as prescribed in Form AOC - 2 of the rules prescribed under Chapter IX relating to Accounts of Companies under the Companies Act, 2013 are not required to be disclosed as they are not applicable.

All related party transactions entered are disclosed in Note 36 of Financial Statements of the Company forming part of this Annual Report.

In terms of section 188 of the Act read with rules framed thereunder and Regulation 23 of the Listing Regulations, your Company has in place Policy on Related Party Transactions dealing with Related Party Transaction. The policy is placed on the website of the Company at URL https://capitalindia.com.

23 CODE OF CONDUCT

The Board has approved a Code of Conduct which is applicable to the members of the Board and all the employees in the course of day to day operations of the Company. The Code of Conduct has been placed on the website of the Company at URL https://capitalindia.com.

The Code of Conduct lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in workplace, in business practices and in dealing with stakeholders. All the members of the Board and the Senior Management Personnel have confirmed compliance with the Code of Conduct.

24 VIGIL MECHANISM / WHISTLE BLOWER POLICY

Pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013 read with the rules made thereunder and pursuant to the provision of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has established a Vigil Mechanism to be known as the '**Vigil Mechanism Policy**' for its Directors and employees, to report instances of unethical behaviour and actual or suspected fraud or violation of the Company's Code of Conduct. The aim of the policy is to provide adequate safeguards against victimisation of the whistle blower who avails the mechanism and provides direct access to the Chairman of the Audit Committee, in appropriate or exceptional cases.

Accordingly, the Vigil Mechanism Policy has been formulated with a view to provide a mechanism for the Directors and employees of the Company to approach the Ethics Officer or the Chairman of the Audit Committee of the Company.

The purpose of this policy is to provide a framework in order to promote responsible and secure whistle blowing. It protects employees willing to raise a concern about serious irregularities within the Company.

During the period under review, no such complaint of unethical or improper activity has been received by the Company.

25 COMPLIANCE WITH THE REGULATIONS ISSUED BY THE RESERVE BANK OF INDIA

The Company continues to fulfill all the norms and standards laid down under the Master Directions and the other applicable regulations issued by the Reserve Bank of India, from time to time.

26 PREVENTION OF INSIDER TRADING

The Company has adopted a revised policy on insider trading with effect from February 14, 2020 namely, the Prohibition of Insider Trading Code ("**Code**")with a view to regulate the trading in securities by the designated persons 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 designated persons 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 the implementation of the Code.

The Code can be accessed from the website of the Company at URL https://capitalindia.com/.

27 CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/ OUTGO

a) CONSERVATION OF ENERGY

(i) Steps taken or impact on conservation of energy - The operations of your Company are not energy-intensive. However, adequate measures have been initiated for conservation of energy.

(ii) Steps taken by the Company for utilising alternate source of energy – though the operations of the Company are not energy intensive, the Company shall explore alternative source of energy, as and when the necessity arises.

(iii) Capital investment on energy conservation equipment - Nil

b) TECHNOLOGY ABSORPTION

(i) Efforts made towards technology absorption - The minimum technology required for the business has been absorbed.

(ii) Benefits derived like product improvement, cost reduction, product development or import substitution - Not Applicable

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - Not Applicable

(a) the details of technology imported;

(b) the year of import;

(c) whether the technology has been fully absorbed; and

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof

(iv) Expenditure incurred on Research and Development - Not Applicable

c) FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review, there were no earnings and outgo on account offoreign exchange transactions.

28 FRAUD REPORTING

There was no fraud reported by the Statutory Auditors of the Company, under Section 143(12) of the Companies Act, 2013 and rules made thereunder, to the Board during the period under review.

29 DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There have been no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

Further, no penalties have been levied by the Reserve Bank of India / any other Regulators, during the period under review.

30 MATERIAL CHANGES AND COMMITMENTS, IF ANY

There were no material changes and commitments affecting the financial position of the Company which occurred between the end of the financial year to which these financial statements relate and the date of this Report.

31 CORPORATE SOCIAL RESPONSIBILITY

During the period under review, pursuant to the provisions of Section 135 and Schedule VII to the Companies Act, 2013, and rules made thereunder, the Company has constituted the Corporate Social Responsibility Committee and also approved the Corporate Social Responsibility Policy ("**CSR Policy**") on August 14, 2019.

The Company has settled a registered trust namely "**Atulya Foundation**" to inter alia undertake the CSR activities permissible under Schedule VII to the Companies Act, 2013.

The Company has contributed Rs.15.00 Lakhs in Atulya Foundation to undertake the CSR activities on the behalf of the Company during the financial year 2019-20.

The CSR Policy is placed on the website of the Company at URL https://capitalindia.com and a brief outline of the policy and CSR initiatives undertaken by the Company during the year as set out in **Annexure-IV** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

32 CREDIT RATING

During the period under review, the Company has been rated 'A-'by Acuite Ratings and Research Limited for raising Long term debt of upto Rs. 500 Crore.

33 CONSOLIDATED FINANCIAL STATEMENTS

The audited consolidated financial statements for the financial year ended on March 31, 2020are provided in this Annual Report which have been prepared in accordance with the relevant Accounting Standards issued by the Institute of Chartered Accountants of India.

The Annual Report including the Balance Sheet, Statement of Profit & Loss, other statements and notes thereto is available on the Company's website at URL www.capitalindia.com.

34 RISK MANAGEMENT

The Risk Management Committee constituted by the Board, has framed and implemented a Risk Management framework depicting the process for loan proposal approval, loan management post disbursement and day to day monitoring to manage credit risk. It sets out the standards helpful in achieving a high-quality loan portfolio with optimal returns.

The framework is regularly reviewed and enhanced in response to changes in the external environment and business processes.

35 HUMAN RESOURCE-INITIATIVES

During the period under review, your Company has strengthened its Management team and Core Leadership team to steer the Company's business conscientiously and diligently. Efforts have been put in to attract the best talent from the industry to build a strong foundation.

Your Company provides an employee friendly environment where employees are empowered and given an opportunity to demonstrate their talent, that eventually boost their career growth in the Company.

36 LISTING OF SECURITIES

Presently, the equity shares of the Company are listed on the BSE Limited, Mumbai. The listing fee for the Financial Year 2019-20 has been duly paid.

37 STATEMENT ON COMPLIANCES OF APPLICABLE SECRETARIAL STANDARDS

Your Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and such systems are adequate and operating effectively.

38 EMPLOYEE STOCK OPTIONS SCHEME

In order to motivate, incentivize and reward employees, your Company has instituted the Employee Stock Option Scheme in the name of CIFL Employee Stock Option Plan - 2018 ("**CIFL ESOP Plan**"). The Nomination & Remuneration Committee monitors the CIFL ESOP Plan. The CIFL ESOP Plan is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("**SEBI SBEB Regulations**"). Relevant disclosures pursuant to SEBI SBEB Regulations, as on March 31, 2020 are available on the Website of the Company at URL https://capitalindia.com.A certificate from M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Statutory Auditors of the Company), with respect to the implementation of CIFL ESOP Plan would be placed before the members at the ensuing Annual General Meeting ("**AGM**") of the Company and a copy of the same shall be available for inspection at the registered office and the corporate office of the Company during the working hours.

There has been no material change in the CIFL ESOP Plan of the Company during the period under review.

39 BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report ("**BRR**") of your Company for the year 2019-20 forms part of this Annual Report as required under Regulation 34(2) (f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is appended as "**Annexure-V**".

40 GENERAL DISCLOSURES

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the period under review:

a) The Company has not bought back any of its securities;

b) The Company has not issued any bonus share;

c) The Company has not issued any sweat equity shares;

d) The Company has not issued equity shares with differential rights as to dividend, voting or otherwise;

e) The Company is not liable to transfer amount of dividend lying in the unpaid dividend account to Investor Education and Protection Fund (IEPF) pursuant to provisions of Section 125 of the Companies Act, 2013; and

f) There was no revision in the financial statements between the end of the financial year and the date of this report.

41 MEASURES TAKEN BY THE COMPANY FOR NOVEL CORONAVIRUS DISEASE ("COVID-19")

In January 2020, the World Health Organization ("**WHO**") declared the outbreak of a new coronavirus disease in Hubei Province, China to be a Public Health Emergency of International Concern. Given the magnitude and the extent of its spread, the WHO declared it a Pandemic. Apart from human suffering, it also caused major economic disruptions. WHO and public health authorities around the world are taking actions to contain the COVID-19 outbreak. In order to deal with this public health situation, the corporate sector are playing a key role in implementing the strategic policy decision of social distancing, which is most crucial for reducing the rate and extent of the disease transmission at community level.

Your Company has taken the following measures to contribute towards the containment of the spread of the disease:

1. The Company adopted the wok from home policy from March 18, 2020, well in advance of the spread of the disease in and around the offices and/or branches of the Company, so as to maintain the safety of the employees and other people;
2. The Company has duly filed the web-form 'Company Affirmation of Readiness towards COVID-19' deployed by the Ministry of Corporate Affairs, on March 23, 2020; and
3. The Company has pursuant to the Reserve Bank of India circular vide no.: RBI/2019-20/186DOR.No.BP. BC.47/21.04.048/2019-20 dated March 27, 2020, on COVID-19 – Regulatory Package (COVID Regulatory Package), has formulated a Policy on Moratorium of Instalments under COVID-19 RBI Regulatory Package that is applicable to all term loan accounts of the Company where in payments are falling due between March 1, 2020 to May 31, 2020.

42 ACKNOWLEDGEMENTS

Your Directors would gratefully like to place their appreciation for the assistance and co-operation received from the Company's bankers during the period under review. The Directors also acknowledge, with appreciation, the support and co-operation rendered by various Government Agencies and Departments. Your Directors would also wish to place on record their deep sense of appreciation for the continued support from all the investors of the Company.

By order and on behalf of the Board
Capital India Finance Limited

Keshav Porwal	**Amit Sahai Kulshreshtha**
Managing Director	**Executive Director & CEO**
DIN – 06706341	**DIN – 07869849**

Place: Mumbai
Date: June 1, 2020

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Capital India Finance Limited
CIN: L74899DL1994PLC128577

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Capital India Finance Limited ("Company**"). The secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of the secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended March 31, 2020, 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, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020, according to the provisions of:

(i) The Companies Act, 2013 (the "**Act**") and the rules made thereunder, including any modification or re-enactment for the time being in force;

(ii) The Securities Contracts (Regulation) Act, 1956 ("**SCRA**") and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) 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, wherever applicable;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("**SEBI Act**"): -

  (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

  (iv) The Securities and Exchange Board of India (Share based Employee Benefits) Regulation, 2014;

  (v) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008

  (vi) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client

  (vii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable);

  (viii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable);

  (ix) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018; and

  (x) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015.

(vi) I have relied on the representation made by the Company and its officer for system and mechanism framed by the Company for compliances under the following Acts, Laws & Regulations of the Company:

  o Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Provisions of Employee State Insurance Act, 1948

- o Workmen's Compensation Act, 1923, Equal Remuneration Act, 1976, and all other allied labour laws, as informed / confirmed to me;
- o Income Tax Act, 1961;
- o Finance Act, 1994;
- o Prevention of Money Laundering Act, 2002;
- o Goods and Service Tax Act, 2017
- o Maharashtra Shops and Establishments Act, 1948;
- o Delhi Shops and Commercial Establishment Act, 1954;
- o Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- o Reserve Bank of India Act, 1934 and rules, regulations, circulars, notification issued by Reserve Bank of India from time to time for Non-Banking Finance Company;

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

(i) Secretarial Standard issued by The Institute of Company Secretaries of India; and

(ii) The Uniform Listing Agreement entered into by the Company with BSE Limited as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015.

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

I further report that: -

- o The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. 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;
- o Adequate notice is given to all Directors to schedule the Board/Committee Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance and a system exist for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting;
- o All decisions of the Board and Committees were carried with requisite majority while the dissenting members' views are captured and recorded as part of the minutes.

I further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary & Compliance Officer and taken on record by the Board of Directors at their meeting(s), I have an opinion that there are adequate systems and processes in the Company, commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the Company has following specific events / actions having a major impact on Company's affair in pursuance of the referred laws, rules, regulations, standards etc.:

- o The Shareholders of the Company vide resolution passed through Postal Ballot dated January 1, 2020 have approved material related party transactions with Rapipay Fintech Private Limited and Rapipay Fintech Holding Private Limited for upto an aggregate amount of Rs. 50,00,00,000/- (Rupees Fifty Crore only),
- o Allotment of 40 (Forty) Unlisted Unrated Unsecured Redeemable Non-Convertible Debentures having face value of Rs. 1,00,00,000/- (Rupees One Crore Only) each bearing fixed rate of interest @ 9% per annum for an aggregate amount of Rs. 40,00,00,000 (Rupees Forty Crores only), vide resolution passed by the Securities Issuance Committee of the Board through circulation dated January 13, 2020;
- o Granted employee stock options pursuant to the CIFL Employee Stock Option Plan, 2018, in the following manner:

  a) 3,05,000 (Three Lakhs and Five Thousand) options exercisable into not more than 3,05,000 (Three Lakhs and Five Thousand) equity shares of the Company of face value of Rs. 10/- (Rupees Ten only) each, fully paid-up, vide resolution passed by the Nomination & Remuneration Committee of the Board in its meeting dated May 20, 2019;

b) 40,000 (Forty Thousand) options exercisable into not more than 40,000 (Forty Thousand) equity shares of the Company of face value of Rs. 10/- (Rupees Ten Only) each, fully paid-up, vide resolution passed by the Nomination & Remuneration Committee of the Board in its meeting dated August 14, 2019; and

c) 70,000 (Seventy Thousand) options exercisable into not more than 70,000 (Seventy Thousand) equity shares of the Company of face value of Rs. 10/- (Rupees Ten only) each, fully paid-up vide resolution passed by the Nomination & Remuneration Committee of the Board in its meeting dated November 12, 2019.

For Naveen Garg & Associates
(Company Secretaries)

(Naveen Garg)
Proprietor
Membership No: - 32159
CP No: -11815

Date: 26/05/2020
Place: New Delhi

This report is to be read with my letter of even date which is annexed as "Annexure A" and forms an integral part of this report.

"Annexure A"

To,
The Members,
Capital India Finance Limited
CIN: L74899DL1994PLC128577

Our Secretarial Audit Report for the Financial Year March 31, 2020 is to be read along with this letter.

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper system to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. My responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. I believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for my opinion.
4. Wherever required, I have obtained the management's representation about compliance of laws, rules and regulations and happening of events etc.

Disclaimer

5. The Secretarial Audit Report is neither an assurance as to the future visibility of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
6. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

For Naveen Garg & Associates
(Company Secretaries)

(Naveen Garg)
Proprietor
Membership No:- 32159
CP No:-11815

Date:26/05/2020
Place: New Delhi

Annexure – I

Form AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part-A: Subsidiaries

(Rs. In Lakhs)

Sr. No.	Name of subsidiary companies	Capital India Home Loans Limited	Capital India Wealth Management Private Limited	Capital India Asset Management Private Limited	CIFL Holdings Private Limited	CIFL Investment Manager Private Limited	Rapipay Fintech Holding Private Limited	Rapipay Fintech Private Limited
1	The date since when the subsidiary was acquired	11 August 2017	29 August 2017	12 September 2017	18 September 2017	14 September 2017	20 September 2019	21 September 2019
2	Reporting year for the subsidiary	31 March 2020	31 March 2020	31 March 2020	31 March 2020	31 March 2020	31 March 2020	31 March 2020
3	Reporting currency and exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
4	Share Capital	9,002.50	3.00	5.00	3.00	3.00	936.51	3,320.00
5	Reserves & surplus	(1,168.42)	(2.00)	(2.37)	(2.00)	(2.00)	(52.92)	(1,856.03)
6	Total Assets	9,536.70	1.34	2.93	1.35	1.35	885.79	5,567.88
7	Total Liabilities	1,702.62	0.34	0.30	0.34	0.34	2.20	3,642.07
8	Investments	863.41	-	-	-	-	885.00	-
9	Turnover	801.08	-	-	-	-	-	794.28
10	Profit before tax	(777.73)	(0.64)	(0.66)	(0.64)	(0.64)	(52.92)	(1,366.25)
11	Provision for tax	(39.14)	-	-	-	-	-	(338.31)
12	Profit after tax	(738.59)	(0.64)	(0.66)	(0.64)	(0.64)	(52.92)	(1,027.94)
13	Proposed dividend	0%	0%	0%	0%	0%	0%	0%
14	% of shareholding	99.70%	100%	100%	100%	100%	100%	62.8*

*including 26.66% of holding through its Subsidiary Company i.e. Rapipay Fintech Holding Private Limited

Part B: Associates & Joint Ventures

Not Applicable

For and on behalf of Board of Directors
Capital India Finance Limited

Keshav Porwal	**Amit Sahai Kulshreshtha**	**Neeraj Toshniwal**	**Rachit Malhotra**
Managing Director	**Executive Director & CEO**	**Chief Financial Officer**	**Company Secretary & Compliance Officer**
DIN - 06706341	DIN – 07869849	PAN - ACCPT2249N	M. No. A39894

Annexure II

Particulars of employees for the year ended on March 31, 2020 as required under Section 197 of the Companies Act, 2013 read with Rule 5 of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014:

The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	**Name of the Director**	**Ratio to the median**
	Amit Sahai Kulshreshtha	10.49
	Keshav Porwal	10.03
The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	**Name of Director/CS/ CFO**	**% increase**
	Amit Sahai Kulshreshtha Keshav Porwal Rachit Malhotra Neeraj Toshniwal	82.11 73.39 82.04 54.16
The percentage increase in the median remuneration of employees in the financial year	There is decrease in the median remuneration of employees in the financial year.	
The number of permanent employees on the rolls of Company	95 as on March 31, 2020.	
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	Percentage increase in the salaries of employees other than KMPs – 36% Percentage increase in managerial remuneration - 73%.	
Affirmation that the remuneration is as per the remuneration policy of the company	Yes; the remuneration paid is as per the remuneration policy of the company.	

CAPITALINDIA

Annexure-III

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	:	L74899DL1994PLC128577
Registration Date	:	16/11/1994
Name of the Company	:	**Capital India Finance Limited**
Category / Sub-Category of the Company	:	Company Limited by Shares
Address of the Registered office and contact details	:	2nd Floor, DLF Centre, Sansad Marg, New Delhi-110001
Whether listed company		Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	:	KFin Technologies Private Limited, (*formerly known* as Karvy Fintech Private Limited), Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 Contact No: +91 040 - 67162222 Fax No: +91 40 23001153 E-mail: venu.sp@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Name and Description of main products/ Services	NIC Code of the Product/ service	% to total turnover of the Company
Financing & Investments – granting loans	65923	100.00%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of Shares Held	Applicable Section
1	Capital India Home Loans Limited	U65990DL2017PLC322041	Subsidiary	99.7%	Section 2(87)(ii)
2	Capital India Asset Management Private Limited	U65999DL2017PTC323549	Subsidiary	100%	Section 2(87)(ii)
3	Capital India Wealth Management Private Limited	U65999DL2017PTC322881	Subsidiary	100%	Section 2(87)(ii)
4	CIFL Holdings Private Limited	U65990DL2017PTC323832	Subsidiary	100%	Section 2(87)(ii)
5	CIFL Investment Manager Private Limited	U65929DL2017PTC323719	Subsidiary	100%	Section 2(87)(ii)
6	Rapipay Fintech Holding Private Limited	U65990DL2019PTC345495	Subsidiary	100%	Section 2(87)(ii)
7	Rapipay Fintech Private Limited	U72200DL2009PTC189149	Subsidiary	62.8%*	Section 2(78)(ii)

*including 26.66% of holding through its Subsidiary Company i.e. Rapipay Fintech Holding Private Limited

IV. SHAREHOLDING PATTERN (Equity Share Capital Break up as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	**Promoters**									
(1)	Indian									
a)	Individual/ HUF	-	-	-	-	-	-	-	-	-
b)	Central Govt.	-	-	-	-	-	-	-	-	-
c)	State Govt.(s)									
d)	Bodies Corp	5,67,75,720	-	5,67,75,720	73.04	5,67,75,720	-	5,67,75,720	73.04	-
e)	Banks/FI	-	-	-	-	-	-	-	-	-
f)	Any Other	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (1):		**5,67,75,720**	-	**5,67,75,720**	**73.04**	**5,67,75,720**	-	**5,67,75,720**	**73.04**	-
(2)	Foreign	-	-	-	-	-	-	-	-	-
a)	NRI- Individuals	-	-	-	-	-	-	-	-	-
b)	Other Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corp.	-	-	-	-	-	-	-	-	-
d)	Banks/FI	-	-	-	-	-	-	-	-	-
e)	Any other…	-	-	-	-	-	-	-	-	-
SUB TOTAL: (A) (2)		-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)		**5,67,75,720**	-	**5,67,75,720**	**73.04**	**5,67,75,720**	-	**5,67,75,720**	**73.04**	-
B.	PUBLIC SHAREHOLDING									
(1)	Institutions	-	-	-	-	-	-	-	-	-
a)	Mutual Funds	-	-	-	-	-	-	-	-	-
b)	Banks / FI	-	-	-	-	-	-	-	-	-
c)	Central Govt.	-	-	-	-	-	-	-	-	-
d)	State Govt.(s)	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	FIIs	-	-	-	-	-	-	-	-	-
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Others (specify)	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1):		-	-	-	-	-	-	-	-	-
(2)	**Non Institutions**	-	-	-	-	-	-	-	-	-
a) i) ii)	Bodies corporate Indian Overseas	16,46,,572 6	-	16,46,572 6	21.18	16,45,823 6	-	16,45,823 6	21.17	(0.01)
b)	Individuals									
i)	Individual shareholders holding nominal share capital upto Rs. 2 Lakh	3,77,813	-	3,77,813	0.49	3,41,590	-	3,41,590	0.44	(0.05)
ii)	Individual shareholders holding nominal share capital in excess of Rs 2 Lakh	41,15,001	-	41,15,001	5.29	41,58,714	-	41,58,714	5.29	(0.00)
c)	Others (specify)	-	-	-	-	-	-	-	-	-
i)	Non-Resident Indian	-	-	-	-	-	-	-	-	-
ii)	Clearing Member	-	-	-	-	-	-	-	-	-
iii)	Clearing House	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(2):		**2,09,58,540**	-	**2,09,58,540**	**26.96**	**2,09,58,540**	-	**2,09,58,540**	**26.96**	-
Total Public Shareholding (B)= (B)(1)+(B)(2)		**2,09,58,540**	-	**2,09,58,540**	**26.96**	**2,09,58,540**	-	**2,09,58,540**	**26.96**	-
C.	**Shares held by Custodian for GDRs & ADRs**	-	-	-	-					-
Grand Total (A+B+C)		**7,77,34,260**	-	**7,77,34,260**	**100.00**	**7,77,34,260**	-	**7,77,34,260**	**100.00**	**0.00**

ii. Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Capital India Corp LLP	5,67,75,720	73.04	-	5,67,75,720	73.04	-	0.00
	Total	**5,67,75,720**	**73.04**	-	**5,67,75,720**	**73.04**	-	**0.00**

iii. Change in Promoters' Shareholding (please specify, If there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
1.	CAPITAL INDIA CORP LLP	No. of shares	% of total share of the Company	No. of shares	% of total share of the Company
	At the beginning of the year	5,67,75,720	73.04	-	-
	Addition: Allotment of equity shares pursuant to preferential allotment on June 8, 2018	0		0	
	At the End of the year	-	-	5,67,75,720	73.04

iv. Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For each of Ten Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total share of the Company	No. of shares	% of total share of the Company
	At the beginning of the year	2,05,98,898	26.50%	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)*:	-	-	(16,601)	0,03
	At the End of the year(or on the date of separation, if separated during the year)	-	-	2,05,82,297	26.47%

**The aforesaid information is based on List of top ten shareholders as on March 31, 2020.*

v. Shareholding of Directors and Key Managerial Personnel: (Rs. In Lakhs)

S. No.	Name	Shareholding		Date	Increase/ Decrease in Share-holding	Reason	Cumulative Shareholding During the Year	
		No. of Shares at the beginning/ End of the Year	% of Total Shares of the Company				No. of Shares	% of Total Shares of the Company
A	Directors (including Independent Directors)							
1.	Vinod Somani	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2.	Yogendra Pal Singh	Nil	Nil	Nil	Nil	Nil	Nil	Nil
3.	Keshav Porwal	Nil	Nil	Nil	Nil	Nil	Nil	Nil
4.	Amit Sahai Kulshreshtha	Nil	Nil	Nil	Nil	Nil	Nil	Nil
5.	Vineet Kumar Saxena	Nil	Nil	Nil	Nil	Nil	Nil	Nil
6.	Shraddha Suresh Kamat	Nil	Nil	Nil	Nil	Nil	Nil	Nil
B	Key Managerial Personnel(s)							
9.	Neeraj Toshniwal (Chief Financial Officer)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
10.	Rachit Malhotra (Company Secretary)	Nil	Nil	Nil	Nil	Nil	Nil	Nil

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. In Lakhs)

	Secured Loans excluding deposits	Unsecured	Deposits	Total
Indebtedness at the beginning of the financial year				
i) Principal Amount	12,679.69	550.00	-	13,229.69
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	105.92	99.72	-	205.64
Total (i+ii+iii)	**12,785.61**	**649.72**	-	**13,435.33**
Change in Indebtedness during the financial year				
Addition	-	4,000.00	-	4,000.00
Reduction	(5,034.15)	(550.00)	-	(5,584.15)
Net Change	**(5,034.15)**	**3,450.00**	-	**(1,584.15)**
Indebtedness at the end of the financial year				
i) Principal Amount	7,645.54	4,000.0	-	11,645.54
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	66.09	69.93	-	136.02
Total (i+ii+iii)	**7711.63**	**4069.93**	-	**11,781.56**

VI. VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rs. In Lakhs)

Sl. No.	Particular of Remuneration	Name of MD/WTD/ Manager		Total
		Keshav Porwal (MD)	Amit Sahai Kulshreshtha (Executive Director & CEO)	
1	Gross salary Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	182.40	182.00	364.40
	Value of perquisites u/s 17(2) Income-tax Act, 1961	8.33	8.00	16.33
	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission -as % of profit -others, specify	-	-	-
5.	Others	-	9.60	9.60
	Total (A)	**190.73**	**199.60**	**390.33**
	Ceiling as per the Act	In compliance with the ceiling as per the Act	In compliance with the ceiling as per the Act	-

Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors							Total
		Vinod Somani	Achal Kumar Gupta	Promila Bhardwaj	Yogendra Pal Singh	Vineet Kumar Saxena	Shraddha Suresh Kamat	Subodh Kumar	
1	**Independent Directors**								
	(a) Fee for attending Board /Committee meetings	8.90	NIL	NIL	8.55	NIL	NIL	NIL	17.45
	(b) Commission	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	(c) Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Total (1)	**8.90**	**NIL**	**NIL**	**8.55**	**NIL**	**NIL**	**NIL**	**17.45**
2	**Other Non Executive Directors**								
	(a) Fee for attending board committee meetings	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	(b) Commission	-	-	-	-	-	-	-	-
	(c) Others, please specify.	-	-	-	-	-	-	-	-
	Total (2)	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	
	Total (B)=(1+2)	**8.90**	**NIL**	**NIL**	**8.55**	**NIL**	**NIL**	**NIL**	**17.45**
	Total Managerial Remuneration (A)+(B)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Overall Ceiling as per the Act.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

B. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

(Rs. In Lakhs)

Sl. No.	Particulars of Remuneration	Name of Key Managerial Personnel		
		Rachit Malhotra (CS)	Neeraj Toshniwal (CFO)	Total
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	45.53	96.69	142.22
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	0.32	0.32
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others	1.34	3.78	5.12
	Total (B)	**46.88**	**100.79**	**147.67**

VII. Penalty / Punishment/ Compounding of offences

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT / Court)	Appeal made if any (give details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

Annexure - IV

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ("CSR") ACTIVITIES

1. A brief Outline of Company's CSR Policy, including overview of the projects or programs undertaken and a reference to the web-link to the CSR Policy and projects or programs

   The CSR Policy of the Company outlines multiple areas covered under Schedule VII of Companies Act, 2013 read with rules made thereunder, as amended with an objective to increasingly contribute to activities that are beneficial to society and community at large, chart out a mechanism for undertaking CSR Activities, engage with the Company's key stakeholders in matters related to CSR Activities and align / sync the activities undertaken by the Company with the applicable laws. The CSR Policy of the Company can be accessed on the Company's website www.capitalindia.com.

2. The Composition of the CSR committee:

   As on the date of this report, the composition of CSR committee is as follows:

S. No.	Name of Member	Designation/Category	Role in the CSR Committee
1	Yogendra Pal Singh	Independent Director	Chairman of Committee
2	Keshav Porwal	Managing Director	Member of Committee
3	Amit Sahai Kulshreshtha	Executive Director & Chief Executive Officer	Member of Committee

3. Average Net Profit of the Company for last three Financial Years: Rs. 655.15 Lakhs
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): Rs. 13.10 Lakhs
5. Details of CSR Spend during the Financial Year:
   (a) Total amount spent for the Financial Year (2019-20): Rs. 15.00 Lakhs
   (b) Amount unspent, if any: Nil
   (c) Manner in which the amount was spent during the Financial Year 2019-20 is detailed below:

(Rs. In Lakhs)

S. No.	CSR Project or activity identified	Sector in which the Project is covered (as per Schedule VII)	Projects or programs		Amount outlay (budget) Project or program wise (Rs. In Lakhs)	Amount spent on the Project or program: (1) Direct (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency*
			Local area or other	State and District				
1	Contribution to Trust registered u/s 11 of Income Tax Act	Refer Note - 1	New Delhi	New Delhi	15.00	15.00 (Direct)	15.00	Atulya Foundation
	TOTAL				**15.00**	**15.00**	**15.00**	

*details of implementing agency.

6. In case the Company fails to spend the 2% of the Average Net Profit (Rs.) of the last 3 financial years, the reasons for not spending the amount shall be stated in the Board's report:

   Not Applicable.

7. Responsibility Statement of the CSR Committee:

   The CSR Committee of the Company hereby confirms that the implementation and monitoring of the CSR projects and activities is in compliance with the CSR objectives and policy of the Company.

Note - 1

Activities relating to:—

(i) eradicating extreme hunger and poverty;

(ii) promotion of education;

(iii) promoting gender equality and empowering women;

(iv) reducing child mortality and improving maternal health;

(v) combating human immunodeficiency virus, acquired immune deficiencysyndrome, malaria and other diseases;

(vi) ensuring environmental sustainability;

(vii) employment enhancing vocational skills;

(viii) social business projects;

(ix) contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women; and

(x) such other matters as may be prescribed.

For and on behalf of Board of Directors

Keshav Porwal
Managing Director
DIN: 06706341

Yogendra Pal Singh
Chairman – CSR Committee
DIN: 08347484

Annexure - V

BUSINESS RESPONSIBILITY REPORT
for the financial year 2019-2020
[Pursuant to Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

As mandated by the recent amendment in the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") India's top 1000 listed entities based on market capitalisation on the BSE and NSE are required to submit a 'Business Responsibility Report' ("**BRR**") along with their Annual Report. The reporting framework is based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' ("**NVGs**") released by the Ministry of Corporate Affairs, Government of India, in July 2011 which contains 9 Principles and Core Elements for each of those 9 Principles.

Capital India Finance Limited ("**Company**") recognizes its role as a corporate citizen and endeavors to adopt the best practices and the highest standards of Corporate Governance through transparency in business ethics, accountability to its customers, government and others. The Company's activities are carried out in accordance with sound corporate culture and the Company is constantly striving to better them.

The Company takes pride in presenting its first BRR, in line with the NVGs and the BRR requirement of the Listing Regulations. This BRR provides information about the key initiatives undertaken by the Company, driven by the triple bottom line aspects viz., social, environmental and economic.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Sl. No.	Particulars		Company Information
1.	Corporate Identity Number (CIN) of the Company		L74899DL1994PLC128577
2.	Name of the Company		Capital India Finance Limited
3.	Registered address		2nd Floor, DLF Centre, Sansad Marg, New Delhi – 110001
4.	Website		www.capitalindia.com
5.	E-mail id		secretarial@capitalindia.com
6.	Financial Year reported		FY 2019-2020
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)		As on March 31, 2020, the Company is an NBFC with the main business of Financing and Investments – granting Loans The NIC code is 65923
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)		Financing and Investment – Granting of Loans
9.	Total number of locations where business activity is undertaken by the Company		
	a.	Number of International Locations:	0
	b.	Number of National Locations:	2
10.	Markets served by the Company – Local/State/National/International		The Company together with its subsidiaries, serves the national market only

SECTION B: FINANCIAL DETAILS OF THE COMPANY

Sl. No.	Particulars	Company information
1.	Paid up Capital as on March 31, 2020	7,77,34,260 equity shares of Rs. 10 each aggregating to Rs. 77,73,42,600
2.	Total Turnover (Rs. in Lakhs)	
	a) Standalone	10524.04
	b) Consolidated	11899.48
3.	Total profit after taxes (Rs. in Lakhs)	
	a) Standalone	3038.26
	b) Consolidated	1386.06
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Rs. 15,00,000 (Rupees Fifteen Lakhs)
5.	List of activities in which expenditure in 4 above has been incurred	Kindly refer to the Annual Report of CSR Activities

SECTION C: OTHER DETAILS

Sl. No.	Particulars	Company Information
1.	Does the Company have any Subsidiary Company/ Companies?	Yes. As on March 31, 2020, the Company has 7 (Seven) subsidiaries as follows: • Capital India Home Loans Limited • Rapipay Fintech Private Limited • Rapipay Fintech Holding Private Limited • Capital India Asset Management Private Limited • Capital India Wealth Management Private Limited • CIFL Holdings Private Limited • CIFL Investment Manager Private Limited
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	No
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

Sl. No.	Particulars		Information
1.	**Details of the Director/Director responsible for implementation of the BR policy/policies**		
	i.	DIN	07869849
	ii.	Name	Amit Sahai Kulshreshtha
	iii.	Designation	Executive Director & Chief Executive Officer
2.	**Details of the BR head**		
	i.	DIN	07869849
	ii.	Name	Amit Sahai Kulshreshtha
	iii.	Designation	Executive Director & Chief Executive Officer
	iv.	Telephone Number	Executive Director & Chief Executive Officer (022) 4503 6000
	v.	E-mail ID	secretarial@capitalindia.com

2. **Principle-wise (as per NVGs) BR Policy/policies**

Principles to assess compliance with Environmental, Social and Governance Norms

P1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

P2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

P3: Businesses should promote the wellbeing of all employees

P4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

P5: Businesses should respect and promote human rights

P6: Business should respect, protect, and make efforts to restore the environment

P7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

P8: Businesses should support inclusive growth and equitable development

P9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

(a) Details of compliance (Reply in Y/N)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for….	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)									
4.	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?									
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options): Not Applicable

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principles									
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

(c) Governance related to BR

Sl. No.	Particulars	Information
1.	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1year	The BR Performance of the Company is periodically assessed.
2.	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	This is the first year when this requirement became applicable on the Company. The Business Responsibility Report forms part of the Annual Report and is available at the Company website at www.capitalindia.com. Going forward, the Company will publish it on

SECTION E: PRINCIPLE-WISE PERFORMANCE

PRINCIPLE 1

Sl. No.	Particulars	Information
1.	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/Others?	Yes, the policy covers the Company and all its third parties including investors and clients
2.	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	During the financial year, the Company received 3 (Three) investor complaint which were satisfactorily resolved. The Company is committed to providing effective and prompt service to all its stakeholders. The management records and redresses grievances. Complaints and grievances are addressed in a time-bound manner. Regular analysis of customer issues is conducted and where required corrective measures are taken in the Company's processes. The Company submits a periodic status of complaints received, redressed and outstanding from its stakeholders along with the nature of complaints and their mode of redressal to the Board of Directors.

PRINCIPLE 2

Sl. No.	Particulars	Information
1.	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	The Company operates in financial solutions and our sustainability strategy strives to make : • Our business sustainable • Our clients' businesses sustainable • Our ecosystem sustainable
2.	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional): a. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain? b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?	The Company operates in financial services sector, therefore this aspect doesn't relate to the nature of the business. However, the Company extensively monitors its energy consumption, and waste generation as a part of its sustainability roadmap.
3.	Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	The Company's nature of business doesn't present opportunities for sustainable sourcing aspect in a holistic way.
4.	Has the company taken any steps to procure goods and services from local &small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	The Company operates in financial services sector, therefore this aspect doesn't relate to the nature of the business.
5.	Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so	The Company operates in financial services sector, therefore this aspect doesn't relate to the nature of the business.

PRINCIPLE 3

1. **Employee Details:**

Sl. No.	Particulars	Information
1.	Total number of employees	95
2.	Total number of employees hired on temporary/contractual/ casual basis	Not Applicable
3.	Number of permanent women employees	15
4.	Number of permanent employees with disabilities	Nil
5.	Does the Company an employee association that is recognized by the management.	Nil
6.	What percentage of permanent employees is members of this recognized employee association?	Not Applicable

2. **Number of complaints relating to child labor, forced labor, involuntary labor, sexual harassment in the last financial year and pending, as on the end of the financial year.**

Sl. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1.	Child labor / forced labor / involuntary labor	Nil	Nil
2.	Sexual harassment	Nil	Nil
3.	Discriminatory employment	Nil	Nil

3. **Percentage of the under mentioned employees who were given safety & skill up- gradation training in the last year**

(a) Permanent Employees : 84
(b) Permanent Women Employees : 15
(c) Casual/Temporary/Contractual Employees : Nil
(d) Employees with Disabilities : Nil

PRINCIPLE 4

Sl. No.	Particulars	Information
1.	Has the company mapped its internal and external stakeholders? Yes/No	Yes
2.	Out of the above,has the company identified the disadvantaged, vulnerable & marginalized stakeholders.	Yes
3.	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.	The Company has undertaken various CSR Programmes for identified stakeholders. The details of the programs can be found in Annual Report of CSR Activities

PRINCIPLE 5

Sl. No.	Particulars	Information
1.	Does the policy of the company on human rights cover only the company or extend to the Group /Joint Ventures /Suppliers / Contractors /NGOs /Others?	The Policy of the Company covers the Company
2.	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	The Company did not receive any stakeholder complaint during the past financial year regarding violation of Human Rights

PRINCIPLE 6

Sl. No.	Particulars	Information
1.	Does the policy relating to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/ NGOs/others?	Yes, the policy covers the Company and all its third parties including investors and clients
2.	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.	The Company promotes ecological sustainability and green initiatives, and adopts energy saving mechanisms, by encouraging its employees, customers and all its other stakeholders to use electronic medium of communication and to reduce usage of papers as much as possible.
3.	Does the company identify and assess potential environmental risks? Y/N	No
4.	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	No
5.	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page, etc.	No
6.	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	The Company, being a non-banking financial company doesn't fall under the purview of CPCB/SPCB.
7.	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	Not Applicable

PRINCIPLE 7

Sl. No.	Particulars	Information
1.	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with	The Company operates in financial services sector, therefore this aspect doesn't relate to the nature of the business.
2.	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; If yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles,Others)	Not Applicable

PRINCIPLE 8

Sl. No.	Particulars	Information
1.	Does the company have specified programs /initiatives /projects in pursuit of the policy related to Principle 8? If yes details thereof.	The Company's CSR initiatives are aligned to the mission of transforming rural lives and driving a positive change in the communities where it operates. Kindly refer the Annual Report on CSR activities in the Company's Annual Report
2.	Are the programs /projects undertaken through in-house team /own foundation /external NGO /government structures /any other organization?	Since most of the projects implemented by the Company are through Registered Trust, proper care is taken to ensure that the Trust formed, is able to execute the programs efficiently.
3.	Have you done any impact assessment of your initiative?	The Company continuously monitors the CSR projects at multiple stages of the project.
4.	What is your company's direct contribution to community development projects (amount in INR and the details of the projects undertaken)?	Kindly refer the Annual Report on CSR activities in the Company's Annual Report
5.	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Yes Kindly refer the Annual Report on CSR activities in the Company's Annual Report

PRINCIPLE 9

Sl. No.	Particulars	Information
1.	What percentage of customer complaints/consumer cases are pending as on the end of financial year?	Nil
2.	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./ Remarks (additional information)	N.A.
3.	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.	NO
4.	Did the Company carry out any customer survey/ customer satisfaction trends?	N.A.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Your Company is a NBFC focused on providing bespoke financing solutions to its customers and has been in existence for more than two decades. At present, the Company falls within the category of "Non-Banking Finance Company - Systemically Important Non-Deposit taking Company". Your Company is registered with the Reserve Bank of India ("**RBI**") as a NBFC without accepting public deposits under section 45 IA of the RBI Act, 1934. Capital India is a professionally managed finance company with registered office at Delhi and Corporate office at Mumbai. Main objects of the Company are as under:

- To provide financial services of all kinds, including fund based financial services
- To carry on business, profession or vocation of acting as consultants, advisors for all matters

The Company focuses on being a partner credit institution and provides customised financial solutions to Indian Corporates and Enterprises for their growth and working capital requirements. Capital India has an in-house team of experts to evaluate, value and estimate marketability of all kinds of assets. Also, the enterprise-wide loan management system, OmniFin (developed by AS Software Services Private Limited), which provides single platform operational support such as risk management, documentation management and customer service and consequently enabling your Company to focus its resources on delivering quality services to the customers.

The Company primarily focuses on two business segments – Mid Corporate and Emerging Corporate / Small and Medium Enterprises (SME) for its financing activities. The Product portfolio of the Company primarily consists of Working Capital Loan, Project Finance, Loan Against Property, Project Finance – Real Estate and Structured Finance.

The Company's product suite is as follows:

Working Capital Loan

- Short-term financial support for hassle-free management of day-to-day operations.
- Easy option to cover recurring expenses like inventory management, accounts payable and payroll.
- Flexible options to cater to seasonal fluctuations in business.

Project Finance

- Capital funding to mid-range and emerging corporates, based on projected cash flows and sufficient collateral.
- Financial assistance for expansion, diversification, funding for capital expenditure and other growth-oriented strategies of businesses.
- Well-defined processes backed by credit appraisal and secured by project assets.

Loan Against Property

- Easy loans against property collateral for various corporate requirements, ranging from debt consolidation to take over of existing facilities.
- Equitable or registered mortgage over the financed property, with personal guarantee and corporate guarantee.
- Enhanced focus on collateral valuation and loan serviceability.

Project Finance – Real Estate

- Project-specific funding to facilitate the acquisition, construction and development of residential, commercial, retail, township and industrial real estate projects.
- Long-term loans for re-development projects and property development ventures.

Structured Finance

- Customized term loans, inter-corporate deposits, subscription to debt instruments and convertible preference shares.
- Tailor made structured financial services to support acquisitions, expansions, buyouts and diversifications.
- Promoter funding secured against property, pledge of marketable securities or fixed deposits, guarantee of corporate entity, owner or promoter, debt service reserve account, etc.

Vendor Finance

- Vendor Finance is a form of post-sale funding designed to finance genuine trade book debts for sale of goods / services with the comfort that the payment for the receivables financed will be received from the buyer of such goods / services at the end of the credit period
- Vendor Financing involves provision of credit to a supplier of a large corporate / Original Equipment Manufacturer (Anchor) against an accepted bill / invoice. Under this arrangement, the lender finances the existing receivable of a supplier for supplies already made to a large corporate / Anchor
- Vendor Financing is a generally revolving credit line and is liquidated by virtue of collection / repayment of the underlying receivables so financed

Our Strengths

We believe the following are our principal strengths:

Experienced, highly motivated and dedicated management team

We have an experienced, highly motivated and dedicated senior management team, with significant experience in the banking, financial services, consultancy and infrastructure sectors. Keshav Porwal, our Managing Director has approximately two decades of experience in the financing and real estate industry. Amit Sahai Kulshreshtha, our Executive Director and CEO has prior experience in investment banking, consulting and infrastructure sectors. Vineet Kumar Saxena, CEO of Capital India Home Loans, our subsidiary, has prior experience in the financial services sector, having been associated with Barclays Bank PLC, ICICI Personal Financial Services Limited and ICICI Bank Limited, among others. Our new and dynamic senior management team has already implemented a number of changes in the Company for steady growth of the business. One of the changes was to diversify our lending focus to become sector agnostic and lend with a focus on good quality collateral asset.

Institutional philosophy of prudent risk management controls through streamlined procedures

We maintain healthy and high-quality loan asset portfolio in synchronization with our institutional philosophy of lending against security and cash flows. We have instituted prudent and comprehensive risk management controls, policies, and procedures that are critical for the long-term sustainable development of our organization. Our risk management committee which is a Board level committee oversees and monitors the overall credit risk management framework. Our credit risk governance framework comprises of primarily three-units, (i) our business teams, that generates lead; (ii) the credit risk unit, that independently manages the risk, provides policy guidance, performs credit analysis, risk reporting and credit monitoring. Our credit risk unit comprises of various sub-units, such as credit underwriting, policy unit and portfolio monitoring unit, which are responsible for management of credit risks; and (iii) the internal audit unit, which independently assesses the design and operational effectiveness of the entire credit risk management framework. Our credit risk governance framework incorporates the requirement of senior management and credit committee approval, with built-in escalation matrices at pre-defined credit thresholds, which enables us to ensure that high-ticket advances are sanctioned by our senior management.

We have implemented enterprise-wide loan management system, OmniFin, which provides single platform operational support such as risk management, documentation management and customer service and consequently aids our decision-making. We have integrated OmniFin with services of third-party credit assessment service products, Perfios - Insight to increase the operational efficiency of loan disbursement and risk assessment processes. We believe that our streamlined credit risk governance framework and loan management system have contributed to our operational efficiency and enhances our ability to take prudent credit decisions.

Our Strategies

Focus on Emerging Corporate / SME segment borrower category: Emerging corporates and SME players add to the growth story of India. As part of Portfolio diversification strategy, your company intends to lend to this segment which is fast growing and provides a healthy Portfolio on Company's balance sheet. Your Company's management has decade long experience in Financial services and understands this segment so as to lend judiciously.

Further strengthening credit assessment and risk management procedures: In line with our institutional philosophy of implementing prudent risk management controls, we continuously endeavor to strengthen various aspects of our credit and risk management, including credit assessment and due diligence procedures for appraisal of the borrower's credit worthiness and mitigation of the credit risk. We are committed to efficiently maintain healthy and high-quality loan asset portfolio.

In relation to origination and appraisal of our advances, we propose to continuously review and upgrade our credit risk governance framework, including enhancing our resources. In addition, we have integrated our loan management system, OmniFin with services of third party credit assessment service products, such as Perfios - Insight, which we believe would increase the operational efficiency of loan disbursement and risk assessment processes.

Leverage on the relationship and experience of our senior management for business growth: We intend to continue growth at a stable but steady pace. Therefore, instead of focusing on opening of new branches, we wish to leverage the experience and business relationships of our senior management to grow our business. Our new senior management has a diversified track record that can help us identify suitable customers across industries which meet our risk appetite. We also believe our senior management's acumen of the market trends, demands and industry developments, would enable us to adapt and take advantage of market opportunities.

RISK MANAGEMENT

Risk management forms an integral part of Company's business. As an NBFC, the Company is exposed to various risks related to its lending business and operating environment. The objective is to evaluate and monitor various risks that the Company is subject to and follow stringent policies and procedures to address these risks. Effective risk management forms the core of our business. Our credit risk management process encompasses astute underwriting, structuring & regulatory checks, coupled with appropriate credit & approval delegation & monitoring of the portfolio at regular interval. Our team of seasoned professionals continuously monitor risk and suggest early measures to control risk at minimum level. We have also established effective risk management systems, policies & internal controls to address various other types of risk viz operational risk, liquidity risk, market risk, compliance & regulatory risk. Our focus on developing sector expertise across our products segments help us in constantly monitoring event risks.

The Company's Risk Management Committee assists the Board in addressing various risks and discharges duties relating to corporate accountability. The Risk Management Committee reviews the effectiveness of risk management systems in place and ensure that they are effectively managed. It also provides an independent and objective oversight on corporate accountability and risks and considers reports of the Audit Committee on all categories of identified risks.

POSSIBLE THREATS

Our Industry has faced certain challenges in the period under review, related to Liquidity and defaults by Large Companies, therefore there may be significant roadblocks to the growth of the Company in shorter term. Default and delay by a number of large and small established financial companies is likely to cause certain short-term variances and may make it difficult for the Company to raise debt in near future. Even the fall in Interest rates have not boosted the Liquidity for NBFCs, and there has been instances of Rating downgrades of NBFC and certain Housing Finance Companies, of which Reliance Home Finance is the recent example.

Changes in interest rates are expected to have significant impact on the Company's business and operations. Finance costs are dependent on various external factors, including Indian and global credit markets and, in particular, interest rate movements and adequate liquidity in the debt markets. Changes in RBI repo rates could affect the interest charged on interest-earning assets and the interest rates paid on interest-bearing liabilities. Adverse conditions in the global and Indian economy resulting from economic dislocations or liquidity disruptions may adversely affect availability of credit, and decreased liquidity may lead to an increase in interest rates.

Despite recent push by the RBI, the resolution of stressed assets in the system is likely to take more time. Also, the effect of various loan waivers on credit culture in the rural areas is still to be seen.

Your Company acknowledges these possible negative factors and has a plan to mitigate them through its deep domain knowledge, strong risk framework and an efficient collection mechanism under the stewardship of the management team.

MOU with Union Bank of India for Loan Co-origination

Capital India Finance Limited, announced signing of Memorandum of Understanding with Union Bank of India ("**Union Bank**"), for Co-origination of loans under the Co-origination guidelines prescribed by Reserve Bank of India. This partnership enables the Company to cater to a large section of unserved customers in the small and emerging corporate segment through an efficient blend of economically priced and innovative financing solutions. This arrangement would entail joint contribution of credit at the facility level, by both lending partners, i.e. the Union Bank and the Company. It is envisaged that the benefit of low-cost funds from Banks and efficient operations of NBFC would be passed on to the borrower through adoption of blended products to suit the requirements of borrowers. The model envisages sharing of risks and reward between the Bank and the NBFC by ensuring appropriate alignment of respective business objectives. This arrangement will promote increase in the credit off-take in respective market and offer timely delivery of the credit at significantly lower cost.

The company is in discussion for similar partnerships with 2-3 other PSU banks as well.

Covid-19 – Pandemic of the Century

The SARS-Cov-2 virus responsible for COVID -19 continues to spread across the globe and India. It has contributed to a significant decline and volatility in global and Indian Financial Markets and a significant decrease in the economic activities. On 11th March 2020, the COVID-19 outbreak was declared as a global pandemic by the World Health Organization. On 24th March 2020, the Indian Government had announced a strict 21-day lockdown which kept on getting extended across the country with gradual and modest relaxations.

In accordance with the RBI guidelines relating to COVID-19 Regulatory Package, your Company granted a moratorium of three months on payments of instalments and/or interest falling due between 1st March 2020 and 31st May 2020 to eligible borrowers. Till 31st March, 38.87 % of our loan book assets have been under moratorium. For such accounts where the moratorium is granted, the asset /Stage-wise classification shall remain stand still during the moratorium period. (i.e. the number of days past-due shall exclude the moratorium period for the purposes of asset classification).

The Company has recognized provisions as on 31st March 2020 towards its assets including loans based on the information available at the point of time including economic forecasts, in accordance with the Expected Credit Loss (ECL) method. The Company believes that it has considered all the possible impact of known events arising out of COVID 19 pandemic in the preparation of financial results. However, the impact assessment of COVID 19 is a continuing process given its nature and duration. We will continue to monitor for any material changes to future economic conditions and we keep performing stress testing of our books on a periodic basis implementing the updated economic scenario.

The breakout of the unexpected disease has brought us to a halt. However, these are the times when a robust business practice and preparedness is tested. We have ensured that our employees, customers, and businesses are least impacted in these extraordinary times.

Customers – We are proactively trying to service customers with every possible avenue. The team is actively in touch with customers via calls, emails, social media, and website. Our business team is reaching out to customers and educating them about the impact of moratorium and other policy decisions. Continuous discussions with customers has helped us in understanding their requirements better and keeping our Loan book free of any kind of stress in near future.

Businesses – The Covid-19 lockdown has not had any impact on our ability to render services to our customers or lenders. The Business and Credit teams are actively communicating with customers having high risk business profiles to jointly evaluate the best possible solution to mitigate the crises.

In our efforts for the health and wellbeing of its employees,steps have been taken to ensure efficient workplace and have moved meetings and trainings to virtual formats. Frequent communication via emails and video calls to boost employee morale and create health awareness. After the Government's relaxation pertaining to financial services on 17th April 2020, we have opened our Registered Office at New Delhi with minimum employee strength. Our Mumbai office however remain closed till further notice from the Central and State Governments.

Government of India has announced a host of measures, as a part of its economic package "Atmanirbhar Bharat Abhiyan", to mitigate downside risks to macro risk due to COVID-19. These measures are a combination of short-term ones, directed to resolve immediate challenges and long-term measures directed at reforms in key end markets. While these measures are much needed to address the ongoing concerns of the economy, we are yet to see how soon they bring the pre-Covid normalcy in the economy. We, as a Group, would like to reiterate that we are committed to play our role in nation building and are prepared with our resources and expertise.

CORPORATE GOVERNANCE REPORT

1. CORPORATE GOVERNANCE PHILOSOPHY

Corporate Governance means the manner a company acts within the ambit of integrity, fairness, equity, transparency, accountability and commitment to values. The elements of Corporate Governance for the Company are independence, transparency, accountability, responsibility, compliance, ethics, values and trust. The Company believes in maintaining high ethical and legal standards as a part of what it does every day as part of its Corporate Governance measures. The Company is highly committed to "Act with Integrity" which means that any activity done by the Company is strictly on the grounds of high moral values.

The Company has framed these Guidelines with the objective to put in place a system of rules, practices and processes relating to corporate governance framework within which the Company shall be administered and controlled, so as to balance the interests of various stakeholders of the Company and also the community within which it operates. The Guidelines shall ensure that the Company acts in accordance with the highest standards of corporate governance in all its activities and that the affairs of the Company are conducted with integrity, fairness, accountability and transparency.

2. BOARD OF DIRECTORS

The Company is managed and controlled through a professional and qualified Board of Directors ("**Board**"). Board plays the most pivotal role in overseeing and protecting the long term interest of the stakeholders of the Company. The Board provides leadership, strategic guidance, objective and independent views to the Company's management while discharging its fiduciary responsibilities and ensure high standards of ethics, transparency and disclosures.

As on March 31, 2020, the Board consists of 6 (six) Directors comprising 2 (two) executive directors, 2 (two) non-executive independent directors, 1 (one) non-executive woman director and 1 (one) non-executive director. The composition of the Board is in conformity with the Companies Act, 2013 and rules made thereunder ("**the Act**") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") enjoining specified combination of executive, non-executive and independent directors with at least one woman director.

During the period under review, 4 (Four) meetings of the Board were held on May 10, 2019, August 14, 2019, November 12, 2019 and February 14, 2020.

The attendance of the members of the Board at their meetings held during the period under review, is as follows:

Sr. No.	Name, Designation and DIN of Director	No. of Board meetings held during the tenure of director/ financial year 2019-20	No. of Board meetings attended during the financial year 2019-20	Whether attended the last Annual General meeting	Shareholding in the Company as on March 31, 2020	Number of Directorships in other Companies as on March 31, 2020#	Committee Membership and Chairmanship in other Companies as on March 31, 2020$	Names of the listed entities where the director is a director and the category of directorship
1.	Mr.Vinod Somani Chairman (Independent Director) (00327231)	4	4	Yes	Nil	Nil	1	N.A.
2.	Mr. Yogendra Pal Singh* Independent Director (08347484)	4	4	Yes	Nil	Nil	1	N.A.
3.	Mr. Keshav Porwal Managing Director (06706341)	4	4	Yes	Nil	Nil	1	N.A.
4.	Mr. Amit Sahai Kulshreshtha Executive Director &chief Executive Officer (07869849)	4	4	Yes	Nil	Nil	Nil	N.A.

Sr. No.	Name, Designation and DIN of Director	No. of Board meetings held during the tenure of director/ financial year 2019-20	No. of Board meetings attended during the financial year 2019-20	Whether attended the last Annual General meeting	Shareholding in the Company as on March 31, 2020	Number of Directorships in other Companies as on March 31, 2020#	Committee Membership and Chairmanship in other Companies as on March 31, 2020$	Names of the listed entities where the director is a director and the category of directorship
5.	Mr. Vineet Kumar Saxena Non-Executive Director (07710277)	4	4	Yes	Nil	Nil	Nil	N.A.
6.	Ms. Shraddha Suresh Kamat Woman Non-Executive Director (07555355)	4	1	NO	Nil	Nil	Nil	N.A.
7.	Mr. Subodh Kumar Non-Executive Director (07781250)	2	1	N.A	Nil	Nil	Nil	N.A.

includes directorship in other listed entities only.

$ includes audit committee and stakeholders relationship committee in all public listed entities only. No member is holding any chairmanship in the other public listed entities.

Inter-se relationship among Directors

None of the Director is in anyway related to the other Directors.

Key Board skills/expertise/competencies

The Company has identified the key Board skills that sets out the expertise that the Directors of the Company should possess for proper functioning of the Company. The matrix is set out on the basis of the business, the industry wherein the Company operates in and the Policy on remuneration of the directors, key managerial personnel and other employees. It is not mandatory for all the Directors to possess all the skills, however the Board as a whole possess such skills outlined below:

- Leadership experience and ability in inspiring, motivating other officials together with practical understanding of the business of the Company.
- Experience and ability to identify opportunities and threats to the Company and to develop strategies, *inter-alia* to grow revenue and market share, build brand awareness and equity.
- Strong understanding of corporate finance, accounts and performance management principles.
- Familiarity with diverse business functions such as finance, risk, investment etc.
- Experience and ability to acknowledge corporate governance and best management practices.
- An entrepreneurial mindset with outstanding organizational and leadership skills.
- Analytical abilities and problem-solving skills.
- Excellent communication and public speaking skills.
- Experience in identifying key risks to the Company related to each key area of operations, the ability to monitor risk, compliance and knowledge of legal and regulatory requirements that are applicable to the Company.
- Experience and stature necessary to be highly effective, working with other members of the Board in serving the long-term interests of shareholders.
- Ability and willingness to devote sufficient time to the affairs of the Board and the Company and to carry out their duties effectively.

Confirmation as regards Independence of Independent Director

During the period under review, all Independent Director have confirmed and submitted declaration to the effect that they meet the criteria of independence as laid down under section 149 of the Companies Act, 2013 and Listing Regulations.

The Independent Directors have also submitted the declaration that they have registered themselves with the Indian Institute of Corporate Affairs for inclusion of name in the Data Bank as required under rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Based on the disclosures received from all the Directors, Your Board confirm that, in its opinion, the independent directors fulfill the conditions specified in the Listing Regulations and are independent of the management and have relevant expertise and experience.

Cessation of an Independent Director

During the period under review, Mrs. Promila Bhardwaj has resigned from the position of Independent Director of the Company with effect from April 1, 2019.

Familiarization Programme for Independent Directors

In compliance with Regulation 46(2)(i) of SEBI (LODR) 2015, Company organized separate Familiarization Programmefor Independent Directors.

Board Functioning and Procedure

The Company sends a detailed agenda folder setting out the business to be transacted at the Meeting(s) to each Director at least seven days before the date of the Board and Committee Meetings.

The Members of the Board have complete liberty to express their opinion and decisions taken on the basis of consensus arrived at after detailed discussion at the Board Meeting.

The Chairman, Chief Executive officer and Company Secretary keep the members of the Board informed about any material development /business update through various modes.

The Company has a well-established framework for the meetings of the Board and its Committee which seeks to systematize the decision-making process at the Board and Committee meetings in an informed and efficient manner.

3. COMMITTEES OF THE BOARD

The Board Committees play a vital role in strengthening the Corporate Governance practices and focus effectively on the issues and ensure expedient resolution of the diverse matters. The Board Committees are set up under formal approval of the Board to carry out clearly defined roles which are considered to be performed by the members of the Board as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their actions. The minutes of the proceedings of the meetings of all Committees are placed before the Board for its review and noting. The Board Committees can request special invitees to join the meeting, as deemed appropriate.

a) Audit Committee

The Audit Committee has been constituted in terms of the provisions of Section 177 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 and the applicable provisions of the Listing Regulations to provide assistance to the Board of Directors in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company.

As on March 31, 2020, the Audit Committee comprises the following members:

Sl. No.	Committee meeting	Composition
1	Audit Committee	Mr. Vinod Somani (Chairman)
		Mr. Yogendra Pal Singh (Member)
		Mr. Vineet Kumar Saxena (Member)

Meetings

During the period under review, 4 (four) meetings of the Audit Committee were held on May 10, 2019, August 14, 2019, November 12, 2019 and February 14, 2020. The intervening period between Audit Committee Meetings was within the maximum time gap prescribed under Regulation 18 of Listing Regulations.

The attendance of the members of the Audit Committee at their meetings held during the period under review, is as follows:

Sr. No.	Name of the member	Position in Committee	No. of Committee meetings held during the tenure of member/ financial year 2019-20	No. of Committee meetings attended during the financial year 2019-20
1.	Mr. Vinod Somani	Chairman	4	4
2.	Mr. Yogendra Pal Singh	Member	4	4
3.	Mr. Vineet Kumar Saxena	Member	4	4

Terms of Reference

The terms of reference of the Audit Committee of the Board includes the following:

1. the remuneration and terms of appointment of auditors of the company;
2. review and monitor the auditor's independence and performance, and effectiveness of audit process;
3. examination of the financial statement and the auditors' report thereon;
4. approval or any subsequent modification of transactions of the company with related parties;
5. scrutiny of inter-corporate loans and investments;
6. valuation of undertakings or assets of the Company, wherever it is necessary;
7. evaluation of internal financial controls and risk management systems;
8. monitoring the end use of funds raised through public offers and related matters;
9. oversee the vigil mechanism established by the Company for Directors and employees to report genuine concerns.

The Audit Committee shall also exercise the following powers in addition to the powers specified above:

1. To investigate any activity within its terms of reference;
2. To seek information from any employee;
3. To obtain outside legal or other professional advice;
4. To secure attendance of outsiders with relevant expertise, if it considers necessary;
5. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
6. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
7. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
8. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
    a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956 or Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
    b. Changes, if any, in accounting policies and practices and reasons for the same;
    c. Major accounting entries involving estimates based on the exercise of judgment by management;
    d. Significant adjustments made in the financial statements arising out of audit findings;
    e. Compliance with listing and other legal requirements relating to financial statements;

f. Disclosure of any related party transactions; and

g. Qualifications in the draft audit report.

9. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
10. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
11. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
12. Reviewing the adequacy of internal audit function, if any, 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;
13. Discussion with the internal auditors on any significant findings and follow up there on;
14. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
15. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
16. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
17. To review the functioning of the Whistle Blower mechanism, in case the same is existing;
18. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate; and
19. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

b) Nomination & Remuneration Committee

The Nomination & Remuneration Committee has been constituted in terms of the provisions of Section 178 of the Act and the applicable provisions of the Listing Regulations.

As on March 31, 2020, the Nomination & Remuneration Committee comprises the following members:

Sr. No	Committee meeting	Composition
1	Nomination & Remuneration Committee	Mr. Vinod Somani (Chairperson)
		Mr. Yogendra Pal Singh (Member)
		Mr. Vineet Kumar Saxena (Member)

Meetings

During the period under review, 5 (Five) meetings of the Nomination & Remuneration Committee were held on May 10, 2019, May 20, 2019, August 14, 2019, November 12, 2019 and February 14, 2020.

The attendance of the members of the Nomination & Remuneration Committee at their meetings held during the period under review, is as follows:

Sr. No.	Name of the member	Position in Committee	No. of Committee meetings held during the tenure of member/ financial year 2019-20	No. of Committee meetings attended during the financial year 2019-20
1.	Mr. Vinod Somani	Chairman	5	5
2.	Mr. Yogendra Pal Singh	Member	5	5
3.	Mr. Vineet Kumar Saxena	Member	5	5

Terms of Reference

The terms of reference of the Nomination & Remuneration Committee of the Board include the following:

1. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down;
2. To recommend to the Board their appointment and removal;
3. To carry out evaluation of every Director's performance;
4. To formulate the criteria for determining qualifications, positive attributes and independence of a Director recommend to the Board a policy, relating to the remuneration for the directors, Key Management Personnel and other employees; and
5. While formulating the policy under sub-section (3) of section 178 of the Companies Act ensure that:
   a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the Directors of the quality required to run the company successfully;
   b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
   c. remuneration to Directors, Key Management 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.

Annual Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and rules made thereunder, Listing Regulations and Performance Evaluation Policy ("PEP") of the Company, the Board and the Nomination & Remuneration Committee, has carried out the formal evaluation of performance of the Board, its Committees and individual directors, including independent directors. The evaluation has been carried out through a questionnaire, as provided in the PEP, covering various aspects of the functioning of the Board, its Committees and performance of the Directors, such as, adequacy of the constitution and composition of the Board and its Committees, discharge of roles and responsibilities by the Board, its Committees and Directors, frequency of the meetings, attendance, regulatory compliances and corporate governance.

The individual Directors and members of the Board and its Committees had submitted their response on a scale of 1 (strongly disagree) – 5 (strongly agree) for evaluating the Board as a whole, Committees of the Board and of their peer Board members, including Chairman of the Board.

c) Stakeholders Relationship Committee

The Stakeholders Relationship Committee has been constituted in terms of the provisions of Section 178 of the Act and the applicable provisions of the Listing Regulations.

As on March 31, 2020, the Stakeholders Relationship Committee comprises the following members:

Sl. No.	Committee meeting	Composition
1	Stakeholders Relationship Committee	Mr. Vinod Somani (Chairman)
		Mr. Yogendra Pal Singh (Member)
		Mr. Vineet Kumar Saxena (Member)

Meetings

During the period under review, 1 (one) meeting of the Stakeholders Relationship Committee was held on November12, 2019.

The attendance of the members of the Stakeholders Relationship Committee at their meeting held during the period under review, is as follows:

Sr. No.	Name of the member	Position in Committee	No. of Committee meetings held during the tenure of member/financial year 2019-20	No. of Committee meetings attended during the financial year 2019-20
1.	Mr. Vinod Somani	Chairman	1	1
2.	Mr. Yogendra Pal Singh	Member	1	1
3.	Mr. Vineet Kumar Saxena	Member	1	1

Terms of Reference

The terms of reference of the Stakeholders Relationship Committee of the Board include the following:

1. To take note of transfer and transmission of shares;
2. To approve requests of shareholders for dematerialization, re-materialisation of shares, issue or split of shares, consolidation of shares and issue of duplicate share certificates;
3. To look after the grievances of the security holders of the listed entity including but not limited to complaints related to:
   a. Transfer of shares;
   b. Non-receipt of annual report; and
   c. Non-receipt of declared dividends.
4. To ensure expeditious redressal of investor complaints received through SCORES and other mediums; and
5. To ensure periodical reporting of investor grievances in the prescribed manner from time to time.

d) Corporate Social Responsibility (CSR) Committee

In compliance to section 135 of the Companies Act, 2013, the Company has duly constituted Corporate Social Responsibility Committee.

As on March 31, 2020, the Corporate Social Responsibility Committee comprises the following members:

Sr. No.	Committee meeting	Composition
1.	Corporate Social Responsibility Committee	Mr. Yogendra Pal Singh (Chairman)
		Mr. Keshav Porwal (Member)
		Mr. Amit Sahai Kulshreshtha (Member)

Meetings

During the period under review, 1 (one) meeting of the Corporate Social Responsibility Committee was held on September 27, 2019.

The attendance of the members of the Corporate Social Responsibility Committee at their meeting held during the period under review, is as follows:

Tenure of Service of Executive Directors

Sr. No.	Name of the member	Position in Committee	No. of Committee meetings held during the tenure of member/ financial year 2019-20	No. of Committee meetings attended during the financial year 2019-20
1.	Mr. Yogendra Pal Singh	Chairman	1	1
2.	Mr. Keshav Porwal	Member	1	1
3.	Mr. Amit Sahai Kulshreshtha	Member	1	1

Terms of Reference

The terms of reference of the Corporate Social Responsibility Committee of the Board include the following:

a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in the areas or subject, specified in Schedule VII to the Companies Act, 2013;

b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a);

c) monitor the Corporate Social Responsibility Policy of the Company from time to time; and

d) any other matter(s) in relation to above which the Committee deems fit and which is not reserved to be approved by the Board under the Companies Act, 2013 or any other applicable law, for the time being in force.

The CSR activities undertaken by the Company are in line with the CSR Policy of the Company and are pursuant to Section 135 and Schedule VII of the Companies Act, 2013. The CSR Policy detailing the summary of CSR activities along with relevant details is accessible at Company's website at URL www.capitalindia.com.

4. REMUNERATION PAID TO DIRECTORS

The Non-Executive Directors, excluding the Independent Directors, are neither paid any sitting fees for attending the meetings of the Board and/or any Committee thereof nor any commission on net profits.

Details of remuneration paid to Directors of the Company for the Financial Year ended on March 31, 2020 is as under:

(Rs. In Lakhs)

Sr. No	Name	Sitting Fees	Salary	Perquisites and Benefits	Details of Stock options	Shares in profit/ Incentive	Total
1.	Mr.Vinod Somani	8.90	-	-	-	-	8.90
2.	Mr.Yogendra Pal Singh	8.55	-	-	-	-	8.55
3.	Mr. Keshav Porwal	-	182.40	8.33	-	-	190.73
4.	Mr. Amit Sahai Kulshreshtha	-	191.60	8.00	-	-	199.60
5.	Mr. Vineet Kumar Saxena	-	-	-	-	-	-
6.	Ms. Shraddha Suresh Kamat	-	-	-	-	-	-
7.	Mr. Subodh Kumar*	-	-	-	-	-	-

Notes:

a) Salary and perquisites include all elements of remuneration i.e. salary, reimbursement and other allowances and benefits including employer's provident fund contribution and perquisite value.

Tenure of Service of Executive Directors

Sr. No.	Name & Designation of Executive Director	Period of appointment	Date of appointment	Notice period
1.	Keshav Porwal Managing Director	5 years	November 27, 2017	3 Calendar months
2.	Amit Sahai Kulshreshtha Executive Director & Chief Executive Officer	5 years	November 27, 2017	3 Calendar months

Appointments of executive directors are governed by the resolutions passed by the Board and the Shareholders of the Company, which cover the terms and conditions of such appointments, read with the service rules of the Company. There is no separate provision for payment of severance fee under the resolutions governing their appointment. The remuneration paid to executive directors of the Company is approved by the Shareholders of the Company upon the recommendation of the Nomination & Remuneration Committee of the Board and the Board. The Company's remuneration strategy is market driven and aims at attracting and retaining high caliber talent. The strategy is in consonance with existing industry practice and is directed towards rewarding performance, based on review of achievements on periodical basis.

5. GENERAL BODY MEETINGS

Annual General Meeting

The details of the Annual General Meeting(s) of the Company held during the preceding three years are stated below:

Sr. No.	Year of Annual General Meeting	Place	Time	Brief description of Special Resolutions passed, if any
1.	2019	The Magnolia Habitat World, India Habitat Centre, Lodhi Road, New Delhi – 110003	09:00 A.M	i) Revision in the remuneration of Mr. Keshav Porwal, Managing Director of the Company; ii) revision in the remuneration of Mr. Amit Sahai Kulshreshtha, Executive Director & Chief Executive Officer of the Company; iii) issue of non-convertible debentures and other debt securities; and iv) issuance of securities.
2.	2018	The Magnolia Habitat World, India Habitat Centre, Lodhi Road, New Delhi – 110003	09:00 A.M.	i) Appointment of Mr. Keshav Porwal as the Managing Director of the Company; ii) Appointment of Mr. Amit Sahai Kulshreshtha as an Executive Director & Chief Executive Officer of the Company; iii) Issue and allotment of equity shares of the Company on preferential allotment basis through private placement; iv) Issue of non-convertible debentures / debt securities; and i) Issue and allotment of securities including equity shares, convertible preference shares, convertible debentures, Global Depository Receipts, American Depository Receipts etc., by way of Qualified Institutions Placement ("QIP") or through any other method, and in compliance of applicable laws.

3.	2017	Farm House of Kapil Constructions Private Limited, Anandgram (Near Rajokari), Church Road Extension, Mata Amritanandmayi Math, Abdul Gaffar Khan Marg, New Delhi – 110070	11:00 A.M.	i) Re-appointment of Mr. Samai Singh as an Independent Director of the Company; ii) Approval for ratifying related party transaction entered between the Company and Sainik Mining and Allied Services during the financial year 2016-17; and iii) Approval for charging fees from the members/ shareholders to make delivery of the documents/ papers etc. through requested mode of delivery to the members/shareholders.

Extra-ordinary General Meeting

No Extra-ordinary General Meeting was held during the financial year ended on March 31, 2020.

Postal Ballot

During the period under review, the Company has approached the shareholders for seeking their approval through postal ballot. The details of the postal ballot are as follows:

Date of Postal Ballot notice: November 12, 2019

Voting period: December 2, 2019 to January 1, 2020

Date of declaration of results: January 2, 2020

Date of approval: January 1, 2020

Sr. No.	Particulars	No. of votes with assent	% of Assent	No. of votes with Dissent	% of Dissent
1.	Approval for material related party transactions with Rapipay Fintech Private Limited	20518011	99.99	500	0.00
2.	Approval for material related party transactions with Rapipay Fintech Holding Private Limited	20518011	99.99	500	0.00

M/s Arun Gupta & Associates, Company Secretaries were appointed as Scrutinizer for conducting the postal ballot (including voting through electronic means) process in a fair and transparent manner.

6. MEANS OF COMMUNICATION

Information like quarterly / half yearly / annual financial results and press releases on significant developments in the Company that have been made available from time to time, to the press and presentations made to institutional investors or to the analysts are hosted on the Website of the Company at URL www.capitalindia.com and have also been submitted to the BSE Limited, the stock exchange where the shares of the company are listed, to enable them to put them on its website and communicate to the shareholders. The quarterly / half-yearly / annual financial results are generally published in English and Hindi language newspapers. Moreover, a report on Management Discussion and Analysis has been given elsewhere in this report. The Company electronically files all reports / information including results, shareholding pattern and corporate governance report, at BSE's website (www.listing.bseindia.com).

7. VIGIL MECHANISM / WHISTLE BLOWER POLICY

Pursuant to the provisions of Section 177(9) & (10) of the Act read with the rules made thereunder and pursuant to the provisions of the Listing Regulations, the Company has established a Vigil Mechanism namely '**Vigil Mechanism Policy**' for its Directors and employees, to report instances of unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The aim of the Vigil Mechanism Policy is to provide adequate safeguards against victimization of Whistle Blower who avails the mechanism and also provides direct access to the Chairman of the Audit Committee, in appropriate or exceptional cases.

Accordingly, the Vigil Mechanism Policy has been formulated with a view to provide a mechanism for the Directors and employees of the Company to approach the Ethics Officer or the Chairman of the Audit Committee of the Company.

The purpose of the Vigil Mechanism Policy is to provide a framework to promote responsible and secure whistle blowing. It protects employees willing to raise a concern about serious irregularities within the Company.

The Vigil Mechanism Policy has been appropriately communicated within the Company and has been hosted on the Company's website at URL www.capitalindia.com.

During the FY 2019-20, no such complaint of unethical or improper activity has been received by the Company. None of the person has been denied access to the Audit Committee.

8. CODE OF CONDUCT

The commitment to ethical professional conduct is a must for every employee including members of the Board and senior management personnel of the Company. The Code of Conduct is intended to serve as a basis for ethical decision making in conduct of professional work. The Code of Conduct enjoins that each individual in the organisation must know and respect existing laws, accept and provide appropriate professional views and be upright in his conduct and observe corporate discipline. The code of conduct is available on the Website of the Company at URL www.capitalindia.com. All the members of the Board and senior management personnel affirm compliances with the Code of Conduct annually. Declaration signed by the Executive Director & Chief Executive Officer to this effect, is as under:

I declare that all the members of the Board and senior management personnel have affirmed compliance with the Code of Conduct for the financial year ended on March 31, 2020.

For and on behalf of the Board of
Capital India Finance Limited

Date: June 1, 2020
Place: Mumbai

Amit Sahai Kulshreshtha
Executive Director & Chief Executive Officer

9. COMPLIANCE CERTIFICATE FROM THE PRACTICING COMPANY SECRETARY

A certificate from M/s Arun Gupta & Associates, Company Secretaries, certifying the Company's compliance with the provisions of Corporate Governance as stipulated in Regulation 34(3) read with Schedule-V to the Listing Regulations, is appended herewith and forms part of this Report.

10. DISCRETIONARY REQUIREMENTS

A) Non-Executive Chairman

The Board has a Non-Executive Chairman and hence, is in compliance with the Regulation 17 of Listing Regulations.

B) Unqualified financial statements

The Auditors' Report on the audited annual accounts of the Company does not contain any qualification from the Statutory Auditors and it shall be the endeavor of the Company to continue the trend by building up accounting systems and controls which ensure complete adherence to the applicable accounting standards and practices obviating the possibility of the Auditors' qualifying their report as to the audited accounts.

C) Separate posts of chairperson and chief executive officer

The Company has separate positions of Non-Executive Chairman, Managing Director and Executive Director & Chief Executive Officer.

D) Reporting of Internal Auditor

The Internal Auditors of the Company reports directly to the Audit Committee.

A) GENERAL SHAREHOLDERS INFORMATION

A) Company Registration Details

The Company is registered in the National Capital Territory of Delhi, India. The corporate identity number allotted to the Company by the Ministry of Corporate Affairs is L74899DL1994PLC128577.

B) Annual General Meeting

The 26th Annual General Meeting ("**AGM**") of the Company would be held on the day, date, time and venue as mentioned in the Notice convening the said AGM.

C) Financial Year

The financial year of the Company is a period of twelve months beginning on 1st April every calendar year and ending on 31st March the following calendar year.

D) Dividend and its Payment

Dividend of Re.0.10 per share (previous year Re.0.40 per share) amounting to Rs. 77.73 Lakhs (previous year Rs. 310.94 Lakhs) is proposed on equity shares. The recommended dividend will be accounted for when approved by the shareholders in their Annual General Meeting.

E) Listing of Shares on Stock Exchange and Stock Code

Sr. No.	Name and address of the Stock Exchange	Stock Code
1.	BSE Limited ("BSE"), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001	530879

Annual Listing Fees for the financial year 2020-21 have been duly paid to BSE.

F) Registrar and Share Transfer Agent

All the work relating to the shares held in the physical form as well as the shares held in the electronic (dematerialised) form is being done at one single point and for this purpose the SEBI registered category I Registrar & Share Transfer Agent has been appointed, whose details are given below:

KFin Technologies Private Limited,
(formerly known as Karvy Fintech Private Limited),
Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad – 500 032
Contact No: +91 040 - 67162222
Fax No: +91 40 23001153
E-mail: venu.sp@karvy.com

G) Share Transfer System

As on March 31, 2020, 99.75% of equity shares of the Company are in dematerialised form. Transfers of equity shares in dematerialised form are done through depositories with no involvement of the Company. With regard to transfer of equity shares in physical form, the share transfer instruments, received in physical form, are processed by our Registrar & Share Transfer Agent,to whom the authority has been delegated by the Board, and the share certificates are dispatched within a period of 15 days from the date of receipt thereafter subject to the documents being complete and valid in all respects. The Company obtains a half-yearly certificate from a Company Secretary in practice in respect of the share transfers as required under Regulation 40(9) of Listing Regulations and files a copy of the said certificate with the stock exchange, where the shares of the Company are listed. A summary of transfer/transmission of equity shares of the Company, so approved, is placed on quarterly basis at the Board meetings.

H) Distribution of Shareholding

The shareholding distribution of equity shares as on March 31, 2020, is given hereunder:

Shareholding between	No. of shareholders	% of Total	Total Shares	Amount (Rs. In Lakhs)	% of Amount
1 to 10,000	618	98.25	3,59,642	35.96	0.46
10,001 to 1,00,000	4	0.64	83,878	8.39	0.11
1,00,001 & above	7	1.11	7,72,90,740	7,729.07	99.43
Total	**629**	**100.00**	**7,77,34,260**	**7,773.43**	**100.00**

I) Dematerialisation of Shares and Liquidity

As on March 31, 2020, the number of equity shares held in dematerialised form was 7,75,42,720 (99.75%) and in physical form was 1,91,540 (0.25%) of the total equity share capital of the Company. To enable us to serve the shareholders better, we request our shareholders whose shares are in physical mode to get their shares dematerialised and update their bank accounts and email ids with respective DPs. The Company does not have any GDRs/ADRs or any Convertible instruments having any impact on equity.

J) Compliances under Listing Regulations

The Company is regularly complying with the Listing Regulations and all information, certificates and returns as required under the applicable provisions of the Listing Regulations have been submitted to the stock exchange, where the shares of the Company are listed, within the prescribed time.

K) CEO & CFO Certification

In terms of Regulation 17(8) of the Listing Regulations, the Executive Director & Chief Executive Officer and the Chief Financial Officer of the Company have given compliance certificate stating therein matters prescribed under Part B of Schedule II to the Listing Regulations.

L) Information on Deviation from Accounting Standards, if any.

There has been no deviation from the Accounting Standards in preparation of annual financial statements for the financial year 2019-20.

M) Investor Correspondence

Mr. Rachit Malhotra
Company Secretary & Compliance Officer
Capital India Finance Limited
2nd Floor, DLF Centre, Sansad Marg,
New Delhi – 110001
Ph: 011-49546000
Email: secretarial@capitalindia.com

During the year ended on March 31, 2020, the Company has received 2 (two) investors complaints and those were resolved satisfactorily. There was no pending investor complaint as March 31, 2020.

N) Commodity price risk or foreign exchange risk and hedging risk.

The Company does not have any exposure to commodity price risks during the financial year ended on March 31, 2020.

O) Plant location

As the Company is engaged in the business of finance, there is no plant location of the Company.

P) **Address for Correspondence**

Registered Office:
2nd Floor, DLF Centre, Sansad Marg,
New Delhi – 110001
Tel: 011-4954 6000
Email: secretarial@capitalindia.com
Website: https://capitalindia.com

Corporate Office:
A-1402, One BKC, A-Wing, 14th Floor, G-Block,
Bandra Kurla Complex, Bandra (East), Mumbai,
Maharashtra – 400051
Tel: 022-4503 6000

Q) **Disclosures**

i) The Company has,except stated elsewhere in the Annual Report, not entered into any materially significant related party transactions which have potential conflict with the interest of the Company at large. Your Board, on the recommendation of the Audit Committee, had approved a Policy on Related Party Transactions. The policy can be accessed from the Website of the Company at URL www.capitalindia.com.

ii) The Company has complied with the requirements of the Stock Exchange(s), Securities and Exchange Board of India ("**SEBI**") and other statutory authorities on all matters relating to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchange(s), SEBI or other statutory authorities relating to the above.

iii) The Company has complied with all the mandatory requirements of Corporate Governance as prescribed under the Listing Regulations.

iv) Your Board had approved a Policy for determining material subsidiaries. The policy can be accessed from the Website of the Company at URL www.capitalindia.com.

v) The Company has obtained a certificate from M/s Arun Gupta & Associates, Company Secretaries, to the effect that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/the Ministry of Corporate Affairs or any such statutory authority(ies).

vi) Your Board had accepted, all the recommendations of the Committee(s) of the Board during the financial year ended on March 31, 2020.

vii) The details of the total fees for services paid by the Company and its subsidiaries, on a consolidated basis, to M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Statutory Auditors of the Company) and all entities in the network firm/network entity of which the Statutory Auditors are part of, are provided below:

(Rs. In Lakhs)

Auditor's remuneration (net of GST credit availed)	As at March 31, 2020
Audit fees	19.13
Taxation matters (Tax audit fees)	1.59
Certification& other services	7.40
Total	**28.12**

viii) The Company has framed a Policy on Prevention of Sexual Harassment at Workplace in accordance with the applicable laws for all employees of the Company to inter alia ensure that the employees are not subject to any form of sexual harassment and to constitute the Internal Complaints Committee. Your Company is fully committed to protect the rights of any women, of any age, whether employed or not, who alleges to have been subjected to any act of sexual harassment within the Company's premises. Your Company provides a safe and healthy work environment. There were no cases of sexual harassment reported during the year ended on March 31, 2020.

R) Credit Rating

During the period under review, the Company has been rated 'A-' by Acuite Ratings and Research Limited for raising Long term debt upto Rs. 500 Crore.

S) Equity Shares in the Suspense Account

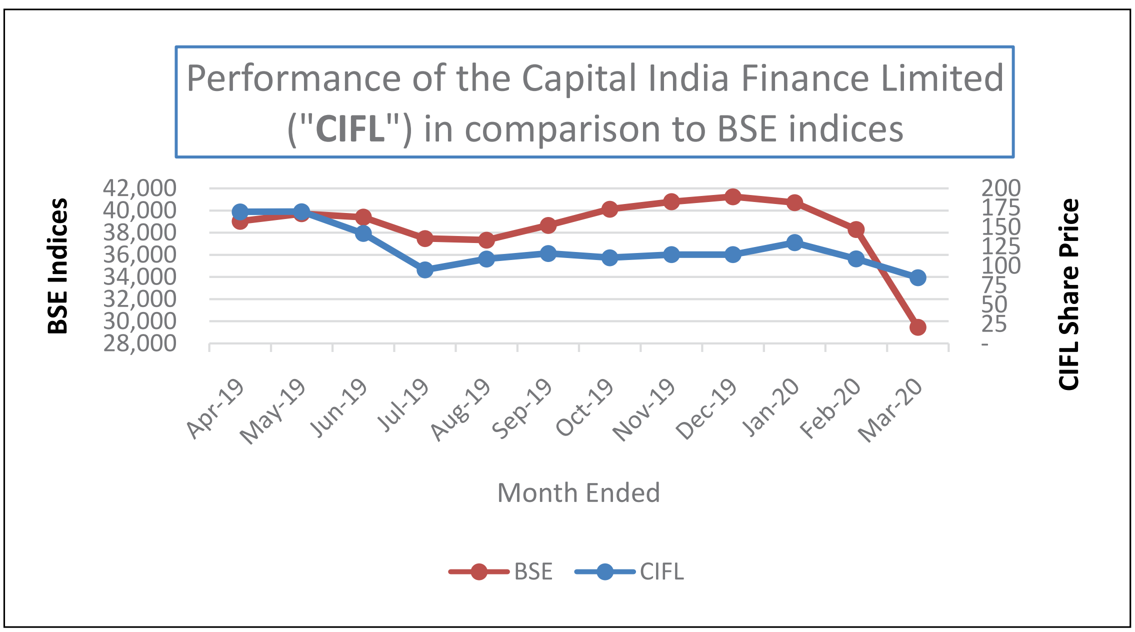
There were no outstanding equity shares in the Unclaimed Suspense account of the Company, as on March 31, 2020.

T) Stock Market Price at BSE Limited (BSE)

The monthly high and low market prices of equity shares at the BSE Limited (BSE) for the year ended on March 31, 2020 are as under

Month	High Price (INR)	Low Price (INR)	No. of Shares Traded
Apr-19	180	123.6	13923
May-19	182	134	13419
Jun-19	184.6	123.1	7283
Jul-19	145.9	85.7	6034
Aug-19	138	79.3	11176
Sep-19	160.5	90.75	13775
Oct-19	137.4	97	9966
Nov-19	122.9	95.1	3360
Dec-19	126	75.6	4325
Jan-20	155	101.2	27999
Feb-20	162.9	100.1	1322104
Mar-20	124.7	56.4	24690

U) Performance of the Company in comparison with the BSE Indices



V) Green Initiative

Pursuant to Section 101 and 136 of the Act read with the Companies (Management and Administration) Rules, 2014 and Companies (Accounts) Rules, 2014, the Company can send notice of Annual General Meeting, financial statements and other communications in electronic form. Your Company is sending the Annual Report including the notice of Annual General Meeting, audited financial statements (both standalone and consolidated) and the Board's Report, along with their annexures for the Financial Year 2019-20, in the electronic mode, to the shareholders who have registered their email ids with the Company and/or their respective Depository Participants (DPs). Shareholders who have not registered their e-mail ids so far are requested to register their e-mail ids. Those holding shares in demat form can register their e-mail ids with their concerned DPs. Shareholders who hold shares in physical form are requested to register their e-mail ids with the Company, by sending a letter, duly signed by the first/sole holder quoting details of Folio No. The Annual Report containing audited financial statements (both standalone and consolidated) and Board's Report, along with their annexures and other important information, for the Financial Year 2019-20 is available in downloadable form on the Website of the Company at URL www.capitalindia.com.

Except as set out above, the Company has not adopted the non-mandatory requirements as to any of the other matters recommended under Part E of Schedule II of Regulation 27(1) of the Listing Regulations. This Corporate Governance Report of the Company for the financial year ended on March 31, 2020 is in compliance with the requirements of Corporate Governance as prescribed under Regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations, to the extent applicable to the Company.

W) Details of the Directors seeking Appointment/Re-appointment:

The following information in respect of directors being appointed/re-appointed is being disclosed in the Notice convening the 26th Annual General Meeting of the Company:

a) brief resume;

b) nature of expertise in specific functional areas;

c) disclosure of relationships between directors inter-se;

d) names of listed entities in which the director also holds the directorship and the membership of Committees of the board; and

(e) shareholding of non-executive directors.

CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members,
Capital India Finance Limited
2nd Floor, DLF Centre, Sansad Marg,
New Delhi – 110001

1. We have examined the compliance of conditions of Corporate Governance by **Capital India Finance Limited** ("**the Company**") for the year ended on 31st March 2020, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraph C, D and E of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**").

Management's Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditors' 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 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.

Opinion

5. Based on our examination of the relevant records and according to the information and explanations 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 regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraph C, D and E of Schedule V to the Listing Regulations during the year ended 31st March 2020.
6. We 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.

For Arun Gupta & Associates
Company Secretaries

Arun Kumar Gupta
Proprietor
Membership No. 21227
C.P. No. 8003
UDIN: A021227B000334837

Place: New Delhi
Date: 01/06/2020

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,
Capital India Finance Limited
2nd Floor, DLF Centre, Sansad Marg,
New Delhi – 110001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Capital India Finance Limited having CIN L74899DL1994PLC128577 and having registered office at 2nd Floor, DLF Centre, Sansad Marg, New Delhi – 110001 (hereinafter referred to as '**the Company**'), produced before us 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 our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 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, New Delhi or any such other Statutory Authority .

S. No.	Name of Directors	DIN	Date of appointment in Company
1.	Mr. Vinod Somani (DIN: 00327231)	00327231	20/12/2017
2.	Mr. Yogendra Pal Singh (DIN: 08347484)	08347484	13/02/2019
3.	Mr. Keshav Porwal (DIN: 06706341)	06706341	27/11/2017
4.	Mr. Amit Sahai Kulshreshtha (DIN: 07869849)	07869849	27/11/2017
5.	Mr. Vineet Kumar Saxena (DIN: 07710277)	07710277	27/11/2017
6.	Mr. Shraddha Suresh Kamat (DIN: 07555355)	07555355	27/11/2017

Ensuring the eligibility of for appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our 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 Arun Gupta & Associates

Arun Kumar Gupta
Company Secretary
ACS. 21227
C.P. No. 8003
UDIN: A021227B000334837

Place: New Delhi
Date: 01/06/2020

CEO & CFO CERTIFICATE

To,
The Shareholders and Board of Directors,
Capital India Finance Limited

Sub: CEO & CFO Certificate under Regulation 17(8) and Regulation 33(2)(a) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, for the financial year ended on March 31, 2020

We, Amit Sahai Kulshreshtha, Executive Director & Chief Executive Officer and Neeraj Toshniwal, Chief Financial Officer of Capital India Finance Limited ("**Company**"), to the best of our knowledge and belief, certify that:

A. We have reviewed the financial statements (both on standalone and consolidated basis) and cash flow statements for the financial year ended on March 31, 2020 (hereinafter referred to as "**Year**") and 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; and

   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 is, to the best of our knowledge and belief, no transaction(s) entered into by the Company during the Year which are fraudulent, illegal or violative of the Code of Conduct of the Company.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the Company's internal control systems pertaining to the financial reporting and that we have disclosed to the Auditors' and the Audit Committee of the Board, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the Auditors and the Audit Committee of the Board:

   i. that there are no significant changes in internal control over financial reporting during the Year; and

   ii. that there are no significant changes in accounting policies during the Year and that the same have been disclosed in the notes to these statements; and

E. To the best of our knowledge and belief, there are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Amit Sahai Kulshreshtha
Executive Director &
Chief Executive Officer

Neeraj Toshniwal
Chief Financial Officer

Date: May 30, 2020
Place: Mumbai

INDEPENDENT AUDITORS' REPORT

To the Members of Capital India Finance Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Capital India Finance Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and 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 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020 and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditors' Responsibility for the Audit of the Standalone 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 (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of Matter

We draw attention to Note 48 to the Standalone Financial Statements, which describes that the Company has recognised impairment on financial assets to reflect the adverse business impact and uncertainties arising from COVID-19 pandemic. Such estimates are based on current facts and circumstances and may not necessarily reflect the future uncertainties and events arising from the Covid-19 pandemic.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditors' Response
1	**Identification of and provisioning for expected credit loss (ECL) on loans in accordance with the Company's policy** (Refer Note 2.2, 6 and 48 to the standalone financial statements) The Company has loans carried at amortised cost amounting to Rs. 48,584.47 net of provision for ECL Rs. 1,733.71 as at March 31, 2020. Identification of and provisioning for ECL on loans in accordance with the Company's policy is a key audit matter due to the current processes at the Company which requires manual interventions, management estimates and judgement and other stakeholders focus. The most significant judgements are: • Timely identification and classification of the loans which also include considering the impact of recent Reserve Bank of India's (RBI) COVID-19 regulatory circulars. • Determining the probability of defaults based on comparative external ratings and estimation of loss given defaults based on the value of collaterals and relevant factors. • Inputs and Judgements used in determination of management overlay at various asset stages considering the current uncertain economic environment with the range of possible effects unknown to the country arising out of the COVID-19 Pandemic. Accordingly, our audit was focused on identification of and provisioning for ECL on loans due to the materiality of the balances and associated provision.	Our audit approach included testing the design, operating effectiveness of internal controls and substantive audit procedures in respect of identification of and provisioning for ECL on loans in accordance with the Company's policy. In particular: • we have evaluated the Company's internal control system in adhering to the Company's policy for identification of and provisioning for ECL on loans; • we have identified and tested the design and implementation as well as operational effectiveness of key control pertaining to identification, classification and staging of loans in correct buckets, key assumptions used for the purpose of determination of impairment provision, completeness and accuracy of the data inputs used and monitoring of overdue positions by business and finance team; • we test checked loans to examine the approval process, validity of the recorded amounts, loan documentation, examined the statement of accounts, indicators of impairment, expected credit loss provision, additional provisions made on loans considering the current uncertain economic environment arising out of COVID 19 pandemic and compliance with identification of and provisioning for ECL on loans; • evaluated the management judgment, governance process and review controls and discussed the process and assumptions for identification of and provisioning for ECL on loans with senior management including the Chief Executive Officer, Chief Financial Officer and Head of Credit and Risk.

Information Other than the Financial Statements and Auditors' Report Thereon

- The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the Directors' Report including annexures to Directors' Report, Management Discussion and Analysis Report and Report on Corporate Governance, but does not include the standalone financial statements and our auditors' report thereon.
- Our opinion on the standalone financial statements does not cover the other information and accordingly, 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.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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 also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 standalone 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 the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' 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 standalone 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 standalone 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 auditors' 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

1. As required by Section 143(3) of the Act, based on our auditwe 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, the Statement of Profit and Loss(including Other Comprehensive Income), Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, as applicable.

   e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company does not have any pending litigations which would impact its financial position;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rukshad N. Daruvala
(Partner)
(Membership No. 111188)
UDIN: 20111188AAAACR3520

Place: Mumbai
Date: June 1, 2020

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 **Capital India Finance Limited** ("the Company") as of March 31, 2020 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that are operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 of the Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with 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 controls based on the assessed risk. The procedures selected depend on the auditors' judgment, 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 controls 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 controls 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the 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 explanations given to us, the Company has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting are operating effectively as at March 31, 2020, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Place: Mumba
Date: June 1, 2020

Rukshad N. Daruvala
(Partner)
(Membership No. 111188)

AANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i) In respect of the Company's Property Plant & Equipment:

a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property plant & equipment.

b) Some of the property plant & equipment were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the property plant & equipment at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause 3(i)(c) of the Companies (Auditor's Report) Order, 2016 ("the CARO 2016") is not applicable.

ii) The Company does not have any inventory and hence reporting under clause 3(ii) of the CARO 2016 is not applicable.

iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ("the Act").

iv) To the best of our knowledge and according to the information and explanations given to us, the Company has not granted any loans, made investments or provide guarantees under the provisions of Sections 185 and 186 of the Act and hence reporting under clause 3(iv) of the Order is not applicable.

v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and hence directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder are not applicable.

vi) Having regard to the nature of the Company's business / activities, reporting under clause 3(vi) of the CARO 2016 with respect to maintenance of cost records under Section 148(1) of the Act is not applicable.

vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has been regular in depositing undisputed statutory dues including Provident Fund, Income-tax, Goods and Services Tax, cess and other material statutory dues applicable to the appropriate authorities.

We are informed that the provisions of ESIC and Custom Duty are not applicable to the Company.

(b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Goods and Services Tax, cess and other material statutory dues in arrears as on March 31, 2020 for a period of more than six months from the date they became payable.

(c) There are no dues of Income-tax, Goods and Services Tax, cess and other material statutory dues as on March 31, 2020 on account of disputes.

viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks and there were no repayments due to debenture holder. The Company has not taken any loans or borrowings from government.

ix) In our opinion and according to the information and explanations given to us, money raised by way of further public offer and the term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds.

x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the CARO 2016 is not applicable.

xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3 (xiv) of the CARO 2016 is not applicable

xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its subsidiary company or persons connected with him and hence provisions of section 192 of the Act are not applicable.

xvi) The Company is required to be registered under section 45–IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rukshad N. Daruvala
(Partner)
(Membership No. 111188)

Place: Mumbai
Date: June 1, 2020

Standalone Balance Sheet as at 31st March 2020

(Currency: Rs. In Lakhs)

	Particulars	Note No.	As at 31st March 2020	As at 31st March 2019	As at 01st April 2018
	ASSETS				
(1)	**Financial Assets**				
(a)	Cash & cash equivalents	3	3,259.29	2,492.58	25.66
(b)	Bank balances other than Cash & cash equivalents	4	1.53	126.53	1,650.00
(c)	Receivables				
	(i) Trade Receivables	5	-	-	-
	(ii) Other Receivables		19.23	-	32.40
(d)	**Loans**	6	48,584.47	55,201.73	10,265.86
(e)	**Investments**	7	11,150.51	4,536.00	1,504.00
(f)	Other financial assets	8	1,450.02	1,363.97	356.24
2	**Non-financial Assets**				
(a)	Current tax assets(Net)	9	163.46	65.74	126.35
(b)	Deferred tax asset (Net)	10	630.81	278.83	46.89
(c)	Property, plant and equipment	11	1,079.72	1,335.99	829.98
(d)	Capital work in progress		42.16	84.53	235.22
(e)	Intangible assets	11A	172.30	3.99	2.37
(f)	Right of use assets	11B	769.80	1,197.74	1,622.34
(g)	Other non-financial assets	12	350.74	319.28	219.36
	Total Assets		**67,674.04**	**67,006.91**	**16,916.67**
	LIABILITIES AND EQUITY				
	LIABILITIES				
1	**Financial Liabilities**				
(a)	Payables	13			
	(I) Trade Payables				
	(i) Total outstanding dues of micro enterprises and small enterprises		0.16	7.82	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		74.86	90.45	33.60
	(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)	Debt Securities	14	4,000.00	-	-
(c)	Borrowings	14A	7,645.54	12,679.69	1,105.32
(d)	Deposits	15	-	550.00	700.00
(e)	Other financial liabilities	16	1,083.59	1,587.98	1,763.34

Particulars		Note No.	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
2	**Non-Financial Liabilities**				
(a)	Current tax liabilities (net)	17	383.34	43.56	-
(b)	Provisions	17A	103.21	272.19	12.54
(c)	Other non-financial liabilities	18	425.56	555.69	222.88
	EQUITY				
(a)	Equity share capital	19	7,773.43	7,773.43	350.27
(b)	Other equity	20	46,184.35	43,446.10	12,728.72
	Total Liabilities and Equity		**67,674.04**	**67,006.91**	**16,916.67**

Notes 1 to 50 forms part of the Standalone Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration No. :117366W/W -100018

Rukshad N. Daruvala
Partner
Membership No. : 111188
Place: Mumbai
Date: 1st June 2020

For and on behalf of the board
Capital India Finance Limited

Keshav Porwal
Managing Director
DIN : 06706341
Place: Mumbai
Date: 1st June 2020

Amit Sahai Kulshreshtha
Executive Director & CEO
DIN : 07869849
Place: Mumbai
Date: 1st June 2020

Neeraj Toshniwal
Chief Financial Officer
Place: Mumbai
Date: 1st June 2020

Rachit Malhotra
Company Secretary
Place: New Delhi
Date: 1st June 2020

Statement of Standalone Profit and Loss for the year ended 31st March 2020

(Currency: Rs. In Lakhs)

	Particulars	Notes	For the year ended 31st March 2020	For the year ended 31st March 2019
	Revenue from operations			
(i)	Interest income	21	10,277.24	4,662.38
(ii)	Fees and commission income		101.19	724.44
(iii)	Net gain on fair value changes	22	140.98	251.39
(I)	**Total revenue from operations**		**10,519.41**	**5,638.21**
(II)	Other income	23	4.63	50.94
(III)	**Total income (I+II)**		**10,524.04**	**5,689.15**
	Expenses			
(i)	Finance costs	24	1,294.35	930.68
(ii)	Impairment of financial instruments	25	1,338.98	266.22
(iii)	Employee benefits expense	26	2,293.91	1,465.10
(iv)	Depreciation and amortization	11,11A&11B	772.22	724.33
(v)	Others expenses	27	700.19	711.61
(IV)	**Total expenses (IV)**		**6,399.65**	**4,097.94**
(V)	Profit before exceptional items and tax (III-IV)		4,124.39	1,591.21
(VI)	Exceptional items		-	-
(VII)	**Profit before tax (V -VI)**		**4,124.39**	**1,591.21**
(VIII)	**Tax Expense:**			
	Current Tax		1,440.49	700.98
	Deferred Tax(Credit)		(354.36)	(229.85)
(IX)	Profit for the period from continuing operations (VII-VIII)		3,038.26	1,120.08
(X)	Profit from discontinued operations		-	-
(XI)	Tax Expense of discontinued operations		-	-
(XII)	Profit from discontinued operations (After tax) (X-XI)		-	-
(XIII)	**Profit for the year**		**3,038.26**	**1,120.08**
(XIV)	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to profit or loss		9.46	(7.17)
	(ii) Income Tax relating to items that will not be reclassified to profit or loss		(2.38)	2.09
	Subtotal (A)		**7.08**	**(5.08)**
	(i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Subtotal (B)		-	-
	Other Comprehensive Income (A + B)		**7.08**	**(5.08)**
(XV)	**Total Comprehensive Income for the year**		**3,045.34**	**1,115.00**
(XVI)	**Earnings per equity share**	**28**		
	BEPS		3.91	2.66
	DEPS		3.86	2.64

Notes 1 to 50 forms part of the Standalone Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration No. :117366W/W -100018

Rukshad N. Daruvala
Partner
Membership No. : 111188
Place: Mumbai
Date: 1st June 2020

For and on behalf of the board
Capital India Finance Limited

Keshav Porwal
Managing Director
DIN : 06706341
Place: Mumbai
Date: 1st June 2020

Amit Sahai Kulshreshtha
Executive Director & CEO
DIN : 07869849
Place: Mumbai
Date: 1st June 2020

Neeraj Toshniwal
Chief Financial Officer
Place: Mumbai
Date: 1st June 2020

Rachit Malhotra
Company Secretary
Place: New Delhi
Date: 1st June 2020

Standalone Cash Flow Statement for the year ended 31st March 2020

(Currency: Rs. In Lakhs)

	Particulars	Year ended 31st March 2020	Year ended 31st March 2019
A	CASH FROM OPERATING ACTIVITIES:		
	Profit before exceptional items and taxes	4,124.39	1,591.21
	Adjustments to reconcile profit before tax to net cash flows:		
	Add : Non-cash expenses		
	Depreciation and amortisation expenses	772.22	724.33
	Provision for employee benefits	(159.52)	252.49
	Share based payments to employees	67.83	25.14
	Interest on Lease Liability	111.79	149.87
	Interest income on Lease rental deposits	(23.13)	(16.54)
	Impairment on financial instruments	1,338.98	266.22
	Less : Income/expense considered separately		
	Interest on OCD	(35.51)	-
	Profit on sale of fixed assets	-	(0.11)
	Operating profit before working capital changes	**6,197.05**	**2,992.61**
	Changes in -		
	(Increase)/ Decrease in loans and advances	5,278.28	(45,202.09)
	(Increase) / Decrease in trade and other receivables	(19.23)	32.40
	(Increase) / Decrease in other financial assets	(74.76)	(1,001.34)
	(Increase) / Decrease in other non-financial assets	(31.46)	(99.92)
	Increase / (Decrease) in trade payables	(23.26)	64.66
	Increase / (Decrease) in other financial liabilities	(116.85)	(940.73)
	Increase / (Decrease) in other non-financial liabilities	(130.13)	332.81
	Cash used in operations	**11,079.64**	**(43,821.60)**
	Income tax paid	(1,198.43)	(596.82)
	Net Cash generated from /(used in) operating activities (A)	**9,881.21**	**(44,418.42)**
B	CASH FROM INVESTING ACTIVITIES:		
	Purchase of property, plant and equipment and Intangible assets	(209.09)	(686.25)
	Proceeds from sale of property, plant and equipment	6.98	39.84
	Purchase of non current investments at amortized cost	(6,579.00)	(3,032.00)
	Investment in bank deposits (having original maturity of more than 3 months)	125.00	(126.53)
	Net Cash (used in) investing activities (B)	**(6,656.11)**	**(3,804.94)**
C	CASH FLOW FROM FINANCING ACTIVITIES:		
	Proceeds from issue of equity shares at premium	-	49,875.25
	Share issue expenses	-	(332.69)
	Payment of dividend and dividend distribution tax thereon	(374.92)	(40.63)
	Payment of Lease rent	(499.32)	(491.34)
	Repayment of advance towards share application money	-	(12,500.00)
	Proceeds from borrowings	4,000.00	12,695.94
	Proceeds from Inter corporate deposits	-	17,500.00
	Repayment of borrowings	(5,584.15)	(17,666.25)
	Net cash (used in)/ generated from financing activities (C)	**(2,458.39)**	**49,040.28**
D	**Net increase in cash and cash equivalents (A+B+C)**	**766.71**	**816.92**
E	**Cash and cash equivalents as at the beginning of the year**	**2,492.58**	**1,675.66**
F	**Cash and cash equivalents as at the end of the year**	**3,259.29**	**2,492.58**

Standalone Cash Flow Statement for the year ended 31st March 2020

(Currency: Rs. In Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Cash in hand	0.31	-
Cheques and drafts on hand	-	25.12
Balances with banks		
- in current accounts	3,258.98	2,467.46
	3,259.29	**2,492.58**

Note : The above Cash Flow Statement has been prepared under the 'Indirect method' as set out in Ind AS 7 on 'Statement of Cash Flows'.

Notes 1 to 50 forms part of the Standalone Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration No. :117366W/W -100018

Rukshad N. Daruvala
Partner
Membership No. : 111188
Place: Mumbai
Date: 1st June 2020

For and on behalf of the board
Capital India Finance Limited

Keshav Porwal
Managing Director
DIN : 06706341
Place: Mumbai
Date: 1st June 2020

Amit Sahai Kulshreshtha
Executive Director & CEO
DIN : 07869849
Place: Mumbai
Date: 1st June 2020

Neeraj Toshniwal
Chief Financial Officer
Place: Mumbai
Date: 1st June 2020

Rachit Malhotra
Company Secretary
Place: New Delhi
Date: 1st June 2020

Statement of changes in equity for the year ended 31st March 2020

(Currency: Rs. In Lakhs)

A Equity share capital

	Amount
Balance at 1st April 2018	**350.27**
Changes in equity share capital during the year	7,423.16
Balance at 31st March 2019	**7,773.43**
Changes in equity share capital during the year	-
Balance at 31st March 2020	**7,773.43**

B Other equity

	Advance towards share application money	Employee stock option outstanding	Reserves and Surplus					Total
			Statutory reserve	Securities premium	General reserves	Retained earnings	Other Comprehensive income	
Balance as at 1st April 2018	**12,500.00**	-	**75.80**	-	**1.76**	**151.16**	-	**12,728.72**
Dividend paid including dividend distribution tax	-	-	-	-	-	(42.16)	-	**(42.16)**
Transfer to/from retained earnings	-	-	203.91	-	-	(203.91)	-	-
Other Additions/Deductions during the year	(12,500.00)	25.14	-	42,119.40	-	-	-	**29,644.54**
Profit (loss) for the period after income tax	-	-	-	-	-	1,120.08	-	**1,120.08**
Other Comprehensive Income for the period before income tax	-	-	-	-	-	-	(7.17)	**(7.17)**
Less: Income Tax on Other Comprehensive Income	-	-	-	-	-	-	2.09	**2.09**
Balance as at 31st March 2019	-	**25.14**	**279.71**	**42,119.40**	**1.76**	**1,025.17**	**(5.08)**	**43,446.10**
Dividend paid including dividend distribution tax	-	-	-	-	-	(374.92)	-	**(374.92)**
Transfer to/from retained earnings	-	-	607.65	-	-	(607.65)	-	-
Other Additions/Deductions during the year	-	67.83	-	-	-	-	-	**67.83**
Profit (loss) for the period after income tax	-	-	-	-	-	3,038.26	-	**3,038.26**
Other Comprehensive Income for the period before income tax	-	-	-	-	-		9.46	**9.46**
Less: Income Tax on Other Comprehensive Income	-	-	-	-	-		(2.38)	**(2.38)**
Balance as at 31st March 2020	-	**92.97**	**887.36**	**42,119.40**	**1.76**	**3,080.86**	**2.00**	**46,184.35**

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration No. :117366W/W -100018

Rukshad N. Daruvala
Partner
Membership No. : 111188
Place: Mumbai
Date: 1st June 2020

For and on behalf of the board
Capital India Finance Limited

Keshav Porwal
Managing Director
DIN : 06706341
Place: Mumbai
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Executive Director & CEO
DIN : 07869849
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Neeraj Toshniwal
Chief Financial Officer
Place: Mumbai
Date: 1st June 2020

Rachit Malhotra
Company Secretary
Place: New Delhi
Date: 1st June 2020

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2020

1 Corporate Information

Capital India Finance Limited ('the Company') is a public company domiciled in India and incorporated on 16th November 1994 under the provisions of Companies Act, 1956. The Company has received a Certificate of Registration number B-14.03278 dated 30th August 2017 from the Reserve Bank of India ('RBI') to carry on the business of Non-Banking Financial Institution ('NBFC') without accepting public deposits. The Company has been classified as a Systemically Important Non-Deposit Accepting or Holding Non-Banking Financial Company as defined under Section 45-IA of the Reserve Bank of India ('RBI') Act, 1934 w.e.f.28th January 2019.The equity shares of the Company are listed on the Bombay Stock Exchange ("BSE") in India.

2 Significant accounting Policies

2.1 Basis of Preparation of financial statements

A) Statement of Compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act and guidelines issued by the RBI or other regulators to the extent applicable.

The Company has adopted lnd AS from 1st April 2019 and the financial statements for the year ended 31st March 2020 are the Company's first Ind AS Financial Statements. However, the effective date of transition to Ind AS is 1st April 2018, being the beginning of the earliest period for which the company needs to present comparative information.

The transition to Ind AS has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder, guidelines issued by the RBI and other generally accepted accounting principles in India (collectively referred to as 'the Previous GAAP'). The impact of transition has been recorded in the opening reserves as at 1st April 2018 and is provided in Note 45. The corresponding comparative previous period as presented in these financial statements have been restated / reclassified in order to conform to current year presentation.

The adoption of Ind AS has been carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 45.

The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1st April 2018 being the 'date of transition to Ind AS'.

B) Functional and presentation currency

The Company's presentation and functional currency is Indian Rupees. All figures appearing in the financial statements are in Indian rupees in lakh rounded off to two decimal places as permitted by Schedule III to the Act. Per share data are presented in Indian Rupee to two decimal places.

C) Basis of preparation, presentation and disclosure of financial statements

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Further, Assets and liabilities are classified as per the normal operating cycle (determined at 12 months) and other criteria set out in Schedule III of the Act as applicable to NBFCs.

D) Fair value measurement

Fair value is the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date.

The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset **or liability** nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognised in Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Valuation using quoted market price in active markets: The fair value for financial instruments traded in active markets at the reporting date is based on their quoted market price, without any deduction for transaction costs. A market is regarded as active, if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 - Valuation using observable inputs: If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates most of the factors that market participants would take into account in pricing a transaction.

Level 3 - Valuation with significant unobservable inputs: The valuation techniques are used only when fair value cannot be determined by using observable inputs. The Company regularly reviews significant unobservable inputs and valuation adjustments. Level 3 assets are typically very illiquid, and fair values can only be calculated using estimates.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

E) Use of judgment and Estimates

The preparation of the financial statements requires the management to make judgments, estimates and assumptions in the application of accounting policies that affects the reported amount of assets, liabilities and the accompanying disclosures along with contingent liabilities as at the date of financial statements and revenue & expenses for the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes different from the estimates. Difference between actual results and estimates are recognised in the year in which the results are known or materialise i.e. prospectively.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The key areas involving estimation uncertainty, higher degree of judgement or complexity, or areas where assumptions are significant to the financial statements include:

i) Impairment of financial assets

ii) Estimation of fair value measurement of financial assets and liabilities

iii) Effective interest rate

iv) Business model assessment

v) Provisions and Contingencies

vi) Useful life and expected residual value of assets

vii) Tax position for current tax and recognition of deferred tax assets/liabilities

viii) Measurement of Defined Benefit Obligations and actuarial assumptions

ix) Classification of lease and related discount rate

F) First-time adoption of Ind AS – mandatory exceptions and optional exemptions

Overall Principle:

The Company has prepared the opening Balance Sheet as per Ind AS as of 1st April 2018 ("the transition date") by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from Previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain exceptions and certain optional exemptions availed by the Company as mentioned below:

Deemed cost for property, plant and equipment and intangible assets –

The Company has elected to measure property, plant and equipment, and intangible assets at its Previous GAAP carrying amount and use that Previous GAAP carrying amount as its deemed cost at the date of transition to IND AS i.e. 01st April 2018.

Investments in subsidiaries

Upon first-time adoption of Ind AS, the Company has elected to account for its investments in subsidiaries at cost i.e. at Previous GAAP carrying value on the date of transition to IND AS i.e. 01st April 2018.

2.2 Financial Instruments

a) Recognition and initial measurement –

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provision of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction cost directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in Statement of Profit and Loss.

b) Classification and Subsequent measurement of financial assets –

On initial recognition, a financial asset is classified as measured at

- Amortised cost
- FVOCI – debt instruments
- FVOCI – equity instruments
- FVTPL

Amortised cost - The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios being the level at which they are managed. The financial asset is held with the objective to hold financial asset in order to collect contractual cash flows as per the contractual terms that give rise on specified dates to cash flows that are solely payment of principal and interest (SPPI) on the principal amount outstanding. Accordingly, the Company measures Bank balances, Loans, Trade receivables and other financial instruments at amortised cost.

FVOCI - debt instruments - The Company measures its debt instruments at FVOCI when the instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial asset meet the SPPI test.

FVOCI - equity instruments - The Company subsequently measures all equity investments at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity instruments at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments and are not held for trading.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. This includes all derivative financial assets.

Subsequent measurement of financial assets

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in Statement of Profit and Loss. Any gain and loss on derecognition is recognised in Statement of Profit and Loss.

Debt investment at FVOCI are subsequently measured at fair value. Interest income undereffective interest method, foreign exchange gains and losses and impairment are recognised in Statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition,gains and losses accumulated in OCI are reclassified to Statement of Profit and Loss.

For equity investments, the Company makes selection on an instrument-by-instrument basis to designate equity investments as measured at FVOCI. These selected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to Statement of profit and loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for strategic purpose. Dividend income received on such equity investments are recognised in Statement of Profit and Loss.

Equity investments that are not designated as measured at FVOCI are designated as measured at FVTPL and subsequent changes in fair value are recognised in Statement of Profit and Loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Statement of Profit and Loss.

c) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all of the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for the amount it may have to pay.

If the Company enters into transactions whereby it transfers assets recognised on its Balance Sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised and the proceeds received are recognised as a collateralised borrowing.

d) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

e) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

f) Impairment of financial instruments

The Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets measured at amortised cost or FVTOCI, except for investments in equity instruments. Company follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition.

Stage 1 (Performing Assets) – includes financial assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month ECL is recognised and interest income is calculated on the gross carrying amount of the assets (that is, without deduction for credit allowance). 12-month ECL are the portion of ECL that results from default events on a financial instrument that are possible within 12 months after the reporting date, if the credit risk has not significantly increased since initial recognition.

Stage 2 (Under performing Assets with significant increase in credit risk since initial recognition) – includes financial instruments that have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but that do not have objective evidence of impairment. For these assets, lifetime ECL are recognised, but interest income is calculated on the gross carrying amount of the assets. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the instrument.

Stage 3 (Non-performing or Credit-impaired assets) – includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime ECL is recognised and interest income is recognised on Net exposure (that is Gross carrying amount less Provision for Expected credit losses).

Measurement of Expected Credit Loss

Expected Credit Losses (ECL) on financial assets is an unbiased probability weighted amount based out of possible outcomes after considering risk of credit loss even if probability is low and incorporate all available information which is relevant to the assessment including information about past events, current conditions and reasonable and supportable forecasts of future events and economic conditions at the reporting date. Measurement of expected credit losses are based on 3 main parameters.

- **Probability of default (PD):** It is defined as the probability of whether borrowers will default on their obligations in future. Since the company don't have any history of past losses therefore it was not adequate enough to create our own internal model through which actual defaults for each grade could be estimated. Hence, the default study published by one of the recognised rating agency is used for estimating the PDs for each range grade.
- **Loss given default (LGD):** It is the magnitude of the likely loss, if there is a default. The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value.

  The default study published by one of the recognised rating agency is used for estimating the LGD for secured and unsecured loans.
- **Exposure at default (EAD):** EAD represents the expected balance at default, taking into account the repayment of principal and interest from the Balance Sheet date to the date of default together with any expected drawdowns of committed facilities.

g) **Write offs** –The gross carrying amount of a financial asset is written-off (either partially or in full) to the extent that there is no reasonable expectation of recovering the asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off and when there is no reasonable expectation of recovery from the collaterals held. However, financial assets that are written-off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

h) **Presentation of allowance for ECL in the Balance Sheet** – Loss allowances for ECL are deducted from the gross carrying amount of financial assets measured at amortised cost.

i) **Financial liabilities and equity instruments:**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit or Loss. Any gain or loss on derecognition is also recognised in Statement of Profit or Loss.

The Company de-recognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognized in profit or loss.

2.3 Cash and Cash equivalents

Cash and cash equivalents consist of cash in hand, bank balances, demand deposits with banks and other short term deposits which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value and have original maturities of less than or equal to three months. These balances with banks are unrestricted for withdrawal and usage.

Other bank balances includes balances and deposits with banks that are restricted for withdrawal and usage.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short term deposits.

2.4 Statement of Cash Flow

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

i. changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;

ii. non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses, and undistributed profits of associates and joint ventures; and

iii. all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

2.5 Property, plant and equipment

a) Recognition and Measurement

Tangible property plant and equipment are stated at cost less accumulated depreciation and impairment, if any. The cost of property, plant and equipment comprise purchase price and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-financial assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on the disposal or retirement of an item of PPE, is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

The residual values and useful lives and method of depreciation of PPE are reviewed at each financial year end and adjusted prospectively.

b) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. Expenditure incurred after the PPE have been put into operations, such as repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred.

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2020

c) **Depreciation, estimated useful lives and residual value**

Depreciation is calculated using the straight-line method to write down the cost of property and equipment to their residual values over their estimated useful lives as prescribed in Part C of Schedule II to the Companies Act 2013. The estimated lives used and differences from the lives prescribed under Schedule II are noted in the table below:-

Type of Assets	Estimated useful life as assessed by the Company	Estimated useful life under Schedule II of the Act
Computers	3 years	3 years
Software and system development	3 years	3 years
Office equipment	5 years	5 years
Motor cars	5 years	8 years
Furniture and fixtures	10 years	10 years
Leasehold improvements	Tenure of lease agreements	Tenure of lease agreements

Depreciation is provided on a pro-rata basis i.e. from the month in which asset is ready for use. Individual assets costing less than or equals to Rs. 5,000 are depreciated in full, in the year of purchase. Depreciation on assets sold during the year is recognised on a pro-rata basis in the Statement of Profit and Loss up to the month prior to the month in which the assets have been disposed off.

Changes in the expected useful life are accounted for by changing the depreciation period or methodology, as appropriate, and treated as changes in accounting estimates.

2.6 Intangible assets

Intangible assets comprises of computer software are capitalised at cost of acquisition including cost attributable to readying the asset for use. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

The useful life of these intangible assets is estimated at 3 years with zero residual value.

Any expenses on such software for support and maintenance payable annually are charged to the Statement of Profit and Loss.

2.7 Impairment of non-financial assets

The carrying values of assets at each Balance Sheet date are reviewed for impairment, if any indication of impairment exists. If the carrying amount of the assets exceeds the estimated recoverable amount, impairment is recognised for such excess amount in Statement of Profit and Loss. Recoverable amount is the greater of the net selling price and value in use. If at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment losses previously recognised are reversed such that the asset is recognised at its recoverable amount but not exceeding written down value which would have been reported if the impairment losses had not been recognised initially.

2.8 Investment in subsidiaries

Subsidiaries are all entities over which the Company has control. The Company controls an entity when the company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

Investment in subsidiaries are measured at cost less accumulated impairment, if any.

2.9 Provisions, contingent liabilities and contingent assets

Provisions are recognised only when:

- an entity has a present obligation (legal or constructive) as a result of a past event; and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2020

These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Further, long term provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

Contingent liability is disclosed in case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- a present obligation arising from past events, when no reliable estimate is possible.

Contingent Assets:

Contingent assets are not disclosed in the financial statements.

2.10 Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- estimated amount of contracts remaining to be executed on capital account and not provided for;
- uncalled liability on loan sanctioned and on investments partly paid; and
- other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

2.11 Foreign exchange transactions and translations

a) **Initial recognition**: Transactions in foreign currencies are recognised at the prevailing exchange rates between the reporting currency and a foreign currency on the transaction date.

b) **Conversion**: Transactions in currencies other than Company's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are reported at the prevailing closing spot rate. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are generally recognised in Statement of Profit and Loss.

Non-monetary assets and liabilities are carried at historical cost using exchange rates as on the date of the respective transactions and are not retranslated at the reporting date.

2.12 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

a) **Recognition of Interest income**

Interest income on financial asset at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ('EIR').The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit- impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for ECLs.)

Interest income on penal interest and tax refunds is recognised on receipt basis.

Interest income on fixed deposit is recognised on time proportionate basis.

b) **Fee and Commission income**

Fee and commission income include fees other than those that are an integral part of EIR. The fees included in the Company Statement of Profit and Loss include among other things fees charged for servicing a loan, loan advisory fees and documentation charges.

c) **Other financial charges**

Cheque bouncing charges, late payment charges and foreclosure charges are recognised on a point-in-time basis, and are recorded when realised since the probability of collecting such monies is established when the customer pays.

d) **Income from securities**

Gains or losses on the sale of securities are recognised in Statement of profit and loss on trade date basis as the difference between fair value of the consideration received and carrying amount of the investment securities.

e) **Net gain/ Loss on fair value changes**

Any differences between the fair values of the financial assets classified as fair value through the profit or loss, held by the Company on the Balance Sheet date is recognised as an unrealised gain/loss in the Statement of Profit and Loss. In cases there is a net gain in aggregate, the same is recognised in "Net gains on fair value changes" under income and if there is net loss in aggregate, the same is recognised in "Net loss on fair value changes" under expense in the Statement of Profit and Loss.

f) **Dividend income**

Dividend income is recognised when the Company's right to receive dividend is established by the reporting date and no significant uncertainty as to collect ability exists.

2.13 Employee benefits

Short term employee benefits

Employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and are expensed in the period in which the employee renders the related service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Long Term employee benefits

Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. Long-term employee benefit primarily consists of Leave encashment benefits wherein employees are entitled to accumulate leave subject to certain limits for future encashment/availment. Long-term compensated absences are provided for on the basis of an actuarial valuation at the end of each financial year using Projected Unit Credit (PUC) Method. Actuarial gains/losses, if any, are recognised immediately in the Statement of Profit and Loss

Post-employment benefits

a) **Defined contribution Plans**

Provident fund: Contributions as required under the statute, made to the Provident Fund (Defined Contribution Plan) are recognised immediately in the Statement of Profit and Loss. There is no obligation other than the monthly contribution payable to the Regional Provident Fund Commissioner.

ESIC and Labour welfare fund: The Company's contribution paid/payable during the year to Employee state insurance scheme and Labour welfare fund are recognised in the Statement of Profit and Loss.

b) **Defined benefit Plans**

Gratuity liability is defined benefit obligation and is provided on the basis of an actuarial valuation performed by an independent actuary based on projected unit credit method, at the end of each financial year.

Defined benefit costs are categorised as follows:

i) Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements)

ii) Net interest expense or income

iii) Re-measurement

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI, net of taxes. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

The Company's net obligation in respect of gratuity (defined benefit plan), is calculated by estimating the amount of future benefit that the employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The retirement benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the company's defined benefit plans. Any surplus resulting from this calculation is recognised as an asset to the extent of present value of any economic benefits available in the form of refunds from the plans or reductions in the future contribution to the plans.

Share based Payments

Equity-settled share-based payments to employees are recognised as an expense at the fair value of equity stock options at the grant date. The fair value of the options is treated as discount and accounted as employee compensation cost over the vesting period on a straight-line basis. The amount recognised as expense in each year is arrived at based on the number of grants expected to vest. If a grant lapses after the vesting period, the cumulative discount recognised as expense in respect of such grant is transferred to the general reserve within equity.

2.14 Finance cost

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at amortised cost. Financial instruments include bank term loans, Vehicle loans and non-convertible debentures. Finance costs are charged to the Statement of Profit and Loss. Ancillary and other borrowing costs are amortised on straight line basis over the tenure of the underlying loan.

2.15 Leases

The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019.The Company's lease asset classes primarily consist of leases for Premises. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after April 1, 2018.

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

The Company as a lessee

The Company assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves–

a) the use of an identified asset,

b) the right to obtain substantially all the economic benefits from use of the identified asset, and

c) the right to direct the use of the identified asset.

The Company at the inception of the lease contract recognises a Right-of-Use (RoU) asset at cost and a corresponding lease liability, for all lease arrangements in which it is a lessee, except for leases with term of less than twelve months (short term) and low-value assets (assets of less than Rs. 10 Lakhs in value).

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The cost of the ROU assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The ROU assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of ROU assets.

ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

For lease liabilities at inception, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the ROU assets. Where the carrying amount of the ROU assets is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in the Statement of Profit and Loss.

For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

Lease liability has been presented in Note 14 “Other Financial Liabilities” and ROU asset has been presented in Note 9B “Property, Plant and Equipment” and lease payments have been classified as cash flows from financing activities.

2.16 Share issue expenses

Expenses incurred in connection with fresh issue of Share capital are adjusted against Securities premium account in accordance with the provisions of Section 52 of the Companies Act, 2013 and Ind AS.

2.17 Collateral

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as securities, letter of credit/guarantees, receivables, inventories, other non-financial assets and credit enhancements such as netting arrangements.

The Company provides fully secured, partially secured and unsecured loans to Corporates and individuals.

2.18 Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Current Tax

The Current tax is based on the taxable profit for the year of the Company. Taxable profit differs from ‘profit before tax’ as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using applicable tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company’s financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Company is able to control the reversal of temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax assets and tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off tax assets against tax liabilities.

Minimum Alternate Tax (MAT) credit entitlement (i.e. excess of amount of MAT paid for a year over normal tax liability for that year) eligible for set-off in subsequent years is recognised as an asset in accordance with Ind AS 12, Income Taxes, if there is convincing evidence of its realisation.

MAT credit is created by way of a credit to the Statement of Profit and Loss. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the specified period.

2.19 Earnings per share

Basic earnings per share is computed by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.20 Segment reporting

The company is predominantly engaged in Lending business, whose revenue and operating income are reviewed regularly by Chief Operating Decision Maker. As such there are no separate reportable segments as per Ind-AS 108

2.21 Dividend distribution to equity holders of the Company

The Company recognises a liability to make distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Act, final dividend is authorised when it is approved by the shareholders and interim dividend is authorised when it is approved by the Board of Directors of the Company.

2.22 Goods and Services Input Tax Credit

Goods and Services tax input credit is accounted for in the books in the period in which the supply of goods or service received is accounted and when there is no uncertainty in availing/utilising the credits.

2.23 Operating cycle for current and non-current classification

Based on the nature of activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2020
(Currency: Rs. In Lakhs)

3 Cash and cash equivalents

	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Cash on hand	0.31	-	0.08
Balances with bank			
- in current accounts	3,258.98	2,467.46	0.58
Cheques and drafts on hand	-	25.12	25.00
	3,259.29	**2,492.58**	**25.66**

4 Bank Balances other than cash and cash equivalents

	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Fixed deposit with bank (Maturity less than 12 months)	-	125.00	1,650.00
Unclaimed dividend	1.53	1.53	-
	1.53	**126.53**	**1,650.00**

5 Receivables

Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Trade receivables			
(i) Secured considered good	-	-	-
(ii) Unsecured considered good	-	-	-
Other receivables			
a) Secured, considered good ;	-	-	-
b) Unsecured, considered good; and	19.23	-	32.40
c) Doubtful	-	-	-
Subtotal (a+b+c)	19.23	-	32.40
Less: Allowance for impairment loss	-	-	-
Net Receivables	19.23	-	32.40
	19.23	-	**32.40**

There is no due by 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.

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2020
(Currency: Rs. In Lakhs)

6. **Loan**

	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
(A) Advances - at amortised cost	-	-	-
Vendor financing (Unsecured)	991.16	-	-
Gross	**991.16**	-	-
Less: Impairment loss allowance	4.97	-	-
	986.19	-	-
(B) Term Loans in India - at amortised cost	-	-	-
Secured (Secured by tangible assets)	45,183.20	53,763.48	9,294.37
Unsecured	4,143.83	1,832.98	1,100.00
Gross	**49,327.03**	**55,596.46**	**10,394.37**
Less: Impairment loss allowance	1,728.74	394.73	128.51
	47,598.29	**55,201.73**	**10,265.86**
(C) (II) Loans and Advances In India	-	-	-
(i) Public Sectors	-	-	-
(ii) Others	50,318.18	55,596.46	10,394.37
Total Gross	**50,318.18**	**55,596.46**	**10,394.37**
Less: Impairment loss allowance	1,733.71	394.73	128.51
Total Net	**48,584.47**	**55,201.73**	**10,265.86**
(II) Loans and advances Outside India (Net)	-	-	-
	48,584.47	**55,201.73**	**10,265.86**

Note :

i) There is no loan assets measured at FVOCI or FVTPL or designated at FVTPL.

ii) Due to COVID 19 Security creation has not been completed for one of the account having an exposure of Rs 3,000 lakhs and hence treated as unsecured.

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2020

(Currency: Rs. In Lakhs)

7. Investments

	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Recorded at Amortized cost			
In India			
Investment in equity instruments (unquoted):			
- In subsidiary companies			
- Capital India Home Loans Limited	9,000.00	4,000.00	1,500.00
9,00,00,000 (31st March 2019: 4,00,00,000; 1st April 2018: 1,50,00,000) equity shares @ Rs. 10/- each			
- Rapipay Fintech Private Limited	1,200.00	-	-
1,20,00,000 (31st March 2019: Nil; 1st April 2018: Nil) equity shares @ Rs.10/- each			
- Rapipay Fintech Holding Private Limited	936.51	-	-
93,65,100 (31st March 2019: Nil; 1st April 2018: Nil) equity shares @ Rs.10/- each			
- Capital India Asset Management Private Limited	5.00	5.00	1.00
50,000 (31st March 2019: 50,000; 1st April 2018: 10,000) equity shares @ Rs.10/- each			
- Capital India Wealth Management Private Limited	3.00	2.00	1.00
30,000 (31st March 2019: 20,000; 1st April 2018: 10,000) equity shares @ Rs.10/- each			
- CIFL Holding Private Limited	3.00	2.00	1.00
30,000 (31st March 2019: 20,000; 1st April 2018: 10,000) equity shares @ Rs.10/- each			
- CIFL Investment Manager Private Limited	3.00	2.00	1.00
30,000 (31st March 2019: 20,000; 1st April 2018: 10,000) equity shares @ Rs.10/- each			
Investment in debentures (unquoted):			
- In others			
Nil (31st March 2019: 525; 1st April 2028: Nil) Zero coupon optionally convertible debentures issued by Rapipay Fintech Holding Private Limited @ Rs. 1 lakh each	-	525.00	-
	11,150.51	**4,536.00**	**1,504.00**

Note:

The Company had acquired a wholly owned subsidiary - Rapipay Fintech Holding Private Limited ('RFHPL') by making investment in equity shares of Rs 1 lakh on September 20, 2019 and converting the investment in Optionally Convertible Debentures along with interest of Rs 935.51 lakhs into Equity shares as per the terms of the agreement on September 21, 2019. The investment in equity shares of RFHPL as at March 31, 2020 was Rs 936.51 lakhs. Further the company has invested Rs. 1,200 lakhs in equity shares of Rapipay Fintech Private Limited ('RFPL') during the year ended March 31, 2020, which is a subsidiary of RFHPL.

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2020

(Currency: Rs. In Lakhs)

8 Other financial assets

	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Interest accrued and due	302.89	176.65	121.49
Interest accrued but not due	884.68	813.69	13.38
Security deposit	254.94	345.62	143.61
Advance paid to staff	7.51	13.02	16.35
Advance to related parties	-	14.99	61.41
	1,450.02	**1,363.97**	**356.24**

9 Current tax assets (Net)

	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Advance tax and tax deducted at source (Net of provision for tax of Rs. 916.46 Lakhs (PY Rs. 215.99 Lakhs)	163.46	65.74	126.35
	163.46	**65.74**	**126.35**

10 Deferred tax assets (Net)

	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Deferred Tax Asset			
Provision for ECL	436.38	114.95	35.41
Provision for employee benefits	49.38	21.06	3.45
Unamortised processing fee	89.15	135.50	-
Depreciation	50.89	24.46	-
Loan given to staff at concessional rate	0.68	0.46	-
Amortization adjustment on Lease deposits	12.04	7.38	2.17
Ind AS 116 Adjustment	25.27	24.38	11.62
Deferred Tax Liabilities			
Interest adjustments on Lease deposits	(11.73)	(6.84)	(1.91)
Depreciation	-	-	(3.85)
Unamortised borrowing cost	(21.25)	(42.52)	-
Deferred Tax Asset/(Liabilities) Net	**630.81**	**278.83**	**46.89**
Movement in Net deferred tax Asset during the year	**351.98**	**231.94**	

Note:

The Company has recognised Deferred Tax Assets arising from deductible temporary differences to the extent there is an evidence of future taxable profit.

	As at 31st March 2020	As at 31st March 2019
Break up of movement in net deferred tax assets		
Routed through Profit & Loss	354.36	229.85
Routed through other comprehensive income	(2.38)	2.09
Total	**351.98**	**231.94**

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2020
(Currency: Rs. In Lakhs)

11 Property, Plant and Equipment

Particulars	As at 31st March 2020					
	Furniture & Fixtures	Vehicles	Office Equipments	Leasehold improvements	Computer & printers	Total
At cost at the beginning of the year	622.28	288.34	129.20	558.73	65.68	1,664.23
Additions	16.66	-	2.47	10.90	46.23	76.26
Disposals	-	8.00	-	-	1.33	9.33
At cost at the end of the year	**638.94**	**280.34**	**131.67**	**569.63**	**110.58**	**1,731.16**
Accumulated depreciation as at the beginning of the year	74.21	37.48	29.02	165.95	21.58	328.24
Depreciation for the period	62.33	57.37	25.96	155.13	24.76	325.55
Disposals	-	2.10	-	-	0.25	2.35
Accumulated depreciation as at the end of the year	**136.54**	**92.75**	**54.98**	**321.08**	**46.09**	**651.44**
Net carrying amount as at the end of the year	**502.40**	**187.59**	**76.69**	**248.55**	**64.49**	**1,079.72**

Particulars	As at 31st March 2019					
	Furniture & Fixtures	Vehicles	Office Equipments	Leasehold improvements	Computer & printers	Total
At cost at the beginning of the year	440.49	-	85.82	305.04	41.32	872.67
Additions	199.90	304.34	43.38	253.69	32.40	833.71
Disposals	18.11	16.00	-	-	8.04	42.15
At cost at the end of the year	**622.28**	**288.34**	**129.20**	**558.73**	**65.68**	**1,664.23**
Accumulated depreciation as at the beginning of the year	14.63	-	3.65	21.19	3.22	42.69
Depreciation for the period	60.34	37.83	25.37	144.76	19.66	287.96
Disposals	0.76	0.35	-	-	1.30	2.41
Accumulated depreciation as at the end of the year	**74.21**	**37.48**	**29.02**	**165.95**	**21.58**	**328.24**
Net carrying amount as at the end of the year	**548.07**	**250.86**	**100.18**	**392.78**	**44.10**	**1,335.99**

Particulars	As at 1st April 2018					
	Furniture & Fixtures	Vehicles	Office Equipments	Leasehold improvements	Computer & printers	Total
At cost at the beginning of the year	-	-	-	-	-	-
Additions	440.49	-	85.82	305.04	41.32	872.67
Disposals	-	-	-	-	-	-
At cost at the end of the year	**440.49**	-	**85.82**	**305.04**	**41.32**	**872.67**
Accumulated depreciation as at the beginning of the year	-	-	-	-	-	-
Depreciation for the period	14.63	-	3.65	21.19	3.22	42.69
Disposals	-	-	-	-	-	-
Accumulated depreciation as at the end of the year	**14.63**	-	**3.65**	**21.19**	**3.22**	**42.69**
Net carrying amount as at the end of the year	**425.86**	-	**82.17**	**283.85**	**38.10**	**829.98**

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2020
(Currency: Rs. In Lakhs)

11A Intangible assets

	As at 31st March 2020	
	Computer softwares	Total
At cost, beginning of the year	5.83	5.83
Additions	175.20	175.20
Total cost	**181.03**	**181.03**
Accumulated amortization :		
At beginning of the year	**1.84**	**1.84**
Amortization	6.89	6.89
Total amortization	**8.73**	**8.73**
Net carrying amount	**172.30**	**172.30**

	As at 31st March 2019	
	Computer softwares	Total
At cost, beginning of the year	2.60	2.60
Additions	3.23	3.23
Total cost	**5.83**	**5.83**
Accumulated amortization :		
At beginning of the year	**0.23**	**0.23**
Amortization	1.61	1.61
Total amortization	**1.84**	**1.84**
Net carrying amount	**3.99**	**3.99**

	As at 1st April 2018	
	Computer softwares	Total
At cost, beginning of the year	-	-
Additions	2.60	2.60
Total cost	**2.60**	**2.60**
Accumulated amortization:		
At beginning of the year	-	-
Amortization	0.23	0.23
Total amortization	**0.23**	**0.23**
Net carrying amount	**2.37**	**2.37**

11B Right of Use assets

	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Lease Premises			
Opening gross carrying value	1,769.10	1,758.95	1,758.95
Additions	11.84	10.15	
Accumulated amortization :			
At beginning of the year	571.36	136.61	-
Amortization	439.78	434.75	136.61
Total amortization	1,011.14	571.36	136.61
Net carrying amount	**769.80**	**1,197.74**	**1,622.34**

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2020

(Currency: Rs. In Lakhs)

12 Other non-financial assets

	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Prepaid expenses	79.16	53.24	81.78
Advance to suppliers	9.51	12.53	137.58
Unamortised borrowing cost	84.41	146.01	-
GST input credit	177.66	107.50	-
	350.74	**319.28**	**219.36**

13 Payables

	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises*	0.16	7.82	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	74.86	90.45	33.60
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	-	-	-
	75.02	**98.27**	**33.60**

*No interest has been paid/is payable by the Company during/for the year to these 'Suppliers'. The above information takes into account only those suppliers who have submitted their registration details or has responded to the inquiries made by the Company for this purpose. This has been relied upon by the Auditors.

14 Debt Securities

	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
At Amortised Cost			
Unsecured			
(a) Non convertible debentures (40 debentures @ Rs 100 Lakhs each)	4,000.00	-	-
Total	**4,000.00**	-	-

Terms of repayment:

Particulars	**Rate of interest**	**Repayment details**
Non convertible debentures	**9%**	**Payable after 18 months**

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2020
(Currency: Rs. In Lakhs)

14A Borrowings

	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
At Amortised Cost			
Secured			
(a) Term loans from banks	7,645.54	12,679.69	-
(b) Other loans - Book Overdraft	-	-	1,105.32
Total	**7,645.54**	**12,679.69**	**1,105.32**
Borrowings in India	7,645.54	12,679.69	1,105.32
Borrowings outside India	-	-	-
Total	**7,645.54**	**12,679.69**	**1,105.32**

Additional information:

i) There are no borrowings measured at FVTPL or designated at FVTPL.

ii) Security details

- Term loan from banks is secured against pari passu charge on standard asset portfolio of book debts and receivables.
- Vehicle loans is secured by way of hypothecation on vehicles.

Terms of repayment:

Particulars	Rate of Interest	Repayment details
Term loan from banks	10.10%	60 Equated quarterly repayment starting at the end of 6 months from the disbursement date
Vehicle loans	8.50% - 8.71%	60 Equated Monthly instalments

iii) The borrowings have not been guaranteed by directors or others.

iv) Additionally the Company has not defaulted in repayment of principal and interest during the year and as at Balance sheet date.

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2020

(Currency: Rs. In Lakhs)

15 Deposits

Particulars	As at 31st March 2020				As at 31st March 2019				As at 1st April 2018			
	At Amortised Cost	At Fair Value Through profit or loss	Designated at fair value through profit or loss	Total	At Amortised Cost	At Fair Value Through profit or loss	Designated at fair value through profit or loss	Total	At Amortised Cost	At Fair Value Through profit or loss	Designated at fair value through profit or loss	Total
	1	2	3	(4)=(1)+(2)+(3)	1	2	3	(4)=(1)+(2)+(3)	1	2	3	(4)=(1)+(2)+(3)
Deposits Unsecured												
From others												
Inter corporate deposits	-	-	-	-	550.00	-	-	550.00	700.00	-	-	700.00
Total	-	-	-	-	**550.00**	-	-	**550.00**	**700.00**	-	-	**700.00**

Note :

i) Inter corporate deposits was raised at an interest rate of 8% and repaid in FY 2019-20

ii) The Company has not defaulted in repayment of principal and interest during the year and as at Balance sheet date.

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2020
(Currency: Rs. In Lakhs)

16 Other financial liabilities

	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Interest accrued but not due on borrowings	58.32	205.64	55.27
Interest accrued but not due on NCD	77.70	-	-
Advances deposits from customer	39.18	83.41	-
Unclaimed dividends	1.53	1.53	-
Creditors for capital goods	-	-	22.92
Lease liability	906.86	1,297.40	1,685.15
	1,083.59	**1,587.98**	**1,763.34**

17 Current Tax Liabilities (net)

	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Provision for tax (Net of advance tax of Rs. 1,057.16 Lakhs (PY Rs. 656.90 Lakhs))	383.34	43.56	-
	383.34	**43.56**	-

17A Provisions

	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Provision for employee benefits			
Provision for gratuity (refer note 37)	52.74	19.64	1.36
Provision for compensated absence (refer note 37)	50.47	27.55	11.18
Provision for performance bonus	-	225.00	-
	103.21	**272.19**	**12.54**

18 Other non financial liabilities

	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Revenue received in advance	0.03	0.88	-
Unamortised processing fee income	354.18	465.30	-
Unamortised interest income	8.81	-	-
Statutory dues payable	62.54	89.51	222.88
	425.56	**555.69**	**222.88**

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2020

(Currency: Rs. In Lakhs)

19 Equity share capital

	As at 31st March 2020		As at 31st March 2019		As at 01st April 2018	
	Number	Amount	Number	Amount	Number	Amount
Authorized share capital						
Equity shares of Rs. 10 each	20,40,00,000	20,400.00	20,40,00,000	20,400.00	20,40,00,000	20,400.00
Preference shares of Rs. 10 each	1,00,00,000	1,000.00	1,00,00,000	1,000.00	1,00,00,000	1,000.00
	21,40,00,000	**21,400.00**	**21,40,00,000**	**21,400.00**	**21,40,00,000**	**21,400.00**
Issued, subscribed and fully paid up						
Equity shares of Rs. 10 each	7,77,34,260	7,773.43	7,77,34,260	7,773.43	35,02,700	350.27
Total issued, subscribed and fully paid up share capital	**7,77,34,260**	**7,773.43**	**7,77,34,260**	**7,773.43**	**35,02,700**	**350.27**

a. Reconciliation of the shares and amount outstanding at the beginning and at the end of the reporting period:

	As at 31st March 2020		As at 31st March 2019		As at 01st April 2018	
	Number	Amount	Number	Amount	Number	Amount
At the beginning of the year	7,77,34,260	7,773.43	35,02,700	350.27	35,02,700	350.27
Add : Allotment during the year	-	-	7,42,31,560	7,423.16	-	-
Outstanding at the end of the year	**7,77,34,260**	**7,773.43**	**7,77,34,260**	**7,773.43**	**35,02,700**	**350.27**

The Company had allotted 3,96,83,000 equity shares of the face value of Rs.10 each on preferential basis through private placement, at a price of Rs. 63 each (including a premium of Rs. 53 each) aggregating to Rs.2,50,00,29,000 during the year ended 31st March 2019.

The Company has allotted 3,45,48,560 equity shares of Rs. 10 each, at a price of Rs. 72 each, (including a premium of Rs. 62 each), on rights basis aggregating to Rs. 2,48,74,96,320 during the year ended 31st March 2019.

The proceeds has been utilised by the Company for the objects of the issue, other than temporary deployment.

b. Terms and rights attached to fully paid up equity shares:

The Company has only one type of equity shares having par value of Rs. 10 each. All shares rank pari passu with respect to dividend, voting rights and other terms. Each shareholder is entitled to one vote per share. The dividend proposed, if any, by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. The repayment of equity share capital in the event of liquidation and buy back of shares are possible subject to prevalent regulations. In the event of liquidation, normally the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their holdings.

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2020

(Currency: Rs. In Lakhs)

c. **Shares in the Company held by each shareholder holding more than 5% shares**

	As at 31st March 2020		As at 31st March 2019		As at 01st April 2018	
	Number	%	Number	%	Number	%
Equity shares of Rs. 10 each						
Capital India Corp LLP	5,67,75,720	73.04%	5,67,75,720	73.04%	22,32,300	63.73%
Dharampal Satyapal Limited	61,97,800	7.97%	48,97,800	6.30%	3,97,800	11.36%
DS Chewing Products LLP	43,16,800	5.50%	56,16,800	7.23%	-	0.00%
	6,72,90,320	86.51%	6,72,90,320	86.57%	26,30,100	75.09%

20 Other Equity

	As at 31st March 2020	As at 31st March 2019	As at 01st April 2018
Statutory Reserve under Section 45-IC of the RBI Act, 1934	887.36	279.71	75.80
Securities premium	42,119.40	42,119.40	-
Employee stock option outstanding account	92.97	25.14	-
General reserve	1.76	1.76	1.76
Retained earnings	3,080.86	1,025.17	151.16
Other comprehensive income	2.00	(5.08)	-
Advance towards share application money	-	-	12,500.00
	46,184.35	**43,446.10**	**12,728.72**

Notes:

i) Statutory Reserve under Section 45-IC of the RBI Act, 1934:

The Company created a reserve pursuant to section 45 IC the Reserve Bank of India Act, 1934 by transferring amount not less than twenty per cent of its net profit every year as disclosed in the Statement of Profit and Loss and before any dividend is declared.

ii) Securities premium:

The amount received in excess of face value of the equity shares is recognised in Securities Premium Account. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium account. The account is utilised in accordance with the provisions of the Companies Act 2013.

iii) Employee stock option outstanding account:

The reserve is used to recognise the fair value of the options issued to employees of the Company and subsidiary companies under Company's employee stock option scheme.

iv) General reserve:

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2020
(Currency: Rs. In Lakhs)

v) Retained earnings:

Retained earnings represents surplus/accumulated earnings of the Company and are available for distribution to shareholders.

vi) Advance towards share application money:

During the year ended 31st March 2019, the Company had refunded back an amount of Rs. 1,25,00,00,000 received from Capital India Corp LLP as advance against share application money towards its entitlement under the Rights issue of the Company.

21 Interest income

Particulars	For the year ended 31st March 2020			For the year ended 31st March 2019		
	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Securities 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 Securities classified at fair value through profit or loss
Interest on loans	-	10,141.58	-	-	4,574.44	-
Interest income on optionally convertible debentures	-	35.51	-	-	-	-
Interest income on vendor financing	-	16.75	-	-	-	-
Interest on deposits with banks	-	53.75	-	-	71.40	-
Other interest income	-	29.65	-	-	16.54	-
	-	**10,277.24**	-	-	**4,662.38**	-

22 Net gain on fair value changes

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Net gain/ (loss) on financial instruments at fair value through profit and loss account		
Mutual fund units	122.98	251.39
Debentures	18.00	-
Total Net gain/(loss) on fair value changes	**140.98**	**251.39**
Fair Value changes*		
Realised	140.98	251.39
Unrealised	-	-

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

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2020
(Currency: Rs. In Lakhs)

23 Other income

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Revenue from space sharing	**3.01**	**46.28**
Interest on income tax refund	1.57	4.55
Profit on sale of fixed assets	-	0.11
Misc. income	0.05	-
	4.63	**50.94**

24 Finance cost

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Interest on borrowings	1,016.20	649.16
Interest on debt securities	77.70	-
Interest on inter corporate deposits	26.88	87.06
Interest on lease liability	111.79	149.87
Other finance costs	61.78	44.59
	1,294.35	**930.68**

25 Impairment of financial instruments

Particulars	For the year ended 31st March 2020		For the year ended 31st March 2019	
	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost
On Loans	-	1,338.98	-	266.22
	-	1,338.98	-	266.22

26 Employee benefits expense

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Salaries and wages including bonus	2,078.87	1,372.67
Contribution to provident and other funds	116.18	51.10
Share Based Payments to employees	67.83	25.14
Staff welfare expenses	29.91	14.63
Others:		
- Cost for giving loan to employees at concessional rate	1.12	1.56
	2,293.91	**1,465.10**

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2020
(Currency: Rs. In Lakhs)

27 Other expenses

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Rent	32.28	-
Rate, fee & taxes	35.55	39.68
Repairs & maintenance - others	94.37	63.20
Office expenses	64.24	54.54
Electricity charges	20.25	15.61
Communication expenses	21.18	20.88
Printing & stationery	11.82	12.04
Insurance	8.98	11.44
Membership & subscription	54.50	30.21
Travelling & conveyance	88.00	107.76
Advertisement, marketing & business promotion expenses	37.80	52.98
Commission & brokerage	7.68	2.06
Auditor's remuneration (Refer Note 29)	28.12	17.84
Legal & professional charges	97.66	195.43
Rating fee	6.62	19.08
Listing fee	5.23	2.82
Directors sitting fees	19.02	31.40
Donation	-	2.00
CSR expense	15.00	-
Miscellaneous expenses	51.89	32.64
	700.19	**711.61**

28 Basic and Diluted Earnings per share [EPS] computed in accordance with Indian Accounting Standard (Ind AS) 33 "Earnings per Share"

Particulars		For the year ended 31st March 2020	For the year ended 31st March 2019
Basic			
Profit after tax (Rs. In Lakhs)	A	3,038	1,120
Weighted average number of equity shares outstanding	B	7,77,34,260	4,21,34,493
Basic earning per share (Rs)	A/B	3.91	2.66
Diluted			
Profit after tax (Rs. In Lakhs)	A	3,038	1,120
Weighted average number of equity shares outstanding	B	7,77,34,260	4,21,34,493
Add: Weighted average number of potential equity shares on account of employee stock options	C	10,34,028	3,49,713
Weighted average number of shares outstanding for diluted EPS	D=B+C	7,87,68,288	4,24,84,206
Diluted earning per share (before and after extraordinary items) (Rs)	A/D	3.86	2.64
Face value of shares (Rs)		10.00	10.00

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2020
(Currency: Rs. In Lakhs)

29 Auditors Remuneration

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Payment to auditors (net of GST credit availed)		
a) Statutory audit	19.13	11.68
b) Taxation matters (Tax audit fees)	1.59	1.50
c) Certification fees & Other services	7.40	4.66
	28.12	17.84

Note : Excludes fees of Rs. 59.95 Lacs paid for the year ended 31st March 2019 in respect of funds raised through rights issue, adjusted against securities premium.

30 Expenditure in foreign currency:

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Legal & professional charges	-	9.42
	-	9.42

Note :

i) There are no reportable earnings in foreign currency during the year ended 31st March 2020. (31st March 2019: Nil)

ii) The Company do not have any exposures in foreign currency as at the Balance Sheet date.

31 Disclosure pursuant to Ind AS 108 "Operating Segment"

The Company operates mainly in the business segment of Lending activity. As such there are no reportable segments as per Ind AS 108 on Operating Segment. Since the business operations of the Company are concentrated in India, the Company is considered to operate only in the domestic segment and therefore there is no reportable geographic segment.

32 Dividend distribution to equity shareholders

Dividend of Re.0.1 per share (31st March 2019: Re.0.4 per share) amounting to Rs. 77.73 Lakhs (31st March 2019: Rs. 310.94 Lakhs) is proposed on ordinary shares. The recommended dividend will be accounted for when approved by the shareholders in Annual General Meeting.

33 Disclosure pertaining to Corporate Social Responsibility expenses

Amount required to be spent by the Company on Corporate Social Responsibility (CSR) related activities during the year is Rs 13.10 Lacs (previous year Rs Nil)

The amount recognised as an expense in the Statement of Profit and Loss on CSR related activities is Rs 15.00 Lacs (previous year Rs Nil) (Refer note 27), which comprises of :

Particulars	2019-20			2018-19		
	In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
Amount spent during the year						
- Contribution to Trust registered u/s 11 of Income tax act	15.00	-	15.00	-	-	-
Total	15.00	-	15.00	-	-	-

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2020
(Currency: Rs. In Lakhs)

34 Contingent Liabilities and Commitments

	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Contingent liabilities			
Claims against the Company not acknowledged as debt	-	-	-
Guarantees			
- Bank Guarantees	-	124.37	-
- Others (Issued on behalf of a subsidiary Company i.e. Capital India Home Loans Limited)	59.60	-	-
	59.60	124.37	-
Commitments			
Estimated amount of contracts(net of advances) remaining to be executed on capital account and not provided for	-	18.36	228.09
Undrawn committed sanctions to borrowers (refer note)	1,148.49	-	-
	1,148.49	18.36	228.09
	1,208.09	**142.73**	**228.09**

Note : This disclosure is given pursuant to the notification no. DNBS.CC.PD.No. 252/03.10.01/2011-12 dated December 26, 2011 issued by Reserve Bank of India.

35 In compliance with Ind AS - 27 'Separate Financial Statements', the required information is as under.

Particulars	Principal place of Business	Percentage (%) of ownership Interest		
		Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018
Subsidiaries				
Capital India Home Loans Limited	India	99.7%	100%	100%
Capital India Assets Management Private Limited	India	100%	100%	100%
CIFL Holdings Private Limited	India	100%	100%	100%
CIFL Investment Manager Private Limited	India	100%	100%	100%
Capital India Wealth Management Private Limited	India	100%	100%	100%
Rapipay Fintech Holdings Private Limited	India	100%	Nil	Nil
Rapipay Fintech Private Limited	India	63%	Nil	Nil

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2020

(Currency: Rs. In Lakhs)

36 Disclosure of Related party transactions pursuant to (Ind AS – 24) and Companies act 2013 "Related Party Disclosures"

(i) Names of related parties:

Name of the related party	Nature of relationship
Capital India Home Loans Limited	Wholly owned subsidiary
Capital India Wealth Management Private Limited	Wholly owned subsidiary
CIFL Holdings Private Limited	Wholly owned subsidiary
CIFL Investment Manager Private Limited	Wholly owned subsidiary
Rapipay Fintech Private Limited (w.e.f. 21 September 2019)	Subsidiary Company
Rapipay Fintech Holding Private Limited (w.e.f. 21 September 2019)	Wholly owned subsidiary
Atulya Foundation	Enterprise over which control is exercised by the Company
Mr. Keshav Porwal	Managing Director
Mr. Amit Sahai Kulshreshtha	Executive Director & CEO
Mr. Neeraj Toshniwal	Chief Financial Officer
Mr. Rachit Malhotra	Company Secretary
Mr. Deepak Vaswan	Relative of a person having joint control over the Company
Mr. Yogendra Pal Singh	Independent Director
Mr. Vinod Somani	Independent Director
Mr. Achal Kumar Gupta (resigned on 13 Febuary 2019)	Independent Director

Note: Related party and their relationships are reported only where the Company has transactions with those parties during the current year.

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2020

(Currency: Rs. In Lakhs)

Nature of the Transaction	Subsidiary Company												Enterprise where key management personnel exercise significant influence		Enterprise over which control is exercised by the Company		Enterprise having significant influence and control	
	Capital India Home Loans Limited		Capital India Wealth Management Private Limited		CIFL Holdings Private Limited		CIFL Investment Manager Private Limited		Capital India Asset Management Private Limited		Rapipay Fintech Private Limited		Sahyog Homes Limited		Atulya Foundation		Capital India Corp LLP	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Transactions during the period																		
Reimbursement of expenses(refer note i)	(26.26)	89.53	-	-	-	-	-	-	-	-	-	-	-	15.03	-	-	-	-
Investment in equity shares (refer note ii)	5,000.00	2,500.00	1.00	1.00	1.00	1.00	1.00	1.00	-	4.00	1,200.00	-	-	-	-	-	-	-
CSR Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15.00	-	-	-
Repayment of Advance towards share application money	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12,500.00
Closing balances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivable/ (Payable)	-	14.99	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Nature of the Transaction	Relative of a person having joint control over the Company		Key Managerial Personnel													
	Mr. Deepak Vaswan		Mr. Keshav Porwal		Mr. Amit Sahai Kulshreshtha		Mr. Neeraj Toshniwal		Mr. Rachit Malhotra		Mr. Achal Kumar Gupta		Mr. Yogendra Pal Singh		Mr. Vinod Somani	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Transactions during the period																
Remuneration paid (refer note iii)	15.35	-	190.73	110.00	199.60	109.99	100.79	65.38	46.88	25.75	-	-	-	-	-	-
Sitting fees paid	-	-	-	-	-	-	-	-	-	-	-	9.20	8.55	1.00	8.90	10.15
Closing balances																
Receivable/ (Payable)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note

i) Includes allocated shared expenses

ii) Investments in equity shares of subsidiaries have been disclosed under “Investments” (Refer Note 7)

iii) excludes amounts pertaining to gratuity and compensated absences, which are actuarially valued at the Company level.

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2020

(Currency: Rs. In Lakhs)

37 Employee benefits

Defined Contribution Plan - Provident Fund (PF) Contribution

The Company makes contributions towards PF, in respect of qualifying employees. The amount recognised as an expense and included in Note 26 “Employee benefits expense” under the head “Contribution to Provident and Other Funds” are as under.

The employees of the Company are members of a retirement contribution plan operated by the government. The Company is required to contribute a specified percentage of payroll cost to the retirement contribution scheme to fund the benefits. The only obligation of the Company with respect to the plan is to make the specified contributions

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Employer’s Contribution to Provident Fund	73.61	39.98

Defined Benefit Plan - Gratuity

The Company has a defined benefit gratuity plan, under which every employee who has completed atleast five years of service gets a gratuity on departure @15 days of last drawn basic salary for each completed year of service.

The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. The actuarial risks associated are:

Interest Rate Risk:

The risk of government security yields falling due to which the corresponding discount rate used for valuing liabilities falls. Such a fall in discount rate will result in a larger value placed on the future benefit cash flows whilst computing the liability and thereby requiring higher accounting provisioning.

Longevity Risks:

Longevity risks arises when the quantum of benefits payable under the plan is based on how long the employee lives post cessation of service with the company. The gratuity plan provides the benefit in a lump sum form and since the benefit is not payable as an annuity for the rest of the lives of the employees, there is no longevity risks.

Salary Risks:

The gratuity benefits under the plan are related to the employee’s last drawn salary. Consequently, any unusual rise in future salary of the employee raises the quantum of benefit payable by the company, which results in a higher liability for the company and is therefore a plan risk for the company.

The estimates of the future salary increases, considered in actuarial valuation, include inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The discount rate is based on the prevailing market yield on government securities as at the balance sheet date for the estimated average remaining service.

The disclosure as required by Indian Accounting Standard (Ind AS) -19 “Employee Benefits” is as under.

Particulars	As at 31st March 2020	As at 31st March 2019
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Interest / Discount Rate	6.84%	7.79%
Rate of increase in compensation	Year 1 - 0% and Year 2 onwards -10%	10.0%

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2020

(Currency: Rs. In Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
II. Reconciliation of net defined benefit (asset)/liability		
(a) Reconciliation of present value of defined benefit obligation		
Opening Defined Benefit Obligation	19.64	1.36
Interest Cost	1.53	-
Current Service Cost	41.03	11.11
Actuarial (Gains) / Losses	(9.46)	7.17
Closing Defined Benefit Obligation	**52.74**	**19.64**
(b) Reconciliation of present value of plan asset		
Fair value of plan assets at the beginning of year	-	-
Transfer in of Funds	-	-
Interest Income	-	-
Contributions	-	-
Benefits paid	-	-
Return on Plan Assets excluding Interest Income	-	-
Fair value of plan assets at the end of year	**-**	**-**
(c) Reconciliation of net defined benefit (asset)/liability		
Present value of Obligation as at the end of year	52.74	19.64
Fair value of plan assets as at the end of year	-	-
Funded status	52.74	19.64
Recognised in Balance Sheet - (Asset) / Liability	**52.74**	**19.64**
III. Actuarial (Gain)/Loss on Obligation		
Due to Demographic Assumption	(1.55)	0.00
Due to Financial Assumption	1.73	3.95
Due to Experience	(9.64)	3.22
Net Actuarial (Gain)/ Loss on Obligation	**(9.46)**	**7.17**
IV. Actual Return on Plan Assets		
Actual Interest Income	-	-
Expected Interest Income	-	-
Return on Plan Assets excluding Interest Income	**-**	**-**
V. Net Interest		
Interest Expense	1.53	-
Interest Income	-	-
Net Interest Exp/(Income)	**1.53**	**-**
VI. Expenses Recognised in Profit and Loss account under		
Employee benefit expenses		
Current Service Cost	41.03	11.11
Net Interest Exp/(Income)	1.53	-
Past Service Cost (vested benefits)	-	-
Expenses recognised in Profit and Loss Account	**42.56**	**11.11**
VII. Remeasurements recognised in Other Comprehensive Income		
Net Actuarial (Gain)/ Loss on Obligation	(9.46)	7.17
Return on Plan Assets excluding Interest Income	-	-
Total Actuarial (Gain)/ Loss recognised in OCI		
VIII. Others		
Weighted average duration of defined benefit Obligation	**11.00**	**14.00**

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2020
(Currency: Rs. In Lakhs)

Sensitivity analysis :

Sensitivity analysis for significant actuarial Assumptions, showing how the defined benefit Obligation would be affected, considering increase/decrease of 100 basis points as at 31.03.20 is as below :

Particulars	As at 31st March 2020	As at 31st March 2019
Change in rate of Discount Rate + 100 basis points	46.15	17.23
Change in rate of Discount Rate- 100 basis points	60.64	23.29
Change in rate of Salary Escalation Rate + 100 basis points	58.17	23.02
Change in rate of Salary Escalation Rate - 100 basis points	47.77	17.37
Change in rate of Attrition Rate + 100 basis points	50.37	18.85
Change in rate of Attrition Rate - 100 basis points	55.32	21.18

The Expected Payout as at 31st March 2020 are as under:

Particulars	As at 31st March 2020	As at 31st March 2019
Year 1	-	-
Year 2	-	-
Year 3	2.95	-
Year 4	3.45	-
Year 5	3.57	1.13
Year 6 to Year 10	19.86	6.49

Notes:

Since the gratuity plan and Leave encashment plan of the Company is not funded, and hence the disclosure related to plan assets are not applicable.

The company has recognised Rs. 22.92 Lacs (31st March 2019: Rs. 16.37 Lacs) for compensated absence in Statement of Profit and Loss for current year. Total provision for compensated absences is Rs. 50.47 Lacs as at 31st March 2020 (31st March 2019: Rs. 27.55 Lacs).

38 Employee Stock Option Plan

The shareholders of the Company passed a resolution through postal ballot/ e-voting on 23rd September 2018 for approval of the issue of 35,00,000 options under the Scheme titled "CIFL EMPLOYEE STOCK OPTION PLAN 2018" (ESOP SCHEME).

The ESOP Scheme allows the issue of options to employees of the Company and its subsidiaries (whether in India or abroad). Each option comprises one underlying equity share.

As per the ESOP Scheme, the Nomination and Remuneration Committee of the Board of Directors grants the options to the employees deemed eligible. The Exercise Price for the Options shall be determined by the Board which shall not be less than the face value of the Shares of the Company as on date of Grant. The options granted vest not earlier than minimum period of 1 (One) year and not later than maximum period of 5 (Five) years from the date of Grant. The Board at its discretion may grant Options specifying Vesting Period ranging from minimum and maximum period as afore-stated. The Exercise Period in respect of Vested Options shall be period as specified in the Grant Letter, which period shall not be more than 5 (Five) years from the date of Vesting of Options.

Method used for accounting for shared based payment plan.

The Company uses fair value to account for the compensation cost of stock options to employees of the Company.

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2020
(Currency: Rs. In Lakhs)

Movement in the options outstanding under the Employees Stock Option Plan for the year ended 31st March 2020

Particulars	Options (Numbers)	Weighted average exercise price per option (Rs.)
Option outstanding at the beginning of the year	16,35,000	72
Granted during the year	4,15,000	72
Vested during the year	4,08,750	72
Exercised during the year	-	-
Lapsed during the year	-	-
Options outstanding at the end of the year	20,50,000	72
Options available for grant	14,50,000	72

Movement in the options outstanding under the Employees Stock Option Plan for the year ended 31st March 2019

Particulars	Options (Numbers)	Weighted average exercise price per option (Rs.)
Option outstanding at the beginning of the year	-	-
Granted during the year	16,35,000	72
Vested during the year	-	-
Exercised during the year	-	-
Lapsed during the year	-	-
Options outstanding at the end of the year	16,35,000	72
Options available for grant	18,65,000	72

Weighted average remaining contractual life for options outstanding as at 31st March 2020 is 1 year 7 months (Previous year 2 years and 1 month).

The fair value of the options has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:

Particulars	As at 31st March 2020	As at 31st March 2019
Risk-free interest rate	6.62% - 7.10%	6.62% - 7.10%
Expected life of the option	1 year to 4 years	1 year to 4 years
Expected annual volatility of shares	18%	18%
Expected dividend yield	0.00%	0.00%

The above management assumption has been relied upon by the Auditors.

During the year ended 31st March 2020, the company recorded an employee stock compensation expense of Rs. 67.83 Lacs (Previous year Rs. 25.14 Lacs) in the Statement of Profit and Loss.

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2020

(Currency: Rs. In Lakhs)

39 Disclosure Pursuant to Ind AS 116 "Leases"

The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance.

The Company has applied Ind AS 116 using the full retrospective approach, and accordingly the comparative information relating to prior years has been restated.

In adopting Ind AS 116, the Company has applied the below practical expedients:

The Company has applied a single discount rate to a portfolio of leases with reasonably similar characteristics.

The Company has treated the leases with remaining lease term of less than 12 months as if they were "short term leases".

The Company has not applied the requirements of Ind AS 116 for leases of low value assets (assets of less than Rs. 10 Lakhs in value).

The Company has excluded the initial direct costs from measurement of the right-of-use asset at the date of transition.

The Company has used hindsight, in determining the lease term if the contract contains options to extend or terminate the lease.

Impact of adoption of Ind AS 116 on Balance sheet

Particulars	As at 31st March 2020	As at 31st March 2019	As at 31st March 2018
Right of use assets	769.80	1,197.74	1,622.34
Lease liabilities	906.86	1,297.40	1,685.15
Derecognition of Lease equalisation reserve	58.41	48.33	60.35

Impact of adoption of Ind AS 116 on Statement of Profit and Loss

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Depreciation on Right of use assets	439.78	434.75
Interest cost on lease liability	111.79	149.87
Interest income on lease deposit	(23.13)	(16.54)
Derecognition of rent	(509.40)	(479.32)
Net deferred Tax impact	(25.58)	(24.92)
Impact on the statement of profit and loss for the period	**(6.54)**	**63.84**

Impact of adoption of Ind AS 116 on Statement of Cash flows

The adoption of Ind AS 116 resulted in Increase in operating cash flows and Decrease in financing cash flows by Rs. 499.32 Lacs as repayment of the lease liabilities and related interest will be classified as cash flow from financing activities.

Maturity analysis of Lease Liabilities:

Particulars	As at 31st March 2020	As at 31st March 2019	As at 31st March 2018
Not later than 1 year	408.92	390.54	387.75
Later than 1 year and not later than 5 years	497.94	906.86	1,297.40
Later than 5 years	-	-	-
Total	**906.86**	**1,297.40**	**1,685.15**

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2020
(Currency: Rs. In Lakhs)

40 **Disclosure pursuant to Ind AS 12 'Income Taxes'**

(i) Tax Expenses recognised in the Statement of Profit and Loss

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Current tax:		
In respect of current year	1,440.49	700.46
In respect of prior years	-	0.52
Deferred Tax:		
Deferred tax relating to origination and reversal of temporary differences	(354.36)	(229.85)
Total Income Tax recognised in profit or loss		
Current tax	1,440.49	700.98
Deferred tax	(354.36)	(229.85)
Total Income Tax recognised in profit or loss	**1,086.13**	**471.13**

(ii) Income Tax recognised in Other comprehensive income

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Deferred tax related to items recognised in Other comprehensive income during the year:		
Remeasurement of defined employee benefits	(2.38)	2.09
Total Income tax recognised in Other comprehensive income	**(2.38)**	**2.09**

(iii) Reconciliation of effective tax rate :

The reconciliation of estimated income tax expense at tax rate to income tax expense reported in profit or loss is as follows :

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Profit before Tax	4,124.39	1,591.21
Enacted income tax rate (%)	25.17%	29.12%
Income tax expense calculated at applicable income tax rate	1,038.11	463.36
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Expenses that are not deductible for tax purposes	575.52	483.95
Dividend income exempt from income tax	-	-
Deductions available under income tax	(173.14)	(246.85)
Income tax for earlier year	-	0.52
Income Tax expense recognised in profit and loss	1,440.49	700.98
Deferred Tax recognised in profit and loss	(354.36)	(229.85)
Tax recognised in profit and loss	**1,086.13**	**471.13**
Actual effective income tax rate (%)	**26.33%**	**29.61%**

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2020
(Currency: Rs. In Lakhs)

(iv) Recognised deferred tax assets and liabilities

Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Deferred Tax Asset :			
Loans & Advances (EIR Adjustment and ECL Provision)	436.38	114.95	35.41
Provisions	49.38	21.06	3.45
Unamortised processing fee	89.15	135.50	-
Property, Plant and Equipment & Intangible assets	50.89	24.46	-
Loan given to Staff at concessional rate	0.68	0.46	-
Amortization adjustment on Lease deposits	12.04	7.38	2.17
ROU and Lease liability	25.27	24.38	11.62
Deferred Tax Liability:			
Interest adjustments on Lease deposits	11.73	6.84	1.91
Property, Plant and Equipment & Intangible assets	-	-	3.85
Unamortised borrowings costs	21.25	42.52	-
Net Deferred Tax Asset/(Liability)	**630.81**	**278.83**	**46.89**

(v) Movement in temporary differences

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Credit / (Charge) in the Statement of Profit and Loss during the period		
Loans & Advances	275.08	215.03
Property, Plant and Equipment & Intangible assets	26.43	28.30
ROU and Lease liability	0.89	12.76
Borrowings	21.27	(42.52)
Provisions	30.70	15.52
Security deposits	(0.23)	0.28
Advances to staff	0.22	0.46
Total (a)	**354.36**	**229.85**
Credit / (Charge) in the other comprehensive income during the period		
Provisions - employee benefits	(2.38)	2.09
Total (b)	**(2.38)**	**2.09**
Net deferred income tax asset at the beginning (c)	278.83	46.89
Net deferred tax asset/(Liabilities) at the end of the period (d) = (a) + (b) + (c)	**630.81**	**278.83**

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2020

(Currency: Rs. In Lakhs)

41 Maturity Analysis of Assets & Liabilities

	As at 31st March 2020			As at 31st March 2019			As at 1st April 2018		
	Within 12 Months	After 12 months	Total	Within 12 Months	After 12 months	Total	Within 12 Months	After 12 months	Total
Assets									
Financial Assets									
Cash & cash equivalents	3,259.29	-	3,259.29	2,492.58	-	2,492.58	25.66	-	25.66
Bank balances other than Cash & cash equivalents	1.53	-	1.53	126.53	-	126.53	1,650.00	-	1,650.00
Receivables						-			-
- Trade Receivables	-	-	-	-	-	-		-	-
- Other Receivables	19.23	-	19.23	-	-	-	32.40	-	32.40
Loans	24,276.12	24,308.35	48,584.47	25,355.45	29,846.28	55,201.73	9,302.49	963.37	10,265.86
Investments	-	11,150.51	11,150.51	-	4,536.00	4,536.00	-	1,504.00	1,504.00
Other financial assets	1,194.22	255.80	1,450.02	1,013.10	350.87	1,363.97	202.76	153.48	356.24
Non-financial Assets									
Current tax assets(net)	163.46	-	163.46	65.74	-	65.74	126.35	-	126.35
Deferred tax asset (net)	-	630.81	630.81	-	278.83	278.83	-	46.89	46.89
Property, plant and equipment	-	1,079.72	1,079.72	-	1,335.99	1,335.99	-	829.98	829.98
Capital work in progress	-	42.16	42.16	-	84.53	84.53	-	235.22	235.22
Intangible assets	-	172.30	172.30	-	3.99	3.99	-	2.37	2.37
Right of use assets	383.61	386.19	769.80	427.94	769.80	1,197.74	433.15	1,189.18	1,622.34
Other non-financial assets	327.77	22.97	350.74	234.88	84.41	319.28	219.36	-	219.36
Total Assets	**29,625.22**	**38,048.82**	**67,674.04**	**29,716.21**	**37,290.70**	**67,006.91**	**11,992.18**	**4,924.49**	**16,916.67**
LIABILITIES									
Financial Liabilities									
Payables									
(i) Trade Payables	75.01	-	75.01	98.27	-	98.27	33.60	-	33.60
(ii)Other Payables	-	-	-	-	-	-	-	-	-
Debt Securities	-	4,000.00	4,000.00	-	-	-	-	-	-
Borrowings	5,037.22	2,608.32	7,645.54	5,034.15	7,645.54	12,679.69	1,105.32	-	1,105.32
Deposits	-	-	-	550.00	-	550.00	150.00	550.00	700.00
Other financial liabilities	585.65	497.94	1,083.59	681.12	906.86	1,587.98	465.94	1,297.40	1,763.34
Non-Financial Liabilities									
Current tax liabilities (net)	383.34	-	383.34	43.56	-	43.56	-		-
Provisions	30.87	72.34	103.21	243.59	28.60	272.19	11.18	1.36	12.54
Other non-financial liabilities	247.78	177.78	425.56	334.62	221.07	555.69	222.88	-	222.88
Total Liabilities	**6,359.88**	**7,356.38**	**13,716.26**	**6,985.30**	**8,802.08**	**15,787.38**	**1,988.93**	**1,848.76**	**3,837.69**
Net	23,265.34	30,692.44	53,957.78	22,730.92	28,488.62	51,219.54	10,003.25	3,075.73	13,078.99
Other undrawn commitments									
Total commitments	-	1,148.49	1,148.49	-	-	-	-	-	-

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2020

(Currency: Rs. In Lakhs)

42 Capital Management

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to stakeholders through optimisation of the debt and equity balance.

For the purpose of the Companies capital management capital includes issued capital and equity reserves. The primary objective of the Company's capital management is to ensure that the Company complies with RBI prescribed Capital adequacy requirements and maintains adequate capital to support its business and maximise shareholders value. The Capital to Risk Weighted Asset Ratio (CRAR) of the company is as under.

Items	As at 31st March 2020	As at 31st March 2019
i. CRAR (%)	80.35%	81.22%
ii. CRAR - Tier I capital (%)	79.13%	80.86%
ii. CRAR - Tier II capital (%)	1.22%	0.36%

As per RBI Prudential norms, the minimum CRAR requirement for NBFCs is 15% and the Company has maintained CRAR well above the regulatory norms throughout the year

Regulatory capital-related information is presented as a part of the RBI mandated disclosures. The RBI norms require capital to be maintained at prescribed levels. In accordance with such norms, Tier I capital of the company comprises of share capital, share premium, reserves and Tier II capital comprises of provision on loans that are not credit-impaired. There were no changes in the capital management process during the periods presented.

43 Financial Risk Management

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has constituted the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions.

The Company has exposure to the following risks arising from its business operations:

i) Credit risk

Credit risk is the risk of financial loss if a customer or counterparty fails to meet an obligation under a contract. Lending activities account for most of the Company's credit risk. Other sources of credit risk also exist in loans and transaction settlements. Credit risk is measured as the amount that could be lost if a customer or counterparty fails to make repayments. The maximum exposure to credit risk in case of all the financial instruments is restricted to their respective carrying amount.

Credit Risk is monitored through stringent credit appraisal, counterparty limits ands internal risk ranges of the borrowers. Exposure to credit risk is managed through regular analysis of the ability of all the customers and counter parties to meet interest and capital repayment obligations and by changing lending limits where appropriate.

Company primarily offers loans secured by Real estate. In order to mitigate credit risk, Company also seeks collateral appropriate to the product segment. The most common types of collateral the company receives, measured by collateral value, are mortgages on financial assets in the form of real estate.

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2020
(Currency: Rs. In Lakhs)

a) Maximum exposure to the Credit risk

This table below shows the Company's maximum exposure to the credit risk.

Particulars	Mar-20	Mar-19	Mar-18
Financial Assets at amortised cost - Loans & Advances (Gross)	50,318.18	55,596.46	10,394.37
Less : Impairment loss allowances	1,733.71	394.73	128.51
Financial Assets at amortised cost - Loans & Advances (Net)	48,584.47	55,201.73	10,265.86
Trade receivables	19.23	-	32.40
Total	**48,603.70**	**55,201.73**	**10,298.26**

Credit risk on Cash and Cash equivalents is considered to be Nil as these are generally held with leading banks.

b) Credit quality analysis

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. The credit quality of Loans and advances measured at amortised cost is primarily assessed by the Days Past Due (DPD) status and other qualitative factors leading to increase in credit risk.

Inputs, assumptions and techniques used for estimating impairment

In assessing the impairment of financial assets under the expected credit loss model, the Company defines default when a loan obligation is overdue for more than 90 days and credit impaired.

Assessment of significant increase in credit risk

When determining whether the risk of default has increased significantly since initial recognition, the Company considers the DPD status of the loans. Credit risk is deemed to have increased significantly when an asset is more than 30 days past due (DPD) and other qualitative internal or external factors demonstrating credit or liquidity risk.

Calculation of expected credit losses

The key elements in calculation of ECL are as follows

PD - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

EAD - The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected draw downs on committed facilities, accrued interest from missed payments and loan commitments.

LGD - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The LGD is determined based on valuation of collaterals and other relevant factors.

For PD the Company has relied upon the PD data from industry benchmarks and external rating agencies. For Loss Given Default (LGD) the Company has relied on internal and external information.

In relation to COVID-19, Management has applied appropriate overlay to the above method of determining ECL. Refer note 48 for additional details.

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2020
(Currency: Rs. In Lakhs)

The following table sets out information about the credit quality of financial assets measured at amortised cost.

Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Gross Stage 1 (DPD< 30 days) Performing asset and 12 month ECL	41,246.74	55,416.03	6,592.32
Less : Impairment loss allowance	757.59	392.98	92.87
Net Stage 1 Assets	40,489.15	55,023.05	6,499.45
ECL Prov. Coverage	1.84%	0.71%	1.41%
Gross Stage 2 (30>DPD< 90 days) Under performing assets increase in credit risk and Lifetime ECL	9,071.44	180.43	3,802.05
Less : Impairment loss allowance	976.12	1.75	35.64
Net Stage 2 Assets	8,095.32	178.68	3,766.41
ECL Prov. Coverage	10.76%	0.97%	0.94%
Gross Stage 3 (DPD>90) Non-performing assets credit impaired and lifetime ECL	-	-	-
Less : Impairment loss allowance	-	-	-
Net Stage 3 Assets	-	-	-
ECL Prov. Coverage	-	-	-
Total Loans & Advances	50,318.18	55,596.46	10,394.37
Less : Impairment loss allowance	1,733.71	394.73	128.51
Net Loans & Advances	48,584.47	55,201.73	10,265.86
ECL Provision Coverage	3.45%	0.71%	1.24%

Credit impairment charge to the income statement

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
New and increased provisions (incl. write off)	1,338.98	266.22
Write-backs of specific provisions	-	-
Recoveries of specific provisions	-	-
Total charge to the income statement	**1,338.98**	**266.22**

Write-offs still under enforcement activity

The contractual amount outstanding on loans and advances that were written off during the year ended March 2020, and are still subject to enforcement activity was Nil.

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2020

(Currency: Rs. In Lakhs)

c) Movement in Gross Exposures and credit impairment for loans and advances

The Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial Assets measured at amortised cost or FVTOCI. Company follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition. Please refer to the accounting policy for details.

	Movement in Gross Exposure to Loans & Advances				Movement in ECL			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balance as at April 1, 2018	**6,592.32**	**3,802.05**	-	**10,394.37**	**92.87**	**35.64**	-	**128.51**
Changes due to financial assets recognised in opening balance that have:	-	-	-	-	-	-	-	
- Transferred to 12 month ECL	666.67	(666.67)	-	-	2.91	(2.91)	-	-
- Transferred to lifetime ECL -significant increase in credit risk	-	-	-	-	-	-	-	-
- Transferred to lifetime ECL credit – impaired	-	-	-	-	-	-	-	-
Increase due to financial assets originated	49,257.04	-	-	49,257.04	302.66	-	-	302.66
Decrease due to loans derecognised on full payment	(1,100.00)	(2,954.95)	-	(4,054.95)	(5.47)	(30.98)	-	(36.45)
Net remeasurement (Due to recovery on regular basis changes in rating, changes in security value etc.)	-	-	-	-	-	-	-	-
Amounts written off during the year	-	-	-	-	-	-	-	-
Balance as at March 31, 2019	**55,416.03**	**180.43**	-	**55,596.46**	**392.97**	**1.75**	-	**394.72**
Changes due to financial assets recognised in opening balance that have:	-	-	-	-	-	-	-	-
- Transferred to 12 month ECL	-	-	-	-	-	-	-	-
- Transferred to lifetime ECL -significant increase in credit risk	(5,828.90)	5,828.90	-	-	(43.45)	43.45	-	-
- Transferred to lifetime ECL credit – impaired	-	-	-	-	-	-	-	-
Increase due to financial assets originated	20,471.48	3,242.54	-	23,714.02	516.78	932.67	-	1,449.45
Decrease due to loans derecognised on full payment	(28,811.87)	(180.43)	-	(28,992.30)	(108.71)	(1.75)	-	(110.46)
Net remeasurement (Due to recovery on regular basis changes in rating, changes in security value etc.)	-	-	-	-	-	-	-	-
Amounts written off during the year	-	-	-	-	-	-	-	-
Balance as at March 31, 2020	**41,246.74**	**9,071.44**	-	**50,318.18**	**757.59**	**976.12**	-	**1,733.71**

d) Collateral and other credit enhancements

Company would generally have its credit exposures backed by securities, either primary or collateral. Lending Policy of the Company prescribes Asset cover norms and collateral guidelines for its various product offering. The amount and type of collateral required depends on an assessment of the credit risk of the counterparty and product offered.

Company grants loans against collateral of real estate (Land, Under construction projects, Ready property) including commercial and residential properties.

As collateral is a source of mitigating credit risk, assessment of the condition of the securities and their value is undertaken on regular basis. There were no significant changes in the collateral policy of the company during the Financial Year 2019-2020.

Company does not have any Credit impaired assets as on March 2020 (March 19 Nil).

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2020

(Currency: Rs. In Lakhs)

e) Credit Concentration

The Company's loan portfolio is primarily concentrated on real estate, as detailed below.

Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Real Estate	62.60%	57.34%	36.58%
Others	37.40%	42.66%	63.42%

ii) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Company has in place an Asset-Liability Management Committee (ALCO) which functions as the operational unit for managing the Balance Sheet within the performance and risk parameters laid down by the Board and Risk Committee of the Board. ALCO reviews Asset Liability strategy and Balance Sheet management in relation to asset and liability profile. ALCO ensures that the objectives of liquidity management are met by monitoring the gaps in the various time buckets, deciding on the source and mix of liabilities, setting the maturity profile of the incremental assets and liabilities etc.

Key principles adopted in the Company's approach to managing liquidity risk include:

a) Monitoring the Company's liquidity position on a regular basis, using a combination of contractual and behavioural modelling of balance sheet and cash flow information.

b) Maintaining a high quality liquid asset portfolio or maintaining undrawn bank lines.

c) Operating a prudent funding strategy which ensures appropriate diversification and limits maturity concentrations.

The Company's principal sources of liquidity are cash and cash equivalents, liquid asset portfolio like Mutual funds and the cash flow that is generated from operation.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include interest accrued till the reporting date.

As at 31st March 2020	Contractual cash flows				
	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Borrowings (Includes Interest accrued but not due)	7,703.86	5,095.53	2,584.76	23.57	-
Debt Securities (Includes Interest accrued but not due)	4,077.70	77.70	4,000.00	-	-
Trade and Other Payables	75.01	75.01	-	-	-
Other Financial Liabilities	947.57	449.63	497.94	-	
	12,804.14	**5,697.87**	**7,082.70**	**23.57**	-

As at 31st March 2019	Contractual cash flows				
	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Borrowings (Includes Interest accrued but not due)	13,435.33	5,789.79	7,645.54	-	-
Trade and Other Payables	98.27	98.27	-	-	-
Other Financial Liabilities	1,382.34	475.48	906.86	-	-
	14,915.94	**6,363.54**	**8,552.40**	-	-

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2020
(Currency: Rs. In Lakhs)

As at 1st April 2018	Contractual cash flows				
	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Borrowings (Includes Interest accrued but not due)	1,105.32	1,105.32	-	-	-
Trade and Other Payables	33.60	33.60	-	-	-
Other Financial Liabilities	2,463.35	560.68	1,404.73	497.94	-
	3,602.27	**1,699.60**	**1,404.73**	**497.94**	-

iii) Market Risk

Market risk represents the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices.

iv) Interest rate risk

Company has exposure to interest rate risk, primarily from its lending business and related borrowings. The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's Statement of Profit and Loss.

	% Increase in rate		Increase/(decrease) in profit	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Borrowings that are re-priced	0.25%	0.25%	(19.11)	(31.70)
Loans that are re-priced	0.25%	0.25%	125.80	138.99

Interest rate risk is managed primarily by monitoring the sensitivity of expected net interest income ('NII') under varying interest rate scenarios. This monitoring is undertaken by ALCO on regular basis. The NII sensitivities shown are indicative and based on simplified scenarios.

44 Financial Instruments

i) Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial instruments (excluding investment in subsidiaries), including their levels in the fair value hierarchy. The company has disclosed financial instruments not measured at fair value at carrying values because their carrying amounts are a reasonable approximation of the fair values.

As at 31st March 2020	Carrying Amount			Fair value hierarchy			
	FVTPL	Amortised Cost	Total	Stage 1	Stage 2	Stage 3	Total
Financial Assets							
Cash and cash equivalents	-	3,259.29	3,259.29	-	-	-	-
Bank balances other than Cash & cash equivalents	-	1.53	1.53	-	-	-	-
Other receivables	-	19.23	19.23	-	-	-	-
Loans & advances	-	48,584.47	48,584.47	-	-	-	-
Others financial assets	-	1,450.02	1,450.02	-	-	-	-
Total	-	**53,314.54**	**53,314.54**	-	-	-	-
Financial liabilities							
Trade and other payables	-	75.01	75.01	-	-	-	-
Debt Securities		4,000.00	4,000.00				
Borrowings	-	7,645.54	7,645.54	-	-	-	-
Other financial liabilities	-	1,083.59	1,083.59	-	-	-	-
Total	-	**12,804.14**	**12,804.14**	-	-	-	-

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2020
(Currency: Rs. In Lakhs)

As at 31st March 2019	Carrying Amount			Fair value hierarchy			
	FVTPL	Amortised Cost	Total	Stage 1	Stage 2	Stage 3	Total
Financial Assets							
Cash and cash equivalents	-	2,492.58	2,492.58	-	-	-	-
Bank balances other than Cash & cash equivalents	-	126.53	126.53	-	-	-	-
Loans & advances	-	55,201.73	55,201.73	-	-	-	-
Others financial assets	-	1,363.97	1,363.97	-	-	-	-
Total	-	**59,184.81**	**59,184.81**	-	-	-	-
Financial liabilities							
Trade and other payables	-	98.27	98.27	-	-	-	-
Borrowings	-	12,679.69	12,679.69	-	-	-	-
Deposits		550.00	550.00				
Other financial liabilities	-	1,587.98	1,587.98	-	-	-	-
Total	-	**14,915.94**	**14,915.94**	-	-	-	-

As at 1st April 2018	Carrying Amount			Fair value hierarchy			
	FVTPL	Amortised Cost	Total	Stage 1	Stage 2	Stage 3	Total
Financial Assets							
Cash and cash equivalents	-	25.66	25.66	-	-	-	-
Bank balances other than Cash & cash equivalents	-	1,650.00	1,650.00	-	-	-	-
Other receivables	-	32.40	32.40	-	-	-	-
Loans & advances	-	10,265.86	10,265.86	-	-	-	-
Others financial assets	-	356.24	356.24	-	-	-	-
Total	-	**12,330.16**	**12,330.16**	-	-	-	-
Financial liabilities							
Trade and other payables	-	33.60	33.60	-	-	-	-
Borrowings	-	1,105.32	1,105.32	-	-	-	-
Deposits	-	700.00	700.00				
Other financial liabilities	-	1,763.34	1,763.34	-	-	-	-
Total	-	**3,602.26**	**3,602.26**	-	-	-	-

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2020
(Currency: Rs. In Lakhs)

45 Ind AS 101 - First Time adoption of Indian Accounting Standards:

The Company has transitioned its basis of accounting to Ind AS from Previous GAAP (the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder). These are the Company's first financial statements prepared in accordance with Ind AS. The Company has adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards. Accordingly, the Significant Accounting Policies set out in Note No 1, have been applied consistently to all the periods presented in the financial statements, including comparative information presented in the financial statements for the year ended March 31, 2019 and the opening Ind AS Balance Sheet as at April 1, 2018.

In preparing these Ind AS Financial Statements, the Company has also availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the Company in restating its Previous GAAP financial statements, including the Balance Sheet as at April 1, 2018 and the subsequent financial statements.

Optional Exemptions from retrospective application

Ind AS 101 allows first time adopters certain exemptions from retrospective application of certain requirements under Ind AS. The Company has elected to apply the following optional exemptions from retrospective application of Ind AS:

a) Deemed cost for Property, Plant and Equipment and Intangible Assets

The Company has elected to measure all its property plant and equipment and intangible assets at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

b) Investments in subsidiaries

The Company has elected to measure its investments in subsidiaries at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

The company has prepared opening Balance Sheet as per Ind AS as of April 01, 2018 (transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, derecognising items of assets or liabilities which are not permitted to be recognised by Ind AS, reclassifying items from Previous GAAP to Ind AS as required, and applying Ind AS to measure the recognised assets and liabilities.

Reconciliation of balance sheet (including equity) as previously reported under IGAAP to Ind AS

		As at 1st April 2018			As at 31st March 2019		
		Previous GAAP	Adjustment	Ind AS	Previous GAAP	Adjustment	Ind AS
	ASSETS						
1.	**Financial Assets**						
(a)	Cash & cash equivalents	25.66	-	25.66	2,494.11	(1.53)	2,492.58
(b)	Bank balances other than Cash & cash equivalents	1,650.00	-	1,650.00	125.00	1.53	126.53
(c)	Receivables						
	- Other Receivables	32.40	-	32.40	-	-	-
(d)	Loans (refer note i and ii)	10,352.80	(86.94)	10,265.86	55,371.98	(170.24)	55,201.73
(e)	Investments	1,504.00	-	1,504.00	4,536.00	-	4,536.00
(f)	Other financial assets (refer note v and vii)	399.70	(43.46)	356.24	1,547.64	(37.66)	1,363.97

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2020
(Currency: Rs. In Lakhs)

		As at 1st April 2018			As at 31st March 2019		
		Previous GAAP	Adjustment	Ind AS	Previous GAAP	Adjustment	Ind AS
2.	**Non-financial Assets**						
(a)	Current tax assets(net)	126.35	-	126.35	65.74	-	65.74
(b)	Deferred tax asset (net) (refer note ix)	28.04	18.85	46.89	292.21	(13.39)	278.83
(c)	Property, plant and equipment	829.98	-	829.98	1,336.00	-	1,336.00
(d)	Intangible assets	2.37	-	2.37	3.99	-	3.99
(e)	Capital work in progress	235.22	-	235.22	84.53	-	84.53
(f)	Right of use assets (refer note vii)	-	1,622.34	1,622.34	-	1,197.73	1197.73
(g)	Other non-financial assets (refer note v)	216.55	2.82	219.36	171.43	1.84	319.28
	Total Assets	**15,403.06**	**1,513.61**	**16,916.67**	**66,028.63**	**978.28**	**67,006.91**
	LIABILITIES AND EQUITY						
	LIABILITIES						
1.	**Financial Liabilities**						
	Payables						
(i)	**Trade Payables**						
	total outstanding dues of micro enterprises and small enterprises	-	-	-	7.82	-	7.82
	total outstanding dues of creditors other than micro enterprises and small enterprises	33.60	-	33.60	90.45	-	90.45
(ii)	**Other Payables**						
	total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
	total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
(b)	Borrowings	1,105.32	-	1,105.32	12,679.69	-	12,679.69
(c)	Deposits	700.00	-	700.00	550.00	-	550.00
(d)	Other financial liabilities (refer note vii)	78.19	1,685.15	1,763.34	290.57	1,297.41	1,587.98
2.	**Non-Financial Liabilities**						
(a)	Current tax liabilities (net)	-	-	-	43.56	-	43.56
(b)	Provisions	12.53	0.01	12.54	272.19	-	272.19
(c)	Other non-financial liabilities	283.23	(60.35)	222.88	604.02	(48.33)	555.69
	EQUITY						
(a)	Equity share capital	350.27	-	350.27	7,773.43	-	7,773.43
(b)	Other equity	12,839.92	(111.20)	12,728.72	43,716.90	(270.79)	43,446.10
	Total Liabilities and Equity	**15,403.06**	**1,513.61**	**16,916.67**	**66,028.63**	**978.29**	**67,006.91**

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2020
(Currency: Rs. In Lakhs)

Reconciliation Statement of Profit and Loss as previously reported under IGAAP to Ind AS

		For the year ended 31st March 2019		
		Previous GAAP	Adjustment	Ind AS
1	**Revenue from operations :**			
	Interest income (refer note i)	4,645.84	16.54	4,662.38
	Fees and commission income	724.44	-	724.44
	Net gain on fair value changes	251.39	-	251.39
	Total revenue from operations	**5,621.66**	**16.54**	**5,638.20**
	Other income (refer note vii)	4.65	46.29	50.94
	Total income	**5,626.32**	**62.83**	**5,689.14**
2	**Expenses :**			
	Finance costs (refer note iv and vii)	780.81	149.87	930.68
	Impairment of financial instruments (refer note ii)	182.91	83.31	266.22
	Employee benefits expenses (refer note viii)	1,725.76	(260.65)	1,465.10
	Depreciation and amortization (refer note v and vii)	289.57	434.75	724.33
	Others expenses (refer note vii)	1,190.92	(479.32)	711.61
	Total expenses	**4,169.97**	**(72.05)**	**4,097.93**
3	**Profit/(loss) before tax**	**1,456.35**	**134.87**	**1,591.21**
4	**Tax Expense:**			
	Current Tax	700.98	-	700.98
	Deferred Tax(Credit) (refer note ix)	(264.17)	34.33	(229.85)
	Total Tax expense	436.81	34.33	471.13
5	**Profit / (loss) for the period from continuing operations**	**1,019.54**	**100.54**	**1,120.09**
6	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to profit or loss			
	- Remeasurement gain/(loss) on Defined benefit plan (refer note vi)	-	(7.17)	(7.17)
	(ii) Income Tax relating to items that will not be reclassified to profit or loss	-	2.09	2.09
	Other Comprehensive Income	-	(5.08)	(5.08)
7	**Total Comprehensive Income for the period**	**1,019.54**	**95.46**	**1,115.00**

<u>Transition to Ind AS - Reconciliations</u>

Reconciliation of Equity

	Particulars	As at 31st March 2019	As at 1st April 2018
	Total Equity as per IGAAP	**51,490.32**	**13,190.19**
	Adjustment made during the transition to IND AS		
a)	Ind as 116 Adjustment (refer note vii)	(83.74)	(42.18)
b)	ECL Adjustment on Financial instruments measured at Amortized cost (ii)	(170.24)	(86.94)
c)	Others (including taxes)	(16.82)	17.92
	Total Impact due to Ind AS transition on April 1, 2018	**(270.80)**	**(111.20)**
	Total Equity as per Ind AS as at 1st April, 2018	**51,219.53**	**13,078.99**

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2020
(Currency: Rs. In Lakhs)

Statement of reconciliation of cash flow statement under Ind AS and cash flow statement reported under Previous GAAP

Particulars	Previous GAAP	Adjustment	Ind AS
Net cash used in operating activities (A) (refer note vii)	(44,909.76)	(491.34)	(44,418.42)
Net cash used in investing activities (B)	(3,803.41)	1.53	(3,804.94)
Net cash generated from financing activities (C)(refer note vii)	**49,531.62**	**491.34**	**49,040.28**
Net increase in cash and cash equivalents (A+B+C)	818.45	1.53	816.93
Cash and cash equivalents at beginning of the year	**1,675.66**	-	**1,675.66**
Cash and cash equivalents at the end of the year	**2,494.11**	**1.53**	**2,492.58**

An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following notes and tables.

i) Effective interest rate (EIR) method :

Previous GAAP did not require loans to be recorded using the EIR method. Under Ind AS, the EIR method calculates the amortised cost of a financial instrument and allocated such interest over the relevant period. The EIR is the rate that exactly discounts estimated future cash flows (including all fees paid or received that form an integral part of the EIR, transaction costs and other premiums or discounts) through the expected life of the instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

ii) Expected credit loss (ECL) :

Previous GAAP provisions for credit losses were primarily based on RBI guidelines. Under Ind AS, the ECL allowance is based on the credit losses expected to arise from all possible default events over the expected life of the financial assets ('life time ECL'), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12-month ECL.

iii) Income recognition on credit-impaired loans :

RBI guidelines required income on NPAs to be reversed. Under Ind AS, income continues to be recognised on credit impaired loans, by applying the effective interest rate to the net amortised cost of loans (i.e. net of allowance for loan losses)

iv) Borrowing costs :

Previous GAAP did not require amortised cost accounting for liabilities. Under Ind AS, the Company determines the effective interest rate of its borrowings and records interest expense on that basis.

v) Security deposits :

Previous GAAP did not require the fair valuation of financial instruments at initial recognition. Under Ind AS, the Company records security deposits provided to landlords at time value of money, with corresponding adjustments to interest income and depreciation.

vi) Employee defined benefit plans :

Previous GAAP required actuarial experience adjustments relating to defined benefit plans, i.e. gratuity to be recorded in the profit and loss account. By contrast, under Ind AS, the Company records such adjustments in OCI.

vii) Lease Rent :

Previous GAAP as well as Ind AS 17 require to classify lease as finance lease and operating lease and for operating leases, lessee is required to recognise the lease payments as an expense (Lease rent) on a straight line basis.

Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2020

(Currency: Rs. In Lakhs)

all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

Under Ind AS 116, a lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognizes depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows applying Ind AS 7, Statement of Cash Flows.

viii) Share-based payment transactions :

Under Previous GAAP, the Company recorded its ESOP grants at intrinsic value while under Ind AS, the grants are recorded at fair value.

ix) Deferred tax :

Deferred tax effect of all adjustments has been recognised on transition date and during the year ended 31 March 2019

x) Ind AS 101 exemptions :

The company has used certain available exemptions under Ind AS 101 for first-time adoption, and accordingly has retained the accounting under Previous GAAP for transactions that occurred prior to the Ind AS transition date. These optional exemptions relate to property plant and equipment, intangible assets, investment in subsidiaries.

xi) Cash flow statement :

There are no significant differences in the principles used for presenting cash flows between the previous GAAP and Ind AS.

46 Disclosure Pursuant to RBI Notification no RBI/2019-20/170 DOR (NBFC).CC.PD. No.109/22.10.106/2019-20

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	(5=3-4)	6	(7=4-6)
Performing assets						
Standard	Stage 1	41,246.74	757.59	40,489.15	164.99	592.60
	Stage 2	9,071.44	976.12	8,095.32	109.37	866.75
Subtotal		**50,318.18**	**1,733.71**	**48,584.47**	**274.36**	**1,459.35**
Non-Performing Assets (NPA)						
Substandard	Stage 3	-	-	-	-	-
Doubtful - up to 1 year	Stage 3	-	-	-		-
1 to 3 years	Stage 3	-	-	-		-
More than 3 years	Stage 3	-	-	-		-
Subtotal for doubtful		-	-	-	-	-
Loss				-		-
Subtotal for NPA		-	-	-	-	-
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	**Stage 1**	41,246.74	757.59	40,489.15	164.99	592.60
	Stage 2	9,071.44	976.12	8,095.32	109.37	866.75
	Stage 3	-	-	-	-	-
	Total	50,318.18	1,733.71	48,584.47	274.36	1,459.35

47 Additional Disclosures as per the guidelines issued by the Reserve Bank of India in respect of Non Banking Financial (Non deposit accepting or holding) Systemically Important (NBFC-ND-SI) is as under:

The disclosure are based on the Ind AS Financials. Accordingly, the corresponding comparative for the previous year have been restated, in order to confirm to current period presentation.

a. Capital funds, risk assets/ exposure and risk asset ratio (CRAR)

	Particulars	As at 31st March 2020	As at 31st March 2019
1	CRAR (%)	80.35%	81.22%
2	CRAR - Tier I capital (%)	79.13%	80.86%
3	CRAR - Tier II Capital (%)	1.22%	0.36%
4	**Amount of subordinated debt raised as Tier-II capital**	-	-
5	**Amount raised by issued of Perpetual Debt Instruments**	-	-

b. Investments **(Amount in Rs. crore)**

S.No	Particulars	As at 31st March 2020	As at 31st March 2019
1	Particulars		
	Value of investments		
	(i) Gross value of investments	111.51	45.36
	(a) in India	-	-
	(a) outside India		
	(ii) Provision for depreciation	-	-
	(a) in India	-	-
	(a) outside India		
	(iii) Net value of investments	**111.51**	**45.36**
	(a) in India	-	-
2	(a) outside India		
	Movement of provisions held towards depreciation on investments	-	-
	(i) Opening balance	-	-
	(ii) Add : Provisions made during the year	-	-
	(iii) Less : Write-off/ write-back of excess provision during the year	-	-
	(i) Closing balance		

c. Derivatives

The Company has no transactions / exposure in derivatives in the current year.

d. Disclosures relating to Securitisation

The Company has not entered in securitisation transaction during the year and had no outstanding securitisation transactions for earlier years.

e. Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

The Company has not sold any financial asset to securitisation / reconstruction company for asset reconstruction in the current year.

f. Details of Assignment transactions

The Company has not undertaken any assignment transactions in the current year.

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2020

g. Details of non-performing financial assets purchase / sold

The Company has not purchased / sold any non-performing financial assets in the current year.

h. Exposure

i. Exposure to Real Estate Sector

(Amount in Rs. crore)

Sr.No	Particulars	As at 31st March 2020	As at 31st March 2019
a)	**Direct exposure**		
(i)	**Residential Mortgages -**		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	2.35	11.60
(ii)	**Commercial Real Estate -**		
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development & construction etc.). Exposure would also include non-fund based (NFB) limits;	299.40	299.69
(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
1	Residential,	-	-
2	Commercial Real Estate.	-	-
	Total Exposure to Real Estate Sector	**301.75**	**311.29**

ii. Exposure to Capital Market **(Amount in Rs. crore)**

Sr. No	Particulars	As at 31st March 2020	As at 31st March 2019
(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)	all exposures to Venture Capital Funds (both registered and unregistered)	-	-
	Total Exposure to Capital Market	-	-

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2020

i. **Details of financing of parent company products**

Not Applicable

j **Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC**

The Company has not lent/ invested/ lent and i**nvested in Single Borrower / Single Group of Borrowers in excess of limits prescribed by the RBI.**

k. **Unsecured Advances**

Refer Note 6 for unsecured advances. The Company has not given any unsecured advances against the rights, licenses, authorisations etc.

l. **Registration obtained from other financial sector regulators**

The Company is not registered with any financial sector regulators except with the RBI.

m **Disclosure of Penalties imposed by RBI and other regulators**

No penalties were imposed by the RBI and other regulators during current year.

n **Provisions and contingencies (shown under the head expenditure in Statement of Profit and Loss):**

(Amount in Rs. crore)

Sr.No	Particulars	31st March 2020	31st March 2019
(i)	Provision made towards income tax	14.40	7.01
(ii)	Provision for impairment of financial assets	13.39	2.66

o. **Draw Down from Reserves**

There has been no draw down from reserves during the current year.

p. **Concentration of Advances, Exposures and NPAs**

i) Concentration of Advances **(Amount in Rs. crore)**

Particulars	31st March 2020	31st March 2019
Total Advances to twenty largest borrowers	438.23	484.75
Percentage of Advances to twenty largest borrowers to Total Advances	87.09%	87.19%

ii) Concentration of Exposures **(Amount in Rs. crore)**

Particulars	31st March 2020	31st March 2019
Total Exposures to twenty largest borrowers / customers	449.71	484.75
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure on borrowers / customers	87.38%	86.37%

iii) Concentration of NPAs **(Amount in Rs. crore)**

Particulars	31st March 2020	31st March 2019
Total of Exposures to top four NPA accounts*	-	-

* there are no account classified as NPA as on 31st March 2020

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2020

iv) Sector-wise NPAs (% of NPA to Total Advances in that sector) (Amount in Rs. crore)

Particulars	31st March 2020	31st March 2019
Agriculture & allied activities	-	-
MSME	-	-
Corporate borrowers	-	-
Services	-	-
Unsecured personal loans	-	-
Auto loans	-	-
Other personal loans	-	-

v) Movement of NPAs (Amount in Rs. crore)

	Particulars	31st March 2020	31st March 2019
(i)	**Net NPAs to Net Advances (%)**	-	-
(ii)	**Movement of NPAs (Gross):**		
(a)	Opening balance	-	-
(b)	Additions during the year	10.66	-
(c)	Reductions during the year	10.66	-
(d)	**Closing balance**	-	-
(iii)	**Movement of Net NPAs**		
(a)	Opening balance	-	-
(b)	Additions during the year	9.56	-
(c)	Reductions during the year	9.56	-
(d)	**Closing balance**	-	-
(iv)	**Movement of provisions for NPAs (excluding provisions on standard assets)**		
(a)	Opening balance	-	-
(b)	Provisions made during the year	1.10	-
(c)	Write-off / write-back of excess provisions	1.10	-
(d)	**Closing balance**	-	-

q. **Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)**
The Company has not invested in overseas assets in the current and previous year. There are no outstanding investments from earlier years.

r. **Off-balance Sheet SPVs sponsored by the Company**
The Company has no off-balance sheet SPV in the current year.

s. **Disclosure of Complaints**
The Company has not received any complaints in the current year.

t. **Ratings assigned by credit rating agencies and migration of ratings during the year**

S.No.	Instruments	Credit Rating Agency	As on 31st March 2020	As on 31st March 2019
1	Long Term Instruments	Acuite Ratings & Research Limited	ACUITE A- (Stable)	ACUITE A- (Stable)

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2020

u. Statement on Asset Liability Management

Maturity pattern of certain items of assets and liabilities as at 31st March 2020 **(Amount in Rs. crore)**

S.No	Item	Up to 30/ 31 days	Over 1 month to 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
1	Deposits	-	-	-	-	-	-	-	-	-
2	Advances	5.59	10.33	48.80	66.49	118.32	238.22	4.81	10.62	**503.18**
3	Investments	-	-	-	-	-	-	-	111.51	**111.51**
4	Debt securities	-	-	-	-	-	40.00	-	-	**40.00**
5	Borrowings	0.03	12.53	0.03	12.59	25.19	25.85	0.24	-	**76.46**
6	Foreign Currency assets	-	-	-	-	-	-	-	-	-
7	Foreign Currency liabilities	-	-	-	-	-	-	-	-	-

Maturity pattern of certain items of assets and liabilities as at 31st March 2019

S.No	Item	Up to 30 / 31 days	Over 1 month to 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
1	Deposits	-	-	-	-	-	-	-	-	-
2	Advances	73.85	2.19	5.61	61.94	111.84	268.05	21.92	10.56	**555.96**
3	Investments	-	-	-	-	-	-	5.25	40.11	**45.36**
4	Borrowings	0.03	12.53	0.03	12.58	25.17	81.72	0.24	-	**132.30**
5	Foreign Currency assets	-	-	-	-	-	-	-	-	-
6	Foreign Currency liabilities	-	-	-	-	-	-	-	-	-

v. Restructured advances

There are no restructured advance as on 31st March 2020, hence disclosure of information as required in terms of Para 24 of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (RBI guidelines) is not required.

w. Fraud Reporting

As required by the Chapter II paragraph 5 for Monitoring of frauds in NBFCs (RBI guidelines), the details of frauds noticed / reported are as below:

Particulars	**Year ended 31st March 2020**	**Year ended 31st March 2019**
Amount Involved	-	-
Amount Recovered	-	-
Amount written off/provided	-	-
Balance	-	-

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2020

(Currency: Rs. In Lakhs)

48 The outbreak of COVID 19 pandemic and consequent lockdown has severely impacted business and operations of the Company since the last week of March 2020. In terms of the policy approved by the Board of directors pursuant to Reserve Bank of India (RBI) Circular dated March 27, 2020 and April 17, 2020 relating to 'COVID-19 – Regulatory Package', the Company has granted EMI moratorium to eligible borrowers for a period upto 3 months with regards to the payment falling due between March 1, 2020 and May 31, 2020. Further, in relation to the accounts overdue but standard as at February 29, 2020 where moratorium benefit has been extended in terms of aforesaid RBI guidelines, the staging of those accounts at March 31 2020 is based on the days past due status as on February 29, 2020. Based on an assessment by the Company, this relaxation has not been deemed to be automatically triggering significant increase in credit risk. On May 22, 2020, the RBI has announced extension of the Moratorium Period by further three months which is currently under evaluation by the Company.

In relation to COVID-19, judgments and assumptions include the extent and duration of the pandemic, the impacts of actions of governments and other authorities, and the responses of businesses and consumers in different industries. While the methodologies and assumptions applied in the impairment loss allowance calculations remained unchanged from those applied prior to the COVID-19 pandemic, the Company has separately incorporated estimates, assumptions and judgments specific to the impact of the COVID-19 pandemic based on early indicators of moratorium and delayed payments metrics observed along with an estimation of potential stress on probability of defaults and exposure at defaults. Accordingly, the Company has measured additional impairment loss allowance and recognised a total provision towards expected credit losses of Rs. 1733.71 lakhs as at March 2020. The extent to which the COVID-19 pandemic will impact the Company's impairment loss allowance on assets and future results will depend on future developments, which are highly uncertain and the Company will continue to closely monitor the same.

49 The Financial Statements have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 1st June, 2020.

50 There have been no events after the reporting date that require disclosure in these financial statements.

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration No. :117366W/W -100018

Rukshad N. Daruvala
Partner
Membership No.: 111188
Place: Mumbai
Date: 1st June 2020

For and on behalf of the board
Capital India Finance Limited

Keshav Porwal
Managing Director
DIN : 06706341
Place: Mumbai
Date: 1st June 2020

Amit Sahai Kulshreshtha
Executive Director & CEO
DIN : 07869849
Place: Mumbai
Date: 1st June 2020

Neeraj Toshniwal
Chief Financial Officer
Place: Mumbai
Date: 1st June 2020

Rachit Malhotra
Company Secretary
Place: New Delhi
Date: 1st June 2020

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2020

(Currency: Rs. In Lakhs)

[Schedule to the Balance Sheet of a Non Banking Financial Company as required in terms of paragraph 18 of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016]

LIABILITIES SIDE			
1	**Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:**	**Amount Outstanding**	**Amount Overdue**
a.	Debentures (other than falling within the meaning of public deposits)		
	- Secured	-	-
	- Unsecured	4,000.00	-
b.	Deferred Credits	-	-
c.	Term Loans	7,645.54	-
d.	Inter-corporate loans and borrowings	-	-
e.	Commercial Paper	-	-
f.	Public Deposits (Refer note 1 below)	-	-
g.	Other Loans	-	-
ASSET SIDE			
2	**Break up of Loans and Advances including bills receivables [other than those included in(4) below]:**		**Amount Outstanding**
	(a) Secured		45,183.20
	(b) Unsecured		5,134.98

3	**Break up of Leased Assets and stocks on hire and other assets counting towards AFC activities**		**Amount Outstanding**
i.	Lease Assets including lease rentals under sundry debtors:		
	a. Finance Lease		-
	b. Operating Lease		-
ii.	Stocks on hire including hire charges under sundry debtors:		-
	a. Assets on hire		-
	b. Repossessed Assets		-
iii.	Other Loans counting towards AFC activities:		-
	a. Loans where assets have been repossessed		-
	b. Loans other than (a) above		-

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2020

(Currency: Rs. In Lakhs)

4	**Break up of Investments:**	**Amount**
	Current Investments	
	1. Quoted	-
	i. Shares - Equity	-
	- Preference	-
	ii. Debentures and Bonds	-
	iii. Units of mutual funds	-
	iv. Government Securities	-
	v. Others	
	2. Unquoted	
	i. Shares - Equity	-
	- Preference	-
	ii. Debentures and Bonds	-
	iii. Units of mutual funds	-
	iv. Government Securities	-
	v. Others	-

	Long Term Investments	
	1. Quoted	-
	i. Shares - Equity	-
	- Preference	-
	ii. Debentures and Bonds	-
	iii. Units of mutual funds	-
	iv. Government Securities	-
	v. Others	-
	2. Unquoted	
	i. Shares - Equity	11,150.51
	- Preference	-
	ii. Debentures and Bonds	-
	iii. Units of mutual funds	-
	iv. Government Securities	-
	v. Others	-

5 Borrower group-wise classification of all leased assets, stock on hire and loans and advances (Refer note 2 below):

S.No.	Category	Amount net of provision		
		Secured	Unsecured	Total
1	Related Parties**			
	a. Subsidiaries	-	-	-
	b. Companies in the same group	-	-	-
	c. Other related parties	-	-	-
2	Other than related parties	45,183.20	5,134.98	50,318.18
	Total	**45,183.20**	**5,134.98**	**50,318.18**

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2020

(Currency: Rs. In Lakhs)

6 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): (Refer note 3 below)

		Market Value/ Break up of fair value or NAV	Book Value (Net of Provisions)
1	**Related Parties******		
	a. Subsidiaries	9,417.13	11,150.51
	b. Companies in the same group	-	-
	c. Other related parties	-	-
2	Other than related parties	-	-
	Total	**9,417.13**	**11,150.51**

**As per Accounting Standard issued by the Institute of Chartered Accountants of India ('ICAI').

7	Other information	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**	-

Notes:

1 As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.

2 Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.

3 All Accounting Standards and Guidance Notes issued by the Institute of Chartered Accountants of India ('ICAI') are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debts. However, market value in respect of quoted investments and break up/ fair value/ NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in category 4 above.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CAPITAL INDIA FINANCE LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of **Capital India Finance Limited** ("the Holding Company") and its subsidiaries, (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2020, and the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow for the year then ended, and 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 consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020 and their consolidated profit, their consolidated total comprehensive income, their consolidated changes in equity and cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 47 to the Consolidated Financial Statements, which describes that the Group has recognised impairment on financial assets to reflect the adverse business impact and uncertainties arising from COVID-19 pandemic. Such estimates are based on current facts and circumstances and may not necessarily reflect the future uncertainties and events arising from the Covid-19 pandemic.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditors' Response
1	**Identification of and provisioning for expected credit loss (ECL) on loans in accordance with the Holding Company's policy** (Refer Note 2.5 and 6 to the consolidated financial statements) The Holding Company has loans carried at amortised cost amounting to Rs. 48,584.47 net of provision for ECL Rs. 1,733.71 as at March 31, 2020. Identification of and provisioning for ECL on loans in accordance with the Holding Company's policy is a key audit matter due to the current processes at the Holding Company which requires manual interventions, management estimates and judgement and other stakeholders focus. The most significant judgements are: • Timely identification and classification of the loans which also include considering the impact of recent Reserve Bank of India's (RBI) COVID-19 regulatory circulars. • Determining the probability of defaults based on comparative external ratings and estimation of loss given defaults based on the value of collaterals and relevant factors. • Inputs and Judgements used in determination of management overlay at various asset stages considering the current uncertain economic environment with the range of possible effects unknown to the country arising out of the COVID-19 Pandemic. Accordingly, our audit was focused on identification of and provisioning for ECL on loans due to the materiality of the balances and associated provision.	Our audit approach included testing the design, operating effectiveness of internal controls and substantive audit procedures in respect of identification of and provisioning for ECL on loans in accordance with the Company's policy. In particular: • we have evaluated the Holding Company's internal control system in adhering to the Holding Company's policy for identification of and provisioning for ECL on loans; • we have identified and tested the design and implementation as well as operational effectiveness of key control pertaining to identification, classification and staging of loans in correct buckets, key assumptions used for the purpose of determination of impairment provision, completeness and accuracy of the data inputs used and monitoring of overdue positions by business and finance team; • we test checked loans to examine the approval process, validity of the recorded amounts, loan documentation, examined the statement of accounts, indicators of impairment, expected credit loss provision, additional provisions made on loans considering the current uncertain economic environment arising out of COVID 19 pandemic and compliance with identification of and provisioning for ECL on loans; • evaluated the management judgment, governance process and review controls and discussed the process and assumptions for identification of and provisioning for ECL on loans with senior management including the Chief Executive Officer, Chief Financial Officer and Head of Credit and Risk.

Information Other than the Financial Statements and Auditors' Report Thereon

- The Holding Company's Board of Directors is responsible for the preparation of other information. The other information comprises the Directors' Report including annexures to Directors' Report, Management Discussion and Analysis Report and Report on Corporate Governance, but does not include the consolidated financial statements, standalone financial statements and our auditors' report thereon.
- Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, is traced from their financial statements audited by the other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Holding 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditors' Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 consolidated 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 consolidated 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated 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 consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.

Other Matters

We did not audit the financial statements of 6 subsidiaries, whose financial statements reflect total assets of Rs. 6,460.62 lakhs as at March 31, 2020, total revenues of Rs. 607.17 lakhs and net cash inflows amounting to Rs. 1,548.38 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable 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 of the aforesaid consolidated financial statements.

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

    c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

    d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, as applicable.

    e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2020 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Holding company and subsidiary companies incorporated in India to whom internal financial controls over financial reporting is applicable. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

   ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

   iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rukshad N. Daruvala
Partner
Membership No. 111188
UDIN: 20111188AAAACS2433

Place: Mumbai
Date: June 1, 2020

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

In conjunction with our audit of the consolidated financial statements of the **Capital India Finance Limited** (hereinafter referred to as "the Holding Company") as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of the Holding Company and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") 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 the respective 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 internal financial controls over financial reporting of the Holding Company and its subsidiary companies which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with 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 auditors' 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 and the audit evidence obtained by the other auditors of the subsidiary companies which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company and its subsidiary companies which are companies incorporated in India.

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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the 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 explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Holding Company and its subsidiary companies which are companies incorporated in India, have, 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, 2020, based on the criteria for internal financial control over financial reporting established by the respective companies 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.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 6 subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matter.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rukshad N. Daruvala
Partner
Membership No. 111188

Place: Mumbai
Date: June 1, 2020

Consolidated Balance sheet as at 31st March 2020

(Currency: Rs. In Lakhs)

	Particulars	Note No.	As at 31st March 2020	As at 31st March 2019	As at 01st April 2018
	ASSETS				
1	**Financial Assets**				
(a)	Cash & cash equivalents	3	6,797.62	2,945.96	539.25
(b)	Bank balances other than Cash & cash equivalents	4	117.53	583.79	2,650.00
(c)	Receivables				
	(i) Trade Receivables	5	231.25	-	-
	(ii) Other Receivables		19.23	-	32.40
(d)	Loans	6	55,588.33	55,643.43	10,265.86
(e)	Investments	7	863.41	2,375.53	-
(f)	Other financial assets	8	1,658.03	1,454.56	320.35
2	**Non-financial Assets**				
(a)	Inventories	8A	11.56	-	-
(b)	Current tax assets(net)	9	387.04	86.71	129.71
(c)	Deferred tax asset (net)	10	700.44	286.64	51.99
(d)	Property, plant and equipment	11	1,731.11	1,528.29	829.99
(e)	Capital work in progress		42.16	202.26	235.22
(f)	Intangible Assets Under Development		89.80	-	-
(g)	Goodwill on consolidation		552.26	-	-
(h)	Other intangible assets	11A	469.23	4.13	2.37
(i)	Right of use assets	11B	1,900.82	1,547.07	1,622.34
(j)	Other non-financial assets	12	566.45	361.32	222.49
	Total Assets		**71,726.27**	**67,019.69**	**16,901.97**
	LIABILITIES AND EQUITY				
	LIABILITIES				
1	**Financial Liabilities**				
(a)	Payables	13			
	(i) Trade Payables				
	total outstanding dues of micro enterprises and small enterprises		0.16	8.10	-
	total outstanding dues of creditors other than micro enterprises and small enterprises		133.46	109.54	34.16
	(ii) Other Payables				
	total outstanding dues of micro enterprises and small enterprises		-	-	-
	total outstanding dues of creditors other than micro enterprises and small enterprises		44.81	-	-
(b)	Debt Securities	14	4,000.00	-	-
(c)	Borrowings	14A	8,186.74	12,679.69	1,105.32
(d)	Deposits	15	-	550.00	700.00
(e)	Other financial liabilities	16	5,446.87	1,950.03	1,763.35

Consolidated Balance sheet as at 31st March 2020
(Currency: Rs. In Lakhs)

Particulars	Note No.	As at 31st March 2020	As at 31st March 2019	As at 01st April 2018
2 Non-Financial Liabilities				
(a) Current tax liabilities (net)	17	383.34	43.56	-
(b) Provisions	17A	222.51	348.21	12.53
(c) Other non-financial liabilities	18	646.58	575.13	223.61
EQUITY				
(a) Equity share capital	19	7,773.43	7,773.43	350.27
(b) Other equity	20	44,341.29	42,982.00	12,712.73
Equity attributable to owners of the Company		52,114.72	50,755.43	13,063.00
(c) Equity attributable to Non-Controlling Interests		547.08	-	-
Total Liabilities and Equity		**71,726.27**	**67,019.69**	**16,901.97**

Notes 1 to 49 forms part of the Consolidated Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration No. :117366W/W -100018

Rukshad N. Daruvala
Partner
Membership No. : 111188
Place: Mumbai
Date: 1st June 2020

For and on behalf of the board
Capital India Finance Limited

Keshav Porwal
Managing Director
DIN : 06706341
Place: Mumbai
Date: 1st June 2020

Amit Sahai Kulshreshtha
Executive Director & CEO
DIN : 07869849
Place: Mumbai
Date: 1st June 2020

Neeraj Toshniwal
Chief Financial Officer
Place: Mumbai
Date: 1st June 2020

Rachit Malhotra
Company Secretary
Place: New Delhi
Date: 1st June 2020

Consolidated Statement of Profit and Loss for the year ended 31st March 2020

(Currency: Rs. In Lakhs)

	Particulars	Notes	For the year ended 31st March 2020	For the year ended 31st March 2019
	Revenue from operations:			
(i)	Interest income	21	10,742.06	4,739.26
(ii)	Fees and commission income		672.75	799.99
(iii)	Net gain on fair value changes	22	225.33	284.92
(iv)	Sale of devices		29.87	-
(v)	Other operating income		227.30	130.00
(I)	**Total revenue from operations**		**11,897.31**	**5,954.17**
(II)	Other income	23	2.17	11.02
(III)	**Total income (I+II)**		**11,899.48**	**5,965.19**
	Expenses :			
(i)	Finance costs	24	1,669.51	943.75
(ii)	Impairment of financial instruments	25A	1,394.60	268.72
(iii)	Loss on derecognition of financial assets	25B	130.00	-
(iv)	Cost of materials consumed	8A	27.08	-
(v)	Employee benefits expenses	26	3,824.51	1,940.31
(vi)	Depreciation and amortization	11,11A&11B	1,151.97	765.27
(vii)	Others expenses	27	1,267.57	927.75
(IV)	**Total expenses (IV)**		**9,465.24**	**4,845.80**
(V)	Profit before exceptional items and tax (III-IV)		2,434.24	1,119.39
(VI)	Exceptional items		-	-
(VII)	Profit before tax (V -VI)		2,434.24	1,119.39
(VIII)	**Tax Expense:**			
	Current Tax		1,440.49	700.98
	Deferred Tax		(392.31)	(232.57)
(IX)	Profit for the year from continuing operations(VII-VIII)		1,386.06	650.98
(X)	Profit from discontinued operations		-	-
(XI)	Tax Expense of discontinued operations		-	-
(XII)	Profit from discontinued operations(After tax) (X-XI)		-	-
(XIII)	**Profit for the year**		**1,386.06**	**650.98**
(XIV)	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to profit or loss		16.36	(7.17)
	(ii) Income Tax relating to items that will not be reclassified to profit or loss		(4.14)	2.09
	Subtotal (A)		**12.22**	**(5.08)**
	(i) Items that will be reclassified to profit or loss		-	-
	(ii) Income Tax relating to items that will be reclassified to profit or loss		-	-
	Subtotal (B)		-	-
	Other Comprehensive Income (A + B)		**12.22**	**(5.08)**

Consolidated Statement of Profit and Loss for the year ended 31st March 2020
(Currency: Rs. In Lakhs)

Particulars		Notes	For the year ended 31st March 2020	For the year ended 31st March 2019
(XV)	**Total Comprehensive Income for the year**		**1,398.28**	**645.90**
	Profit for the year attributable to :			
	Owners of the parent		1,723.08	650.98
	Non-controlling interests		(337.02)	-
	Other Comprehensive Income for the year attributable to :			
	Owners of the parent		11.59	(5.08)
	Non-controlling interests		0.63	-
	Total Comprehensive Income for the year attributable to :			
	Owners of the parent		1,734.67	645.90
	Non-controlling interests		(336.39)	-
(XVI)	**Earnings per equity share (Face value of Rs 10 each)**	**28**		
	Basic (Rs.)		2.22	1.55
	Diluted (Rs.)		2.19	1.53

Notes 1 to 49 forms part of the Consolidated Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration No. :117366W/W -100018

Rukshad N. Daruvala
Partner
Membership No. : 111188
Place: Mumbai
Date: 1st June 2020

For and on behalf of the board
Capital India Finance Limited

Keshav Porwal
Managing Director
DIN : 06706341
Place: Mumbai
Date: 1st June 2020

Amit Sahai Kulshreshtha
Executive Director & CEO
DIN : 07869849
Place: Mumbai
Date: 1st June 2020

Neeraj Toshniwal
Chief Financial Officer
Place: Mumbai
Date: 1st June 2020

Rachit Malhotra
Company Secretary
Place: New Delhi
Date: 1st June 2020

Consolidated Cash flow statement for the year ended 31st March 2020

(Currency: Rs. In Lakhs)

Particulars		For the year ended 31st March 2020	For the year ended 31st March 2020
A.	**CASH FROM OPERATING ACTIVITIES:**		
	Profit before exceptional items and taxes	2,434.24	1,119.39
	Adjustments to reconcile profit before tax to net cash flows:		
	Add : Non-cash expenses		
	Depreciation and amortisation expenses	1,151.97	765.27
	Provision for employee benefits	(118.14)	328.50
	Share based payments to employees	92.87	46.14
	Interest on Lease liability	229.01	162.94
	Interest income on Lease and Fixed deposits	(39.41)	(92.15)
	Impairment on financial instruments	1,381.48	268.72
	Profit on sale of property, plant and equipment	-	(0.11)
	Less : Income/expense considered separately		
	Interest on OCD	(35.51)	-
	Operating profit before working capital changes	**5,096.51**	**2,598.71**
	Changes in -		
	(Increase) in loans and advances	(1,258.95)	(45,646.29)
	(Increase) / Decrease in trade and other receivables	(20.66)	32.40
	(Increase) in other financial assets	(126.53)	(1,424.23)
	(Increase) / Decrease in other non-financial assets	89.62	(138.83)
	(Decrease) / Increase in trade payables	(118.29)	83.48
	Increase / (Decrease) in other financial liabilities	1,038.36	(564.97)
	Increase / (Decrease) in other non-financial liabilities	(416.78)	351.52
	Cash generated from/ (used in) operations	**4,283.28**	**(44,708.21)**
	Income tax paid	(1,291.19)	(614.42)
	Net Cash generated from/ (used in) operating activities (A)	**2,992.07**	**(45,322.63)**
B)	**CASH FROM INVESTING ACTIVITIES:**		
	Purchase of property, plant and equipment and Intangible assets	(546.04)	(1,016.20)
	Proceeds from sale of property, plant and equipment	7.88	41.33
	Purchase of non current investments at amortized cost	(376.00)	(525.00)
	Investments in Mutual fund	987.12	(1,850.53)
	Investment in bank deposits (having original maturity of more than 3 months)	475.33	416.21
	Net Cash generated from/ (used in) investing activities (B)	**548.29**	**(2,934.17)**
C)	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Proceeds from issue of equity shares at premium	452.50	49,875.25
	Share issue expenses	-	(332.69)
	Payment of dividend and dividend distribution tax thereon	(374.92)	(40.63)
	Payment of Lease rent	(690.80)	(518.11)
	Repayment of advance towards share application money	-	(12,500.00)
	Proceeds from borrowings	4,600.00	30,195.94
	Repayment of borrowings	(5,642.95)	(17,666.25)
	Net cash (used in)/ generated from financing activities (C)	**(1,656.17)**	**49,013.51**

Consolidated Cash flow statement for the year ended 31st March 2020

(Currency: Rs. In Lakhs)

	Particulars	For the year ended 31st March 2020	For the year ended 31st March 2020
D)	Net increase in cash and cash equivalents (A+B+C)	**1,884.19**	**756.71**
E)	Cash and cash equivalents as at the beginning of the year	2,945.96	2,189.25
F)	Cash received on acquisition of Subsidiary : Rapipay Fintech Private Limited	**1,961.87**	-
G)	Cash received on acquisition of Subsidiary : Rapipay Fintech Holding Private Limited	**5.60**	-
H)	Cash and cash equivalents as at the end of the year	**6,797.62**	**2,945.96**

Cash and cash equivalents comprises:

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Cash in hand	0.51	-
Cheques in hand	-	25.12
Balances with banks		
- in current accounts*	5,210.27	2,720.84
- in deposit accounts	675.00	200.00
- Other		
Other balance with bank		
- Escrow account	6.56	-
- Balance with non schedule bank	905.28	-
	6,797.62	**2,945.96**

Note: The above Cash Flow Statement has been prepared under the 'Indirect method' as set out in Ind AS 7 on 'Statement of Cash Flows'.

Notes 1 to 49 forms part of the Consolidated Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration No. :117366W/W -100018

Rukshad N. Daruvala
Partner
Membership No. : 111188
Place: Mumbai
Date: 1st June 2020

For and on behalf of the board
Capital India Finance Limited

Keshav Porwal
Managing Director
DIN : 06706341
Place: Mumbai
Date: 1st June 2020

Amit Sahai Kulshreshtha
Executive Director & CEO
DIN : 07869849
Place: Mumbai
Date: 1st June 2020

Neeraj Toshniwal
Chief Financial Officer
Place: Mumbai
Date: 1st June 2020

Rachit Malhotra
Company Secretary
Place: New Delhi
Date: 1st June 2020

Notes to Consolidated Financial Statements for the year ended March 31, 2020

(Currency: Rs. In Lakhs)

A. Equity Share Capital

Particulars	Amount
Balance at April 1, 2017	**350.27**
Changes in equity share capital during the year	-
Balance at March 31, 2018	**350.27**
Changes in equity share capital during the year	7,423.16
Balance at March 31, 2019	**7,773.43**
Changes in equity share capital during the year	-
Balance at March 31, 2020	**7,773.43**

B. Other Equity

	Share application money pending allotment	Employee stock option outstanding	Reserves and Surplus					Total attributable to owners of the parent
			Statutory reserve	Securities Premium	General Reserves	Retained Earnings	Other comprehensive income	
Balance as at April 01, 2018	**12,500.00**	-	**75.80**	-	**1.76**	**135.17**	-	**12,712.73**
Dividend paid including dividend distribution tax	-	-	-	-	-	(42.16)		(42.16)
Transfer to/from retained earnings	-	-	203.91	-	-	(203.91)		-
Other Additions/Deductions during the year	(12,500.00)	46.14	-	42,119.40	-	-		29,665.54
Profit (loss) for the year after income tax	-	-	-	-	-	650.97		650.97
Other Comprehensive Income for the year after income tax	-	-	-	-	-		(5.08)	(5.08)
Balance as at March 31, 2019	-	**46.14**	**279.71**	**42,119.40**	**1.76**	**540.07**	**(5.08)**	**42,982.00**
Dividend paid including dividend distribution tax	-	-	-	-	-	(374.92)		(374.92)
Transfer to/from retained earnings	-	-	607.64	-	-	(607.64)		-
Transfer to securities premium		(0.08)	-	0.08	-	-		-
Other Additions/Deductions during the year	-	92.87	-	-	-			92.87
Addition on acquisition of subsidary	-	-	-	-	-	(93.33)		(93.33)
Income tax on the above	-	-	-	-	-	-		-
Profit (loss) for the period after income tax	-	-	-	-	-	1,723.08		1,723.08
Other Comprehensive Income for the period after income tax	-	-	-	-	-		11.59	11.59
Balance as at March 31, 2020	-	**138.93**	**887.35**	**42,119.48**	**1.76**	**1,187.26**	**6.51**	**44,341.29**

Notes to the Consolidated financial statements for the year ended 31st March 2020

1 **Basis of Consolidation**

The consolidated financial statements relates to Capital India Finance Limited (the Holding Company / Company) and its subsidiary companies. The Holding Company and its subsidiary companies constitute the group. The Group's is primarily into lending business.

The Holding Company's equity shares are listed on the BSE Limited in India.

2 **Significant accounting Policies**

2.1 **Basis of Preparation**

A) **Statement of Compliance**

The consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act and the directions issued by the Reserve Bank of India ("RBI") as applicable to a Non-Banking Finance Company ('NBFC') ("RBI guidelines") and with the provisions of National Housing Bank Act, 1987, the Housing Finance Companies (NHB) Directions, 2010 and other guidelines/ instructions / circulars issued by the National Housing Bank as applicable ("NHB directions").

The Group has adopted lnd AS from 1st April 2019 and the financial statements for the year ended 31st March 2020 are the Group's first Ind AS Financial Statements. However, the effective date of transition to Ind AS is 1st April 2018, being the beginning of the earliest period for which the Group needs to present comparative information.

The transition to Ind AS has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder, guidelines issued by the RBI and other generally accepted accounting principles in India (collectively referred to as 'the Previous GAAP'). The impact of transition has been recorded in the opening reserves as at 1st April 2018 and is provided in Note 46. The corresponding comparative previous period as presented in these financial statements have been restated / reclassified in order to conform to current year presentation.

The adoption of Ind AS has been carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Group is provided in Note 46.

The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1st April 2018 being the 'date of transition to Ind AS'.

B) **Functional and presentation currency**

The Group's presentation and functional currency is Indian Rupees. All figures appearing in the consolidated financial statements are in Indian rupees in lakh rounded off to two decimal places as permitted by Schedule III to the Act. Per share data are presented in Indian Rupee to two decimal places.

C) **Basis of preparation, presentation and disclosure of consolidated financial statements**

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Further, Assets and liabilities are classified as per the normal operating cycle (determined at 12 months) and other criteria set out in Schedule III of the Act as applicable to NBFCs.

D) **Fair value measurement**

Fair value is the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date.

The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognised in Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Valuation using quoted market price in active markets: The fair value for financial instruments traded in active markets at the reporting date is based on their quoted market price, without any deduction for transaction costs. A market is regarded as active, if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 - Valuation using observable inputs: If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates most of the factors that market participants would take into account in pricing a transaction.
- Level 3 - Valuation with significant unobservable inputs: The valuation techniques are used only when fair value cannot be determined by using observable inputs. The Group regularly reviews significant unobservable inputs and valuation adjustments. Level 3 assets are typically very illiquid, and fair values can only be calculated using estimates.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

E) Use of judgment and Estimates

The preparation of the financial statements requires the management to make judgments, estimates and assumptions in the application of accounting policies that affects the reported amount of assets, liabilities and the accompanying disclosures along with contingent liabilities as at the date of financial statements and revenue & expenses for the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes different from the estimates. Difference between actual results and estimates are recognised in the year in which the results are known or materialise i.e. prospectively.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The key areas involving estimation uncertainty, higher degree of judgement or complexity, or areas where assumptions are significant to the financial statements include:

i) Impairment of financial assets
ii) Estimation of fair value measurement of financial assets and liabilities
iii) Effective interest rate
iv) Business model assessment
v) Provisions and Contingencies
vi) Useful life and expected residual value of assets
vii) Tax position for current tax and recognition of deferred tax assets/liabilities
viii) Measurement of Defined Benefit Obligations and actuarial assumptions
ix) Classification of lease and related discount rate

Further an entity is consolidated as a subsidiary if the Company has control over the said entity based on the management evaluation of investments and related agreements/ deeds and determine that the Group has control over the said entity in terms of Ind AS-110 on Consolidated Financial Statements. Control shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders' agreements or voting agreements or in any other manner.

F) First-time adoption of Ind AS – mandatory exceptions and optional exemptions

Overall Principle:

The Group has prepared the opening Balance Sheet as per Ind AS as of 1st April 2018 ("the transition date") by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from Previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain exceptions and certain optional exemptions availed by the Group as mentioned below:

Deemed cost for property, plant and equipment and intangible assets –

The Group has elected to measure property, plant and equipment, and intangible assets at its Previous GAAP carrying amount and use that Previous GAAP carrying amount as its deemed cost at the date of transition to IND AS i.e. 01st April 2018..

2.2 Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Group and its subsidiaries. Control is achieved when the Group:

- has power over the investee
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries:

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Statement of Profit and Loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-Group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Change in ownership interests

The Group treats transactions with non-controlling interests that do not result in loss of control as transactions with equity owners of the Group. A change in the ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

2.3 Business combinations

Acquisitions of businesses are accounted for using the acquisition method as per Ind AS 103 – Business Combinations. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition- related costs are generally recognised in Statement of Profit and Loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured at the noncontrolling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets.

2.4 Goodwill

Goodwill arising on an acquisition of a business is carried at cost established at the date of acquisition of the business less accumulated impairment loss if any.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating units (CGU) that is expected to benefit from the synergies of the combination.

A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired, if the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the units pro-rata based on the carrying amount of each asset in the unit, any impairment loss or goodwill is not reversed in subsequent period.

On disposal of relevant CGU the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

2.5 Financial Instruments

a) Recognition and initial measurement –

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provision of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction cost directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in Statement of Profit and Loss.

b) **Classification and Subsequent measurement of financial assets** –

On initial recognition, a financial asset is classified as measured at

- Amortised cost
- FVOCI – debt instruments
- FVOCI – equity instruments
- FVTPL

Amortised cost - The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios being the level at which they are managed. The financial asset is held with the objective to hold financial asset in order to collect contractual cash flows as per the contractual terms that give rise on specified dates to cash flows that are solely payment of principal and interest (SPPI) on the principal amount outstanding. Accordingly, the Group measures Bank balances, Loans, Trade receivables and other financial instruments at amortised cost.

FVOCI - debt instruments - The Group measures its debt instruments at FVOCI when the instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial asset meet the SPPI test.

FVOCI - equity instruments - The Group subsequently measures all equity investments at fair value through profit or loss, unless the Group's management has elected to classify irrevocably some of its equity instruments at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments and are not held for trading.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. This includes all derivative financial assets.

Subsequent measurement of financial assets

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in Statement of Profit and Loss. Any gain and loss on derecognition is recognised in Statement of Profit and Loss.

Debt investment at FVOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in Statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to Statement of Profit and Loss.

For equity investments, the Group makes selection on an instrument-by-instrument basis to designate equity investments as measured at FVOCI. These selected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to Statement of profit and loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for strategic purpose. Dividend income received on such equity investments are recognised in Statement of Profit and Loss.

Equity investments that are not designated as measured at FVOCI are designated as measured at FVTPL and subsequent changes in fair value are recognised in Statement of Profit and Loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Statement of Profit and Loss.

c) **Derecognition of financial assets**

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all of the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for the amount it may have to pay.

If the Group enters into transactions whereby it transfers assets recognised on its Balance Sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised and the proceeds received are recognised as a collateralised borrowing.

d) **Financial guarantee contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

e) **Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

f) **Impairment of financial instruments**

The Group uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets measured at amortised cost or FVTOCI, except for investments in equity instruments. Group follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition.

Stage 1 (Performing Assets) – includes financial assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month ECL is recognised and interest income is calculated on the gross carrying amount of the assets (that is, without deduction for credit allowance). 12-month ECL are the portion of ECL that results from default events on a financial instrument that are possible within 12 months after the reporting date, if the credit risk has not significantly increased since initial recognition.

Stage 2 (Underperforming Assets with significant increase in credit risk since initial recognition) – includes financial instruments that have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but that do not have objective evidence of impairment. For these assets, lifetime ECL are recognised, but interest income is calculated on the gross carrying amount of the assets. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the instrument.

Stage 3 (Non-performing or Credit-impaired assets) – includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime ECL is recognised and interest income is recognised on Net exposure (that is Gross carrying amount less Provision for Expected credit losses).

Measurement of Expected Credit Loss

Expected Credit Losses (ECL) on financial assets is an unbiased probability weighted amount based out of possible outcomes after considering risk of credit loss even if probability is low and incorporate all available information which is relevant to the assessment including information about past events, current conditions and reasonable and supportable forecasts of future events and economic conditions at the reporting date. Measurement of expected credit losses are based on 3 main parameters.

- Probability of default (PD): It is defined as the probability of whether borrowers will default on their obligations in future. Since the Group don't have any history of past losses therefore it was not adequate enough to create our own internal model through which actual defaults for each grade could be estimated. Hence, the default study published by one of the recognised rating agency is used for estimating the PDs for each range grade in case of corporate clients and for Individual clients Group estimates PD based on Industrial data available at public domain for similar kind of Loans.
- Loss given default (LGD): It is the magnitude of the likely loss, if there is a default. The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value.

  The default study published by one of the recognised rating agency is used for estimating the LGD for secured and unsecured loans.
- Exposure at default (EAD): EAD represents the expected balance at default, taking into account the repayment of principal and interest from the Balance Sheet date to the date of default together with any expected drawdowns of committed facilities.

g) **Write offs** – The gross carrying amount of a financial asset is written-off (either partially or in full) to the extent that there is no reasonable expectation of recovering the asset in its entirety or a portion thereof. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off and when there is no reasonable expectation of recovery from the collaterals held. However, financial assets that are written-off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

h) **Presentation of allowance for ECL in the Balance Sheet** – Loss allowances for ECL are deducted from the gross carrying amount of financial assets measured at amortised cost.

i) **Financial liabilities and equity instruments:**

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition. Other financial liabilities are measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit or Loss. Any gain or loss on derecognition is also recognised in Statement of Profit or Loss.

The Group de-recognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognized in profit or loss.

2.6 Cash and Cash equivalents

Cash and cash equivalents consist of cash in hand, bank balances, demand deposits with banks and other short term deposits which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value and have original maturities of less than or equal to three months. These balances with banks are unrestricted for withdrawal and usage.

Other bank balances includes balances and deposits with banks that are restricted for withdrawal and usage.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short term deposits.

2.7 Statement of Cash Flow

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

i. changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;

ii. non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses, and undistributed profits of associates and joint ventures; and

iii. all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

2.8 Property, plant and equipment

a) Recognition and Measurement

Tangible property plant and equipment are stated at cost less accumulated depreciation and impairment, if any. The cost of property, plant and equipment comprise purchase price and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-financial assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on the disposal or retirement of an item of PPE, is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

The residual values and useful lives and method of depreciation of PPE are reviewed at each financial year end and adjusted prospectively.

b) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group. Expenditure incurred after the PPE have been put into operations, such as repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred.

c) Depreciation, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to write down the cost of property and equipment to their residual values over their estimated useful lives as prescribed in Part C of Schedule II to the Companies Act 2013. The estimated lives used and differences from the lives prescribed under Schedule II are noted in the table below:-

Type of Assets	Estimated useful life as assessed by the Group	Estimated useful life under Schedule II of the Act
Computers	3 years	3 years
Computer Software	3 years	3 years
Office equipment	5 years	5 years
Vehicles	5 years	8 years
Furniture and fixtures	10 years	10 years
Leasehold improvements	Tenure of lease agreements	Tenure of lease agreements

Depreciation is provided on a pro-rata basis i.e. from the month in which asset is ready for use. Individual assets costing less than or equals to Rs. 5,000 are depreciated in full, in the year of purchase. Depreciation on assets sold during the year is recognised on a pro-rata basis in the Statement of Profit and Loss up to the month prior to the month in which the assets have been disposed off.

Changes in the expected useful life are accounted for by changing the depreciation period or methodology, as appropriate, and treated as changes in accounting estimates.

2.9 Intangible assets

Intangible assets comprises of computer software are capitalised at cost of acquisition including cost attributable to readying the asset for use. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

The useful life of these intangible assets is estimated at 3 years with zero residual value.

Any expenses on such software for support and maintenance payable annually are charged to the Statement of Profit and Loss.

2.10 Impairment of non-financial assets

The carrying values of assets at each Balance Sheet date are reviewed for impairment, if any indication of impairment exists. If the carrying amount of the assets exceeds the estimated recoverable amount, impairment is recognised for such excess amount in Statement of Profit and Loss. Recoverable amount is the greater of the net selling price and value in use. If at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment losses previously recognised are reversed such that the asset is recognised at its recoverable amount but not exceeding written down value which would have been reported if the impairment losses had not been recognised initially.

2.11 Inventory

Inventory represents Mobile ATM devices, Biometric devices, Mobile Point of Sale devices. Inventory is carried at Cost or Net realizable value whichever is lower.

2.12 Provisions, contingent liabilities and contingent assets

Provisions are recognised only when:

- an entity has a present obligation (legal or constructive) as a result of a past event; and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation

These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Further, long term provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

Contingent liability is disclosed in case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- a present obligation arising from past events, when no reliable estimate is possible.

Contingent Assets:

Contingent assets are not disclosed in the financial statements

2.13 Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- estimated amount of contracts remaining to be executed on capital account and not provided for;
- uncalled liability on loans sanctioned, first loss default guarantee on loans, uncalled liability on investments partly paid; and
- other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

2.14 Foreign exchange transactions and translations

a) **Initial recognition**: Transactions in foreign currencies are recognised at the prevailing exchange rates between the reporting currency and a foreign currency on the transaction date.

b) **Conversion**: Transactions in currencies other than Group's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are reported at the prevailing closing spot rate. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are generally recognised in Statement of Profit and Loss.

Non-monetary assets and liabilities are carried at historical cost using exchange rates as on the date of the respective transactions and are not retranslated at the reporting date.

2.15 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

a) Recognition of Interest income

Interest income on financial asset at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ('EIR').The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for ECLs.)

Interest income on penal interest and tax refunds is recognised on receipt basis.

Interest income on fixed deposit is recognised on time proportionate basis.

b) Fee and Commission income

Fee and commission income include fees other than those that are an integral part of EIR. The fees included in the Group Statement of Profit and Loss include among other things fees charged for servicing a loan, loan advisory fees and documentation charges.

c) Other financial charges

Cheque bouncing charges, late payment charges and foreclosure charges are recognised on a point-in-time basis, and are recorded when realised since the probability of collecting such monies is established when the customer pays.

d) Income from securities

Gains or losses on the sale of securities are recognised in Statement of profit and loss on trade date basis as the difference between fair value of the consideration received and carrying amount of the investment securities.

e) Net gain/ Loss on fair value changes

Any differences between the fair values of the financial assets classified as fair value through the profit or loss, held by the Group on the Balance Sheet date is recognised as an unrealised gain/loss in the

Statement of Profit and Loss. In cases there is a net gain in aggregate, the same is recognised in “Net gains on fair value changes” under income and if there is net loss in aggregate, the same is recognised in “Net loss on fair value changes” under expense in the Statement of Profit and Loss.

f) Dividend income

Dividend income is recognised when the Group’s right to receive dividend is established by the reporting date and no significant uncertainty as to collectability exists.

g) Revenue from prepaid instruments and allied services

Revenue is recognized on completion of provision of services. Prepaid Sale includes sale of prepaid electronic mobile recharge vouchers/pins, money remittance services, and other E-services purchased from services operators at discounted rates.

Revenue, net of discount, from sale of electronic recharge vouchers/pins is recognized on transfer of all significant risks and rewards to the customer and when no significant uncertainty exists regarding realization of consideration.

Income from Technical integration and money remittance services is recognized on accrual basis after completion of service delivery.

2.16 Employee benefits

Short term employee benefits

Employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and are expensed in the period in which the employee renders the related service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Long Term employee benefits

Group’s net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. Long-term employee benefit primarily consists of Leave encashment benefits wherein employees are entitled to accumulate leave subject to certain limits for future encashment/availment. Long-term compensated absences are provided for on the basis of an actuarial valuation at the end of each financial year using Projected Unit Credit (PUC) Method. Actuarial gains/ losses, if any, are recognised immediately in the Statement of Profit and Loss

Post-employment benefits

a) Defined contribution Plans

Provident fund: Contributions as required under the statute, made to the Provident Fund (Defined Contribution Plan) are recognised immediately in the Statement of Profit and Loss. There is no obligation other than the monthly contribution payable to the Regional Provident Fund Commissioner.

ESIC and Labour welfare fund: The Group’s contribution paid/payable during the year to Employee state insurance scheme and Labour welfare fund are recognised in the Statement of Profit and Loss.

b) Defined benefit Plans

Gratuity liability is defined benefit obligation and is provided on the basis of an actuarial valuation performed by an independent actuary based on projected unit credit method, at the end of each financial year.

Defined benefit costs are categorised as follows:

i) Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements)

ii) Net interest expense or income

iii) Re-measurement

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI, net of taxes. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

The Group's net obligation in respect of gratuity (defined benefit plan), is calculated by estimating the amount of future benefit that the employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The retirement benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is recognised as an asset to the extent of present value of any economic benefits available in the form of refunds from the plans or reductions in the future contribution to the plans.

Share based Payments

Equity-settled share-based payments to employees are recognised as an expense at the fair value of equity stock options at the grant date. The fair value of the options is treated as discount and accounted as employee compensation cost over the vesting period on a straight-line basis. The amount recognised as expense in each year is arrived at based on the number of grants expected to vest. If a grant lapses after the vesting period, the cumulative discount recognised as expense in respect of such grant is transferred to the general reserve within equity.

2.17 Finance cost

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at amortised cost. Financial instruments include bank term loans, Vehicle loans and non-convertible debentures. Finance costs are charged to the Statement of Profit and Loss. Ancillary and other borrowing costs are amortised on straight line basis over the tenure of the underlying loan.

2.18 Leases

The Group has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019.The Group's lease asset classes primarily consist of leases for Premises. The Group, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after April 1, 2018.

The Group evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

The Group as a lessee

The Group assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves–

a) the use of an identified asset,

b) the right to obtain substantially all the economic benefits from use of the identified asset, and

c) the right to direct the use of the identified asset.

The Group at the inception of the lease contract recognises a Right-of-Use (RoU) asset at cost and a corresponding lease liability, for all lease arrangements in which it is a lessee, except for leases with term of less than twelve months (short term) and low-value assets (assets of less than Rs. 10 Lakhs in value).

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

For lease liabilities at inception, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate.

The Group recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use assets. Where the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognizes any remaining amount of the re-measurement in the Statement of Profit and Loss.

For short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

Lease liability has been presented in Note 16 “Other Financial Liabilities” and ROU asset has been presented in Note 11B “Property, Plant and Equipment” and lease payments have been classified as financing cash flows.

2.19 Share issue expenses

Expenses incurred in connection with fresh issue of Share capital are adjusted against Securities premium account in accordance with the provisions of Section 52 of the Companies Act, 2013 and Ind AS.

2.20 Collateral

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as securities, letter of credit/guarantees, receivables, inventories, other non-financial assets and credit enhancements such as netting arrangements.

The Group provides fully secured, partially secured and unsecured loans to Corporates and individuals.

2.21 Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Current Tax

The Current tax is based on the taxable profit for the year of the Group. Taxable profit differs from ‘profit before tax’ as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using applicable tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Group’s financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax assets and tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off tax assets against tax liabilities.

Minimum Alternate Tax (MAT) credit entitlement (i.e. excess of amount of MAT paid for a year over normal tax liability for that year) eligible for set-off in subsequent years is recognised as an asset in accordance with Ind AS 12, Income Taxes, if there is convincing evidence of its realisation.

MAT credit is created by way of a credit to the Statement of Profit and Loss. The Group reviews the same at each Balance Sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Group will pay normal income-tax during the specified period.

2.22 Earnings per share

Basic earnings per share is computed by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.23 Segment reporting

The Board of Directors of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, "Operating Segments". Operating segments are reported in a manner consistent with the internal reporting provided to the CODM. The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Group. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Income / costs which relate to the Group as a whole and are not allocable to segments on a reasonable basis have been included under Unallocated Income / Costs

2.24 Dividend distribution to equity holders of the Group

The Group recognises a liability to make distributions to equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the Act, final dividend is authorised when it is approved by the shareholders and interim dividend is authorised when it is approved by the Board of Directors of the Group.

2.25 Goods and Services Input Tax Credit

Goods and Services tax input credit is accounted for in the books in the period in which the supply of goods or service received is accounted and when there is no uncertainty in availing/utilising the credits.

2.26 Operating cycle for current and non-current classification

Based on the nature of activities of the Group and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

Notes to the Consolidated financial statements for the year ended 31st March 2020
(Currency: Rs. In Lakhs)

3 Cash and cash equivalents

Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Cash on hand	0.51	-	0.08
Balances with banks			
- in current accounts	5,210.27	2,720.84	34.17
- in fixed deposits with original maturity less than 3 months	675.00	200.00	480.00
Other balances with bank			
- Escrow account$	6.56	-	-
- Balance with non schedule bank	905.28	-	-
Cheques, drafts on hand	-	25.12	25.00
	6,797.62	**2,945.96**	**539.25**

$ The balance in Yes bank escrow account is maintained as per the guidelines of Reserve Bank of India for operating of semi closed Prepaid Payment Instrument and can be used only for the specified purposes.

4 Bank Balances other than cash and cash equivalents

Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Fixed deposit with bank (Maturity less than 12 months)	116.00	582.26	2,650.00
Unclaimed dividend	1.53	1.53	-
	117.53	**583.79**	**2,650.00**

5. Borrowings

Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Trade receivables			
i) Secured considered good	-	-	-
ii) Unsecured considered good	231.25	-	-
iii) Doubtful	13.12		
Subtotal (i+ii+iii)	**244.37**		
Less: Allowance for bad and doubtful debts	13.12		
Net Receivables (a)	231.25	-	-
Other receivables			
i) Secured considered good	-	-	-
ii) Unsecured considered good	19.23	-	32.40
iii) Doubtful	-	-	-
Subtotal (i+ii+iii)	**19.23**	**-**	**32.40**
Less: Allowance for bad and doubtful debts	-	-	-
Net Receivables (b)	19.23	-	32.40
Total (a)+(b)	**250.48**	-	**32.40**

Note: There are no dues from directors or other officers of the Group either severally or jointly with any other person, nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Notes to the Consolidated financial statements for the year ended 31st March 2020
(Currency: Rs. In Lakhs)

6 Loans

	Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
(A)	**Advances - at amortised cost**			
	Vendor financing (Unsecured)	991.16	-	-
	Gross	**991.16**	-	-
	Less: Impairment loss allowance	4.97	-	-
		986.19	-	-
(B)	**Term Loans in India - at amortised cost**			
	Secured (Secured by tangible assets)	51,402.93	54,198.31	9,294.37
	Unsecured	4,972.95	1,842.35	1,100.00
	Gross	**56,375.88**	**56,040.66**	**10,394.37**
	Less: Impairment loss allowance	1,773.74	397.23	128.51
	Total (Net)	**54,602.14**	**55,643.43**	**10,265.86**
(C)	**(I) Loans and Advances In India**			
	(i) Public Sectors	-	-	-
	(ii) Others	57,367.04	56,040.66	10,394.37
	Total Gross	**57,367.04**	**56,040.66**	**10,394.37**
	Less: Impairment loss allowance	1,778.71	397.23	128.51
	Total Net	**55,588.33**	**55,643.43**	**10,265.86**
	Less: Allowance for bad and doubtful debts	-	-	-
	(II) Loans and advances Outside India (Net)	-	-	-
	Total (Net)	**55,588.33**	**55,643.43**	**10,265.86**

Note 1 : There is no loan assets measured at FVOCI or FVTPL or designated at FVTPL.

Note 2 : Due to COVID 19 Security creation has not been completed for one of the account having an exposure of Rs 3,000 Lakhs and hence treated as unsecured.

7. Investments

Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Recorded at Amortized cost			
Investment in debentures (unquoted):			
- In others	-	525.00	-
Nil (31st March 2019: 525; 1st April 2018: Nil) Zero coupon optionally convertible debentures issued by Rapipay Fintech Holding Private Limited @ Rs. 1 Lakh each			
Recorded at Fair value through P&L			
In India			
Investment in Liquid mutual fund units	863.41	1,850.53	-
	863.41	**2,375.53**	-

Note :

The Holding Company had acquired a wholly owned subsidiary - Rapipay Fintech Holding Private Limited ('RFHPL') by making investment in equity shares of Rs 1 Lakh on September 20, 2019 and converting the investment in Optionally Convertible Debentures along with interest of Rs 935.51 Lakhs into Equity shares as per the terms of

Notes to the Consolidated financial statements for the year ended 31st March 2020
(Currency: Rs. In Lakhs)

the agreement on September 21, 2019. The investment in equity shares of RFHPL as at March 31, 2020 was Rs 936.51 Lakhs. Further the company has invested Rs. 1,200 Lakhs in equity shares of Rapipay Fintech Private Limited ('RFPL') during the year ended March 31, 2020, which is a subsidiary of RFHPL.

8. Other financial assets

Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Interest accrued and due	302.89	176.65	121.49
Interest accrued but not due on Loans	940.56	814.96	13.38
Interest accrued but not due on FD	2.17	4.28	5.44
Security deposit	362.68	444.60	143.61
Advance Paid to Staff	13.82	14.07	16.34
Advance to related parties	-	-	20.09
Other advances	17.89	-	-
Other financial assets	18.02	-	-
	1,658.03	**1,454.56**	**320.35**

8A Inventory

Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Opening stock	15.21	-	-
Add: Purchase	23.43	-	-
	38.64	-	-
Less: Closing stock	11.56	-	-
Cost of materials consumed	**27.08**	-	-

9 Current tax assets (Net)

Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Advance tax and tax deducted at source (Net of provision for tax of Rs. 916.46 Lakhs (PY Rs. 215.99 Lakhs)	387.04	86.71	129.71
	387.04	**86.71**	**129.71**

Notes to the Consolidated financial statements for the year ended 31st March 2020
(Currency: Rs. In Lakhs)

10 Deferred tax assets (Net)

Particulars	**As at 31st March 2020**	**As at 31st March 2019**	**As at 1st April 2018**
Deferred Tax Asset/(Liabilities) Net			
Deferred Tax Asset			
Impairment on financial instruments	490.01	115.59	35.41
Provision for employee benefits	72.06	30.69	3.45
Unamortised processing fee	89.15	135.50	-
Depreciation	50.89	24.46	-
Loan given to Staff at concessional rate	0.68	0.46	-
Amortization adjustment on Lease deposits	15.61	7.90	2.17
Preliminary expenses & Accumulated losses	1.49	2.31	5.10
Ind AS 116 Adjustment	38.86	25.84	11.62
Deferred Tax Liabilities			
Interest adjustments on Lease deposits	(14.97)	(7.29)	(1.91)
Depreciation	(31.15)	(0.60)	(3.85)
Unamortised borrowing cost	(21.25)	(42.52)	-
Unrealised gain on MF	(2.00)	(5.70)	-
Deferred Tax Asset/(Liabilities) Net	**689.38**	**286.64**	**51.99**
Movement in Net deferred tax Asset during the year	388.17	234.66	51.99
Mat credit entitlement	**11.06**	-	-
	700.44	**286.64**	**51.99**

Note:

The Group has recognised Deferred Tax Assets arising from deductible temporary differences to the extent there is an evidence of future taxable profit.

Break up of movement in net deferred tax assets		
Routed through Profit & Loss	392.31	232.57
Routed through other comprehensive income	(4.14)	2.09
	388.17	234.66

Notes to the Consolidated financial statements for the year ended 31st March 2020
(Currency: Rs. In Lakhs)

11 Property, plant and equipment

Particulars	As at March 31, 2020					
	Furniture & Fixtures	Vehicles	Office Equipments	Leasehold improvements	Computer & printers	Total
At cost at the beginning of the year	698.07	324.40	185.81	714.65	113.49	2,036.42
Additions	93.05	-	84.11	250.48	71.85	499.49
Disposals	-	8.00	0.44	-	2.08	10.52
At cost at the end of the year	**791.12**	**316.40**	**269.48**	**965.13**	**183.26**	**2,525.39**
Accumulated depreciation as at the beginning of the year	76.20	43.55	34.41	172.19	27.93	354.28
Depreciation for the year	76.66	64.59	52.43	209.37	39.58	442.63
Disposals	-	2.10	0.03	-	0.50	2.63
Accumulated depreciation as at the end of the year	**152.86**	**106.04**	**86.81**	**381.56**	**67.01**	**794.28**
Net carrying amount as at the end of the year	**638.26**	**210.36**	**182.67**	**583.57**	**116.25**	**1,731.11**

Particulars	**As at March 31, 2019**					
	Furniture & Fixtures	**Vehicles**	**Office Equipments**	**Leasehold improvements**	**Computer & printers**	**Total**
At cost at the beginning of the year	440.49	-	85.82	305.04	41.32	872.67
Additions	241.75	340.40	78.84	330.45	54.30	1,045.74
Disposals	18.11	16.00	-	-	9.65	43.76
At cost at the end of the year	**664.13**	**324.40**	**164.66**	**635.49**	**85.97**	**1,874.65**
Accumulated depreciation as at the beginning of the year	14.63	-	3.65	21.19	3.21	42.68
Depreciation for the year	61.28	43.90	28.90	148.29	23.84	306.21
Disposals	0.76	0.35	-	-	1.42	2.53
Accumulated depreciation as at the end of the year	**75.15**	**43.55**	**32.55**	**169.48**	**25.63**	**346.36**
Net carrying amount as at the end of the year	**588.98**	**280.85**	**132.11**	**466.01**	**60.34**	**1,528.29**

Particulars	**As at 1st April 2018**					
	Furniture & Fixtures	**Vehicles**	**Office Equipments**	**Leasehold improvements**	**Computer & printers**	**Total**
At cost at the beginning of the year	-	-	-	-	-	-
Additions	440.49	-	85.82	305.04	41.32	872.67
Disposals	-	-	-	-	-	-
At cost at the end of the year	**440.49**	**-**	**85.82**	**305.04**	**41.32**	**872.67**
Accumulated depreciation as at the beginning of the year	-	-	-	-	-	-
Depreciation for the year	14.63	-	3.65	21.19	3.21	42.68
Disposals	-	-	-	-	-	-
Accumulated depreciation as at the end of the year	**14.63**	**-**	**3.65**	**21.19**	**3.21**	**42.68**
Net carrying amount as at the end of the year	**425.86**	**-**	**82.17**	**283.85**	**38.11**	**829.99**

Notes to the Consolidated financial statements for the year ended 31st March 2020
(Currency: Rs. In Lakhs)

11A Other intangible assets

Particulars	As at March 31, 2020		
	Computer softwares	Other Intangible assets	Total
At cost, beginning of the year	256.68	-	256.68
Additions	291.31	-	291.31
Total cost	547.99	-	547.99
Accumulated amortization:			
At beginning of the year	41.81	-	41.81
Amortization	36.95	-	36.95
Total amortization	**78.76**	-	**78.76**
Net carrying amount	**469.23**	-	**469.23**

Particulars	As at March 31, 2019		
	Computer softwares	Other Intangible assets	Total
At cost, beginning of the year	2.60	-	2.60
Additions	3.40	-	3.40
Total cost	6.00	-	6.00
Accumulated amortization :	-	-	-
At beginning of the year	0.23	-	0.23
Amortization	1.64	-	1.64
Total amortization	**1.87**	-	**1.87**
Net carrying amount	**4.13**	-	**4.13**

Particulars	As at 1st April 2018		
	Computer softwares	Other Intangible assets	Total
At cost, beginning of the year	-	-	-
Additions	2.60	-	2.60
Total cost	2.60	-	2.60
Accumulated amortization :	-	-	-
At beginning of the year	-	-	-
Amortization	0.23	-	0.23
Total amortization	**0.23**	-	**0.23**
Net carrying amount	**2.37**	-	**2.37**

11B Right of Use assets

Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Premises			
Gross Carrying value	2,141.11	1,758.95	1,758.95
Additions	1,101.64	382.16	-
Total Gross carrying value	3,242.75	2,141.11	1,758.95
Accumulated amortization :			
At beginning of the year	669.54	136.61	-
Amortization	672.39	457.43	136.61
Total amortization	1,341.93	594.04	136.61
Net carrying amount	**1,900.82**	**1,547.07**	**1,622.34**

Notes to the Consolidated financial statements for the year ended 31st March 2020

(Currency: Rs. In Lakhs)

12. Other non-financial assets

Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Prepaid Expenses A/c	99.88	63.54	81.78
Advance Paid to Suppliers	12.28	19.84	137.59
Capital advances	7.70	-	-
GST Input Credit	333.32	131.93	3.12
Advance to service providers	25.79	-	-
Unamortised Borrowing costs	87.48	146.01	-
	566.45	**361.32**	**222.49**

13 Payables

Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	0.16	8.10	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	133.46	109.54	34.16
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	44.81	-	-
	178.43	**117.64**	**34.16**

Disclosure under MSMED Act , 2006, to the extent the Company has received information from the Suppliers regarding their status

Details of dues to Micro, Small and Medium Enterprises as per the confirmation received from the parties following is the status of MSME parties.

Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
The Principal amount remaining unpaid at the end of the year	**0.16**	**8.10**	-
The Interest amount remaining unpaid at the end of the year	-	-	-
Balance of MSME parties at the end of the year	**0.16**	**8.10**	-

No interest has been paid/is payable by the Group during/for the year to these ‘Suppliers’. The above information takes into account only those suppliers who have submitted their registration details or has responded to the inquiries made by the Group for this purpose. This has been relied upon by the Auditors.

Notes to the Consolidated financial statements for the year ended 31st March 2020

(Currency: Rs. In Lakhs)

14 Debt Securities

Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
At Amortised Cost			
Unsecured			
(a) Non convertible debentures (40 debentures @ Rs 100 Lakhs each)	4,000.00	-	-
Total	**4,000.00**	**-**	**-**

Terms of repayment:

Particulars	Rate of interest	Repayment details
Non convertible debentures	9%	Payable after 18 months

14A Borrowings

Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
At Amortised Cost			
Secured			
(a) Term loans			
(i) from banks	7,645.54	12,679.69	-
(ii) from other parties	541.20	-	-
(b) Other loans - Book Overdraft	-	-	1,105.32
Total	**8,186.74**	**12,679.69**	**1,105.32**
Borrowings in India	8,186.74	12,679.69	1,105.32
Borrowings outside India	-	-	-
Total	**8,186.74**	**12,679.69**	**1,105.32**

Additional information:

i) There are no borrowings measured at FVTPL or designated at FVTPL.

ii) Security details

Particulars	Outstanding Amount	Secured by	Terms of repayment
Term loan from banks	**7,500.00**	**Pari passu charge on standard asset portfolio of book debts and receivables.**	10 Equated quarterly repayments starting at the end of 6 months from the disbursement date
Vehicle loans	145.54	Hypothecation on vehicles	60 Equated Monthly instalments
Term loan from UGRO Capital Limited	481.60	Hypothecation of Loan Book	Equated Monthly Instalments
Term loan from Ambit Finvest Private Limited	59.60	i) Hypothecation of Loan Book ii) Corporate Guarantee given by Parent Company	Equated Monthly Instalments

iii) The borrowings have not been guaranteed by directors or others.

iv) Additionally the Company has not defaulted in repayment of principal and interest during the year and as at Balance sheet date.

Notes to the Consolidated financial statements for the year ended 31st March 2020

(Currency: Rs. In Lakhs)

15 Deposits

Particulars	As at March 31, 2020			
	At Amortised Cost	At Fair Value Through profit or loss	Designated at fair value through profit or loss	Total
	1	2	3	(4)=(1)+(2)+(3)
Deposits - Unsecured				
From others				
Inter corporate deposits	-	-	-	-
	-	-	-	-

Particulars	As at March 31, 2019			
	At Amortised Cost	At Fair Value Through profit or loss	Designated at fair value through profit or loss	Total
	1	2	3	(4)=(1)+(2)+(3)
Deposits - Unsecured				
From others				
Inter corporate deposits	550.00	-	-	550.00
	550.00	-	-	**550.00**

Particulars	As at 1st April 2018			
	At Amortised Cost	At Fair Value Through profit or loss	Designated at fair value through profit or loss	Total
	1	2	3	(4)=(1)+(2)+(3)
Deposits - Unsecured				
From others				
Inter corporate deposits	700.00	-	-	700.00
	700.00	-	-	**700.00**

- Inter corporate deposits was raised at an interest rate of 8% and repaid in FY 2019-20
- The Group has not defaulted in repayment of principal and interest during the year and as at Balance sheet date.

16 Other financial liabilities

Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Interest accrued but not due on borrowings	62.63	205.64	55.27
Interest accrued but not due on NCD	77.70	-	-
Advances deposits from customer	157.90	83.40	-
Advances from channel partner	2,514.41	-	-
Unclaimed dividends	1.53	1.53	-
Creditors for capital goods	3.05	14.06	22.93
Lease Liability	2,093.65	1,645.40	1,685.15
Others (refer note)	536.00	-	-
	5,446.87	**1,950.03**	**1,763.35**

Note : Others includes refunds payable to Agents

Notes to the Consolidated financial statements for the year ended 31st March 2020

(Currency: Rs. In Lakhs)

17 Current Tax Liabilities

Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Provision for tax (Net of advance tax of Rs. 1,057.16 Lakhs (PY Rs. 656.90 Lakhs))	383.34	43.56	-
	383.34	**43.56**	-

17A Provisions

Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Provision for employee benefits			
Provision for gratuity	73.91	27.08	1.36
Provision for compensated absence	76.59	36.13	11.17
Provision for performance bonus	72.01	285.00	-
	222.51	**348.21**	**12.53**

18 Other non financial liabilities

Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Unamortised processing fee income	371.26	465.80	-
Revenue received in advance	0.03	0.88	-
Unamortised Interest income	8.81	-	-
Statutory dues payable	266.48	108.45	223.61
	646.58	**575.13**	**223.61**

19 Equity share capital

Particulars	As at 31st March 2020		As at 31st March 2019		As at 1st April 2018	
	Number	Amount	Number	Amount	Number	Amount
Authorized share capital						
Equity shares of Rs. 10 each	20,40,00,000	20,400.00	20,40,00,000	20,400.00	20,40,00,000	20,400.00
Preference shares of Rs. 10 each	1,00,00,000	1,000.00	1,00,00,000	1,000.00	1,00,00,000	1,000.00
	21,40,00,000	21,400.00	21,40,00,000	21,400.00	21,40,00,000	21,400.00
Issued, subscribed and fully paid up						
Equity shares of Rs. 10 each	7,77,34,260	7,773.43	7,77,34,260	7,773.43	35,02,700	350.27
Total issued, subscribed and fully paid up share capital	**7,77,34,260**	**7,773.43**	**7,77,34,260**	**7,773.43**	**35,02,700**	**350.27**

Notes to the Consolidated financial statements for the year ended 31st March 2020

(Currency: Rs. In Lakhs)

a. Reconciliation of the shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31st March 2020		As at 31st March 2019		As at 1st April 2018	
	Number	Amount	Number	Amount	Number	Amount
At the beginning of the year	7,77,34,260	7,773.43	35,02,700	350.27	35,02,700	350.27
Add : Allotment during the year	-	-	7,42,31,560	7,423.16	-	-
Outstanding at the end of the year	**7,77,34,260**	**7,773.43**	**7,77,34,260**	**7,773.43**	**35,02,700**	**350.27**

The Company had allotted 3,96,83,000 equity shares of the face value of Rs.10 each on preferential basis through private placement, at a price of Rs. 63 each (including a premium of Rs. 53 each) aggregating to Rs.2,50,00,29,000 during the year ended 31st March 2019.

The Company has allotted 3,45,48,560 equity shares of Rs. 10 each, at a price of Rs. 72 each, (including a premium of Rs. 62 each), on rights basis aggregating to Rs. 2,48,74,96,320 during the year ended 31st March 2019. The proceeds has been utilised by the Company for the objects of the issue, other than temporary deployment.

b. Terms and rights attached to fully paid up equity shares:

The Company has only one type of equity shares having par value of Rs. 10 each. All shares rank pari passu with respect to dividend, voting rights and other terms. Each shareholder is entitled to one vote per share. The dividend proposed, if any, by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. The repayment of equity share capital in the event of liquidation and buy back of shares are possible subject to prevalent regulations. In the event of liquidation, normally the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their holdings.

c. Shares in the Company held by each shareholder holding more than 5% shares

Particulars	As at 31st March 2020		As at 31st March 2019		As at 1st April 2018	
	Number	%	Number	%	Number	%
Equity shares of Rs. 10 each						
Capital India Corp LLP	5,67,75,720	73.04%	5,67,75,720	73.04%	22,32,300	63.73%
Dharampal Satyapal Limited	61,97,800	7.97%	48,97,800	6.30%	3,97,800	11.36%
DS Chewing Products LLP	43,16,800	5.50%	56,16,800	7.23%	-	0.00%
	6,72,90,320	**86.51%**	**6,72,90,320**	**86.56%**	**26,30,100**	**75.09%**

20 Other Equity

Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Statutory Reserve under Section 45-IC of the RBI Act, 1934	887.35	279.71	75.80
Securities premium	42,119.48	42,119.40	-
Employee stock option outstanding account	138.93	46.14	-
General reserve	1.76	1.76	1.76
Retained earnings	1,187.26	540.07	135.17
Other comprehensive income	6.51	(5.08)	-
Advance towards share application money	-	-	12,500.00
	44,341.29	**42,982.00**	**12,712.73**

Notes to the Consolidated financial statements for the year ended 31st March 2020

(Currency: Rs. In Lakhs)

Notes:

i) Statutory Reserve under Section 45-IC of the RBI Act, 1934:

The Company created a reserve pursuant to section 45 IC the Reserve Bank of India Act, 1934 by transferring amount not less than twenty per cent of its net profit every year as disclosed in the Statement of Profit and Loss and before any dividend is declared.

ii) Securities premium:

The amount received in excess of face value of the equity shares is recognised in Securities Premium Account. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium account. The account is utilised in accordance with the provisions of the Companies Act 2013.

iii) Employee stock option outstanding account:

The reserve is used to recognise the fair value of the options issued to employees of the Company and subsidiary companies under Group's employee stock option scheme.

iv) General reserve:

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

v) Retained earnings:

Retained earnings represents surplus/accumulated earnings of the Group and are available for distribution to shareholders.

vi) Advance towards share application money:

During the year ended 31st March 2019, the Company had refunded back an amount of Rs. 12,500 Lakhs received from Capital India Corp LLP as advance against share application money towards its entitlement under the Rights issue of the Company.

21 Interest income

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on Loans	10,589.82	4,575.71
Interest income on OCD	35.51	-
Interest income on Vendor financing	16.75	-
Interest on deposits with Banks	60.72	145.26
Other interest income	39.26	18.29
	10,742.06	4,739.26

Note: Interest income is on financial instruments classified under amortised cost

22 Net gain/ (loss) on fair value changes

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Net gain/ (loss) on financial instruments at fair value through profit and loss account :-		
Mutual fund units	207.33	284.92
Debentures	18.00	-
Total Net gain/(loss) on fair value changes	**225.33**	**284.92**
Fair Value changes*		
Realised	217.40	262.98
Unrealised	7.93	21.94

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

Notes to the Consolidated financial statements for the year ended 31st March 2020

(Currency: Rs. In Lakhs)

23 Other income

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Misc. income	0.13	0.00
Profit & loss on sale of fixed asset	-	0.11
Revenue from Space sharing	-	6.37
Interest on income tax refund	1.84	4.54
Cheque bouncing charges	0.19	-
Other non operating income	0.01	-
	2.17	**11.02**

24 Finance cost

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on borrowings	1,038.63	649.16
Interest on debt securities	77.70	-
Interest on Inter corporate deposits	26.88	87.06
Bank charges	235.07	0.23
Interest on Lease Liability	227.77	162.94
Other borrowing costs	63.46	44.36
	1,669.51	**943.75**

25A Impairment losses on financial instruments

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
On Loans	1,381.48	268.72
On Trade receivables	13.12	-
	1,394.60	**268.72**

25B Loss on derecognition on financial assets

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
On Receivables	130.00	-
	130.00	-

26 Employee benefits

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries and wages including bonus	3,523.01	1,799.96
Contribution to provident and other funds	161.47	74.92
Share Based Payments to employees	92.87	46.14
Staff welfare expenses	46.04	17.73
Others:		
- Cost for giving loan to employees at concessional rate	1.12	1.56
	3,824.51	**1,940.31**

Notes to the Consolidated financial statements for the year ended 31st March 2020

(Currency: Rs. In Lakhs)

27 Other expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Rent	15.19	-
Rate, fee & taxes	65.94	165.96
Repairs & maintenance - others	116.45	82.03
Office expenses	100.71	58.45
Electricity charges	37.47	18.63
Communication expenses	40.84	23.73
Printing & stationery	18.37	16.89
Insurance	9.06	11.44
Membership & subscription	54.50	30.21
Travelling & conveyance	201.20	118.72
Advertisement, marketing & business promotion exp	52.13	55.07
Commission & brokerage	48.26	10.93
Auditor's remuneration	48.32	27.97
Legal & professional charges	277.92	214.48
Rating fee	6.62	19.08
Listing fee	5.23	2.82
Directors sitting fees	26.47	31.40
Donation	-	2.00
CSR expense	15.00	-
Facilitation Fees	4.44	-
Server Maintenance	36.42	-
SMS service charges	11.71	-
License fees	1.95	-
Miscellaneous expenses	73.37	37.94
	1,267.57	927.75

28 Basic and Diluted Earnings per share [EPS] computed in accordance with Indian Accounting Standard (Ind AS) 33 "Earnings per Share"

Particulars		For the year ended March 31, 2020	For the year ended March 31, 2019
Basic			
Profit after tax (Rs. In Lakhs)	A	1,723.08	650.98
Weighted average number of equity shares outstanding	B	777.34	421.34
Basic earning per share (Rs)	A/B	2.22	1.55
Diluted			
Profit after tax (Rs. In Lakhs)	A	1,723.08	650.98
Weighted average number of equity shares outstanding	B	777.34	421.34
Add: Weighted average number of potential equity shares on account of employee stock options	C	10.34	3.50
Weighted average number of shares outstanding for diluted EPS	D=B+C	787.68	424.84
Diluted earning per share (before and after extraordinary items) (Rs)	A/D	2.19	1.53
Face value of shares (Rs)		10	10

Notes to the Consolidated financial statements for the year ended 31st March 2020

(Currency: Rs. In Lakhs)

29 Expenditure in foreign currency

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Tour & travelling expenses	0.60	-
Legal & professional charges	-	9.42
Service charge on purchase of forex currency	0.03	-
Purchase of MATM device for testing	0.37	-
Purchase of software	0.96	-
	1.96	**9.42**

There are no reportable earnings in foreign currency during the year ended 31st March 2020. (31st March 2019: Nil)

The Company does not have any exposures in foreign currency as at the Balance Sheet date.

30 Disclosure pursuant to Ind AS 108 "Operating Segment"

Reportable segment is that operating segment which meets any of the following Qualitative thresholds:

a) Its revenue, from both external customers and inter-segment transfers is 10% or more of the combined revenue, internal and external of all operating segments.

b) The absolute amount of its profit or loss is 10% or more of the greater, in absolute amount of

(i) The combined reported profit of all operating segments.

(ii) The combined reported loss of all operating segments.

c) Its assets are 10% or more of the combined assets of all operating segments

The Group's management has identified Lending business and Prepaid payment instrument business as two reportable segment based on risk and return of business as a whole. Since the business operations of the Company are concentrated in India, the Company is considered to operate only in the domestic segment and therefore there is no reportable geographic segment. Till December 2019 Group was operating in a Single reportable segment. The detailed segmental information is as under:

S.No	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
1	**Segment Revenue**		
	Lending business	5,965.19	11,292.31
	Prepaid Payment Instrument business	-	607.17
	Total Segment Revenue	**5,965.19**	**11,899.48**
2	**Segment Results (Profit before Tax)**		
	Lending business	1,123.90	3,346.63
	Prepaid Payment Instrument business	-	(904.81)
	Others	(4.51)	(7.58)
	Total Segment Results	**1,119.39**	**2,434.24**
3	**Segment Assets**		
	Lending business	66,640.74	65,191.67
	Prepaid Payment Instrument business	-	5,439.35
	Unallocated	373.34	1,087.49
	Others	5.61	7.76
	Total Segment Assets	**67,019.69**	**71,726.27**
4	**Segment Liabilities**		
	Lending business	16,220.30	15,035.56
	Prepaid Payment Instrument business	-	3,642.07
	Unallocated	43.56	383.34
	Others	0.40	3.50
	Total Segment Liabilities	16,264.26	19,064.47

Notes to the Consolidated financial statements for the year ended 31st March 2020

(Currency: Rs. In Lakhs)

31 Dividend distribution to equity shareholders

Dividend of Re.0.1 per share (31st March 2019: Re.0.4 per share) amounting to Rs. 77.73 Lakhs (31st March 2019: Rs. 310.94 Lakhs) is proposed on ordinary shares. The recommended dividend will be accounted for when approved by the shareholders in Annual General Meeting.

32 Disclosure pertaining to corporate social responsibility expenses

Amount required to be spent by the Group on Corporate Social Responsibility (CSR) related activities during the year is Rs 13.10 Lakhs (previous year Rs Nil)

The amount recognised as an expense in the Statement of Profit and Loss on CSR related activities is Rs 15.00 Lakhs (Previous year Rs Nil) (Refer Note 27), which comprises of :

Particulars	2019-20			2018-19		
	In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
Amount spent during the year						
- Contribution to Trust registered u/s 11 of Income Tax Act	15.00	-	15.00	-	-	-
Total	**15.00**	-	**15.00**	-	-	-

33 Contingent Liabilities and Commitments

Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
<u>Contingent liabilities</u>			
Claims against the Group not acknowledged as debt			
- Income Tax matters (refer note ii and iii)	268.55	-	-
Guarantees			
- Bank Guarantees	-	124.37	-
- FLDG guarantee given (net of provision)	21.99	-	-
- Others - guarantee on behalf of subsidiary	59.60	-	-
Total (a)	**350.14**	**124.37**	-
Commitments			
Estimated amount of contracts(net of advances) remaining to be executed on capital account and not provided for	1.08	148.64	228.09
Undrawn committed sanctions to borrowers*	1,829.94	211.00	-
Total (b)	**1,831.02**	**359.64**	**228.09**
Total (c=a+b)	**2,181.16**	**484.01**	**228.09**

Note :

i) This disclosure is given pursuant to the notification no. DNBS.CC.PD.No. 252/03.10.01/2011-12 dated December 26, 2011 issued by Reserve Bank of India.

There are no long-term contracts including derivative contracts for which there were any material foreseeable losses.

ii) In case of AY 2013-14 the AO had computed a tax liability of Rs.252.48 Lakhs against which the Group had filed an appeal with CIT (A). The CIT(A) vide order dated 16th April 2019 had decided the case in favour of the Group. The Income tax department had filed the case with ITAT, and the matter is pending at ITAT. The management of the Group believes the chances of any liability arising out of the case against the Group is remote.

Notes to the Consolidated financial statements for the year ended 31st March 2020
(Currency: Rs. In Lakhs)

iii) In case of AY 2015-16 the AO had computed a tax liability of Rs 16.07 Lakhs against which the Group had filed an appeal with CIT (A). The CIT(A) vide order dated 8th July 2019 had decided the case in favour of the Group. The Income tax department had filed the case with ITAT, and the matter is pending at ITAT. The management of the Group believes the chances of any liability arising out of the case against the Group is remote.

34 The following subsidiary company has been considered in the preparation of the consolidated financial statements:

Name of the entity	Relationship	Country of incorporation	Ownership held by	Percentage (%) of ownership Interest	
				March 31, 2020	March 31, 2019
Capital India Home Loans Limited	Subsidiary	India	Capital India Finance Limited	99.70%	100%
Capital India Assets Management Private Limited	Subsidiary	India	Capital India Finance Limited	100%	100%
CIFL Holdings Private Limited	Subsidiary	India	Capital India Finance Limited	100%	100%
CIFL Investment Manager Private Limited	Subsidiary	India	Capital India Finance Limited	100%	100%
Capital India Wealth Management Private Limited	Subsidiary	India	Capital India Finance Limited	100%	100%
Rapipay Fintech Holding Private Limited (w.e.f. September 21, 2019)	Subsidiary	India	Capital India Finance Limited	100%	Nil
Rapipay Fintech Private Limited (w.e.f. September 21, 2019)	Subsidiary	India	Capital India Finance Limited	62.80%	Nil

Note: The Board of Directors of the Group, in their meeting held on January 27, 2020, have approved the amalgamation of Rapipay Fintech Holding Private Limited with Rapipay Fintech Private Limited. The Board believes this will simplify the corporate structure and consolidate its similar businesses under single entity. Further, the Group has filed a first motion application on March 2, 2020 with National Company Law Tribunal in this respect, under section 230 to 232 and other applicable provisions of the Companies Act, 2013 read with Companies (Compromise, Arrangements and Amalgamations) Rules, 2016 and the National Company Law Tribunal Rules.

Notes to the Consolidated financial statements for the year ended 31st March 2020

(Currency: Rs. In Lakhs)

35 **Additional information pursuant to Schedule III to the Companies Act, 2013 for the year ended March 31, 2020**
Details of entities considered in the consolidated financial statements

Name of the entity in the Group	Net Assets (Total assets minus total liabilities)		Share in profit or loss (PAT)		Share in other comprehensive income(OCI)		Share in Total comprehensive income(TCI)	
	% of consolidated net assets	Amount (Rs in lakhs)	% of consolidated PAT”	Amount (Rs in lakhs)	% of consolidated net assets	Amount (Rs in lakhs)	% of consolidated TCI	Amount (Rs in lakhs)
Capital India Finance Limited -**Parent**	103.54	53,957.75	219.20	3,038.22	57.97	7.08	217.79	3,045.30
Subsidiaries - Indian								
Capital India Home Loans Limited	15.03	7,834.08	(53.29)	(738.59)	28.21	3.45	(52.58)	(735.15)
Capital India Assets Management Private Limited	0.01	2.63	(0.05)	(0.66)	0.00	-	(0.05)	(0.66)
CIFL Holdings Private Limited	0.00	1.00	(0.05)	(0.64)	0.00	-	(0.05)	(0.64)
CIFL Investment Manager Private Limited	0.00	1.00	(0.05)	(0.64)	0.00	-	(0.05)	(0.64)
Capital India Wealth Management Private Limited	0.00	1.00	(0.05)	(0.64)	0.00	-	(0.05)	(0.64)
Rapipay Fintech Holdings Private Limited (w.e.f September 21, 2019)	1.70	883.59	(0.36)	(5.02)	0.00	-	(0.36)	(5.02)
Rapipay Fintech Private Limited (w.e.f September 21, 2019)	2.81	1,463.97	(41.05)	(568.96)	8.68	1.06	(40.61)	(567.90)
Subsidiaries - Foreign	0.00	-	0.00	-	0.00	-	0.00	-
Non-controlling Interests in subsidiaries	(1.05)	(547.08)	(24.31)	(337.02)	5.14	0.63	(24.06)	(336.39)
CFS adjustment and elimination	(22.03)	(11,483.24)	0.00	-	0.00	-	0.00	-
Total	**100.00**	**52,114.72**	**100.00**	**1,386.06**	**100.00**	**12.22**	**100.00**	**1,398.28**

Notes to the Consolidated financial statements for the year ended 31st March 2020
(Currency: Rs. In Lakhs)

36 Disclosure of Related party transactions pursuant to (Ind AS – 24)and Companies act 2013 "Related Party Disclosures

(i) Names of related parties:

Name of the related party	Nature of relationship
Atulya Foundation	Enterprise over which control is exercised by the Company
Mr. Keshav Porwal	Managing Director
Mr. Amit Sahai Kulshreshtha	Executive Director & CEO
Mr. Neeraj Toshniwal	Chief Financial Officer
Mr. Rachit Malhotra	Company Secretary
Mr. Deepak Vaswan	Relative of a person having joint control over the Company
Mr. Yogendra Pal Singh	Independent Director
Mr. Vinod Somani	Independent Director
Mr. Vineet Kumar Saxena	Whole Time Director and Chief Executive Officer of Subsidiary company
Sukhdev Singh Kahyap	Relative of KMP of Subsidiary company
Mr. Yogendra Singh Kashyap	Managing Director of Subsidiary company
Mr. Ankit Ghanshyam Lahoti	Executive Director of Subsidiary company
Sahyog Homes Limited	Enterprise where key management personnel exercise significant influence
Capital India Corp LLP	Enterprise having significant influence and control

Note: Related party and their relationships are reported only where the Company has transactions with those parties during the current year / previous year.

(ii) Details of transaction with related parties are as under:

Related party	Nature of transaction	March 31, 2020	March 31, 2019
Atulya Foundation	CSR Expenses	15.00	-
Sahyog Homes Limited	Reimbursement of expenses	-	15.03
Capital India Corp LLP	Repayment of Advance towards share application money	-	12,500.00
	Issue of equity share	992.50	-
Mr. Deepak Vaswan	Remuneration paid	15.35	
Mr. Keshav Porwal	Remuneration paid	190.73	110.00
Mr. Amit Sahai Kulshreshtha	Remuneration paid	199.60	109.99
Mr. Vineet Kumar Saxena	Remuneration paid	167.64	124.68
Mr. Neeraj Toshniwal	Remuneration paid	100.79	65.38
Mr. Rachit Malhotra	Remuneration paid	46.88	25.75
Mr. Yogendra Pal Singh	Sitting fees paid	12.05	1.00
Mr. Vinod Somani	Sitting fees paid	12.40	10.15
Sukhdev Singh Kahyap	Opening balance	10.00	-
	Loan repayment	10.00	-
	Loan written back	-	-
Mr. Yogendra Singh Kashyap	Remuneration paid	84.50	-
Mr. Ankit Ghanshyam Lahoti	Remuneration paid	40.00	-

Note: Remuneration paid excludes amounts pertaining to gratuity and compensated absences, which are actuarially valued at the Company level.

Notes to the Consolidated financial statements for the year ended 31st March 2020

(Currency: Rs. In Lakhs)

37 Employee benefits

Defined Contribution Plan - Provident Fund (PF) Contribution

The Group makes contributors towards PF, in respect of qualifying employees. The amount recognised as an expense and included in Note 26 "Employee Benefits" under the head "Contribution to Provident and Other Funds" are as under.

The employees of the Group are members of a retirement contribution plan operated by the government. The Group is required to contribute a specified percentage of payroll cost to the retirement contribution scheme to fund the benefits. The only obligation of the Group with respect to the plan is to make the specified contributions.

(Rs in lakhs)

Particulars	FY 2019-20	FY 2018-19
Employer's Contribution to Provident Fund	101.35	56.36

Defined Benefit Plan - Gratuity

The Group has a defined benefit gratuity plan, under which every employee who has completed atleast five years of service gets a gratuity on departure @15 days of last drawn basic salary for each completed year of service.

The plan is of a final salary defined benefit in nature which is sponsored by the Group and hence it underwrites all the risks pertaining to the plan. The actuarial risks associated are:

Interest Rate Risk:

The risk of government security yields falling due to which the corresponding discount rate used for valuing liabilities falls. Such a fall in discount rate will result in a larger value placed on the future benefit cash flows whilst computing the liability and thereby requiring higher accounting provisioning.

Longevity Risks:

Longevity risks arises when the quantum of benefits payable under the plan is based on how long the employee lives post cessation of service with the Group. The gratuity plan provides the benefit in a lump sum form and since the benefit is not payable as an annuity for the rest of the lives of the employees, there is no longevity risks.

Salary Risks:

The gratuity benefits under the plan are related to the employee's last drawn salary. Consequently, any unusual rise in future salary of the employee raises the quantum of benefit payable by the Group, which results in a higher liability for the Group and is therefore a plan risk for the Group.

The estimates of the future salary increases, considered in actuarial valuation, include inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The discount rate is based on the prevailing market yield on government securities as at the balance sheet date for the estimated average remaining service.

The disclosure as required by Indian Accounting Standard (Ind AS) -19 "Employee Benefits" is as under.

Particulars	As at March 31, 2020	As at March 31, 2019
I. Assumption		
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Interest / Discount Rate	6% to 6.87%	7.76% to 7.79%
Rate of increase in compensation	0.0% to 5% [NEXT YEAR], 10.0% [THEREAFTER]	10.0%
Expected average remaining service	23 to 28 Years	24 to 27 Years

Notes to the Consolidated financial statements for the year ended 31st March 2020
(Currency: Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
II. Reconciliation of net defined benefit (asset)/liability		
(a) Reconciliation of present value of defined benefit obligation		
Opening Defined Benefit Obligation	30.84	1.36
Interest Cost	2.34	-
Current Service Cost	57.10	17.19
Transfer in of liability	-	1.36
Actuarial (Gains) / Losses	(16.36)	7.17
Closing Defined Benefit Obligation	**73.92**	**27.08**
(b) Reconciliation of present value of plan asset		
Fair value of plan assets at the beginning of year	-	-
Transfer in of Funds	-	-
Interest Income	-	-
Contributions	-	-
Benefits paid	-	-
Return on Plan Assets excluding Interest Income	-	-
Fair value of plan assets at the end of year	-	-
(c) Reconciliation of net defined benefit (asset)/liability		
Present value of obligation as at the end of year	73.92	27.08
Fair value of plan assets as at the end of year	-	-
Funded status	73.92	27.08
Recognised in Balance Sheet - (Asset) / Liability	**73.92**	**27.08**
III. Actuarial (Gain)/Loss on Obligation		
Due to Demographic Assumption	(1.94)	0.00
Due to Financial Assumption	(0.46)	3.95
Due to Experience	(13.96)	3.22
Net Actuarial (Gain)/ Loss on obligation	**(16.36)**	**7.17**
IV. Actual Return on Plan Assets		
Actual Interest Income	-	-
Expected Interest Income	-	-
Return on Plan Assets excluding Interest Income	-	-
V. Net Interest		
Interest Expense	2.11	-
Interest Income	0.23	-
Net Interest Exp/(Income)	**2.34**	-
VI. Expenses Recognised in Profit and Loss account under Employee benefit expenses		
Current Service Cost	57.10	17.19
Net Interest Exp/(Income)	2.34	-
Past Service Cost (vested benefits)	-	1.36
Expenses recognised in Profit and Loss Account	**59.44**	**18.55**
VII. Remeasurements recognised in Other Comprehensive Income		
Net Actuarial (Gain)/ Loss on obligation	(16.36)	7.17
Return on Plan Assets excluding Interest Income	-	-
Total Actuarial (Gain)/ Loss recognised in OCI	**(16.36)**	**7.17**
VIII. Others		
Weighted average duration of defined benefit obligation	11 to 24 years	13 to 14 years

Notes to the Consolidated financial statements for the year ended 31st March 2020
(Currency: Rs. In Lakhs)

Sensitivity analysis :

Sensitivity analysis for significant actuarial assumptions, showing how the defined benefit obligation would be affected, considering increase/decrease of 100 basis points as at 31.03.20 is as below :

Particulars	As at March 31, 2020	As at March 31, 2019
I. Assumption		
Change in rate of Discount Rate + 100 basis points	65.58	23.86
Change in rate of Discount Rate- 100 basis points	83.84	31.67
Change in rate of Salary Escalation Rate + 100 basis points	81.24	31.34
Change in rate of Salary Escalation Rate - 100 basis points	67.27	24.03

The Expected Payout as at 31st March 2020 are as under:

Particulars	As at March 31, 2020	As at March 31, 2019
Year 1	0.05	-
Year 2	0.05	-
Year 3	3.83	-
Year 4	4.71	0.19
Year 5	4.96	1.58
Year 6 to year 10	33.08	11.14

Notes:

Since the gratuity plan and Leave encashment plan of the Group is not funded, and hence the disclosure related to plan assets are not applicable.

The Group has recognised Rs. 32.13 (31st March 2019: Rs. 24.96) for compensated absences in Statement of Profit and Loss for current year. Total provision for compensated absences is Rs. 76.59 as at 31st March 2020 (31st March 2019: Rs. 36.13).

38 Employee Stock Option Plan

CIFL EMPLOYEE STOCK OPTION PLAN 2018

The shareholders of the Holding Company passed a resolution through postal ballot/ e-voting on 23rd September 2018 for approval of the issue of 35,00,000 options under the Scheme titled “CIFL EMPLOYEE STOCK OPTION PLAN 2018” (ESOP SCHEME).

The ESOP Scheme allows the issue of options to employees of the Holding Company and its subsidiaries (whether in India or abroad). Each option comprises one underlying equity share.

As per the ESOP Scheme, the Nomination and Remuneration Committee of the Board of Directors grants the options to the employees deemed eligible. The Exercise Price for the Options shall be determined by the Board which shall not be less than the face value of the Shares of the Holding Company as on date of Grant. The options granted vest not earlier than minimum period of 1 (One) year and not later than maximum period of 5 (Five) years from the date of Grant. The Board at its discretion may grant Options specifying Vesting Period ranging from minimum and maximum period as afore-stated. The Exercise Period in respect of Vested Options shall be period as specified in the Grant Letter, which period shall not be more than 5 (Five) years from the date of Vesting of Options.

Notes to the Consolidated financial statements for the year ended 31st March 2020
(Currency: Rs. In Lakhs)

Method used for accounting for shared based payment plan.

The Group uses fair value to account for the compensation cost of stock options to employees of the Group.

Movement in the options outstanding under the Employees Stock Option Plan for the year ended 31 March 2020 and 31 March 2019

Particulars	Year ended March 2020		Year ended March 2019	
	Options (Numbers)	Weighted average exercise price per option (Rs.)	Options (Numbers)	Weighted average exercise price per option (Rs.)
Option outstanding at the beginning of the year	16,35,000	72	-	-
Granted during the year	4,15,000	72	16,35,000	72
Vested during the year	4,08,750	72	-	-
Exercised during the year	-	-	-	-
Lapsed during the year	-	-	-	-
Options outstanding at the end of the year	20,50,000	72	16,35,000	72
Options available for grant	14,50,000	72	18,65,000	72

Weighted average remaining contractual life for options outstanding as at 31st March 2020 is 1 year 7 months (Previous year 2 years and 1 month).

CIHL EMPLOYEE STOCK OPTION PLAN 2018

In the extraordinary general meeting held on 8 August 2018, the shareholders approved the issue of 12,500,000 options under the Scheme titled "CIHL EMPLOYEE STOCK OPTION PLAN 2018" (ESOP SCHEME).

The ESOP Scheme allows the issue of options to employees of the Company and its Holding Company (whether in India or abroad). Each option comprises one underlying equity share.

As per the ESOP Scheme, the Board grants the options to the employees deemed eligible. The Exercise Price for the Options shall be determined by the Board/NRC which shall not be less than the face value of the Shares of the Company as on date of Grant. The options granted vest not earlier than minimum period of 1 (One) year and not later than maximum period of 5 (Five) years from the date of Grant. The Board/NRC at its discretion may grant Options specifying Vesting Period ranging from minimum and maximum period as afore-stated. The Exercise Period in respect of Vested Options shall be period as specified in the Grant Letter, which period shall not be more than 5 (Five) years from the date of Vesting of Options.

Movement in the options outstanding under the Employees Stock Option Plan for the year ended 31 March 2020 and 31 March 2019

Particulars	Year ended March 2020		Year ended March 2019	
	Options (Numbers)	Weighted average exercise price per option (Rs.)	Options (Numbers)	Weighted average exercise price per option (Rs.)
Option outstanding at the beginning of the year	82,55,000	10	-	-
Granted during the year	50,000	10	82,55,000	10
Vested during the year	33,02,000	10	-	-
Exercised during the year	25,000	10	-	-
Lapsed during the year	-	-	-	-
Options outstanding at the end of the year	82,80,000	10	82,55,000	10
Options available for grant	41,95,000	10	42,45,000	10

Weighted average remaining contractual life for options outstanding as at 31st March 2020 is 4 months (Previous year 1 year and 4 months).

Notes to the Consolidated financial statements for the year ended 31st March 2020
(Currency: Rs. In Lakhs)

The fair value of the options has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:

Assumptions	CIFL EMPLOYEE STOCK OPTION PLAN 2018		CIHL EMPLOYEE STOCK OPTION PLAN 2018	
	As at 31st March 2020	As at 31st March 2020	As at 31st March 2020	As at 31st March 2020
Risk-free interest rate	6.62% - 7.10%	6.62% - 7.10%	6.6% to 7.2%	6.6% to 7.2%
Expected life of the option	1 year to 4 years	1 year to 4 years	1 year to 4 years	1 year to 4 years
Expected annual volatility of shares	18%	18%	13% to 16.7%	13% to 16.7%
Expected dividend yield	0.00%	0.00%	0.00%	0.00%

The above management assumption has been relied upon by the Auditors.

During the year ended 31st March 2020, the Group recorded an employee stock compensation expense of Rs. 92.87 Lakhs (Previous year Rs. 46.14 Lakhs) in the Statement of Profit and Loss.

39 Disclosure Pursuant to Ind AS 116 "Leases"

The Group has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance.

The Group has applied Ind AS 116 using the full retrospective approach, and accordingly the comparative information relating to prior years has been restated.

In adopting Ind AS 116, the Group has applied the below practical expedients:

The Group has applied a single discount rate to a portfolio of leases with reasonably similar characteristics

The Group has treated the leases with remaining lease term of less than 12 months as if they were "short term leases"

The Group has not applied the requirements of Ind AS 116 for leases of low value assets (assets of less than Rs. 10 Lakhs in value)

The Group has excluded the initial direct costs from measurement of the right-of-use asset at the date of transition

The Group has used hindsight, in determining the lease term if the contract contains options to extend or terminate the lease

Impact of adoption of Ind AS 116 on Balance sheet

Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Right of use assets	1,900.82	1,547.07	1,622.34
Lease liabilities	2,093.65	1,645.40	1,685.15
Derecognition of Lease equalisation reserve	**82.58**	**49.75**	**60.35**

Impact of adoption of Ind AS 116 on Statement of profit and loss

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation on Right of use assets	672.39	457.43
Interest cost on Lease liability	227.77	162.94
Interest Income on Lease Deposit	(32.74)	(18.29)
Derecognition of rent	(801.63)	(507.52)
Net deferred Tax impact	(39.50)	(26.44)
Impact on the statement of profit and loss for the period	**26.29**	**68.12**

Impact of adoption of Ind AS 116 on Statement of Cash flows

The adoption of Ind AS 116 resulted in Increase in operating cash flows and Decrease in financing cash flows by Rs. 690.80 Lakhs (PY Rs. 518.11 Lakhs) as repayment of the lease liabilities and related interest will be classified as cash flow from financing activities.

Notes to the Consolidated financial statements for the year ended 31st March 2020
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40 Disclosure pursuant to Ind AS 12 'Income Taxes'

(i) Tax Expenses recognised in the Statement of Profit and Loss

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Current tax:		
In respect of current year	1,440.49	700.46
In respect of prior years	-	0.52
Deferred Tax:		
Deferred tax relating to origination and reversal of temporary differences	(392.31)	(232.57)
Total Income Tax recognised in profit or loss		
Current tax	1,440.49	700.98
Deferred tax	(392.31)	(232.57)
Total	**1,048.18**	**468.41**

(ii) Income Tax recognised in Other comprehensive income

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Deferred tax related to items recognised in Other comprehensive income during the year:		
Remeasurement of defined employee benefits	(4.14)	2.09
Total Income tax recognised in Other comprehensive income	**(4.14)**	**2.09**

(iii) Reconciliation of effective tax rate :

The reconciliation of estimated income tax expense at tax rate to income tax expense reported in profit or loss is as follows :

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit before Tax	2,434.24	1,119.39
Enacted income tax rate (%)	25.17%	29.12%
Income tax expense calculated at applicable income tax rate	612.70	325.97
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Expenses that are not deductible for tax purposes	1,000.91	621.34
Deductions available under income tax	(173.12)	(246.85)
Income tax for earlier year	-	0.52
Income Tax expense recognised in profit and loss	1,440.49	700.98
Deferred Tax recognised in profit and loss	(392.31)	(232.57)
Tax recognised in profit and loss	**1,048.18**	**468.41**
Actual effective income tax rate (%)	**43.06%**	**41.84%**

The Group has recognised Deferred Tax Assets arising from deductible temporary differences to the extent there is an evidence of future taxable profit. The Group has not recognised Deferred Tax Assets on Unabsorbed Losses as at March 31, 2020

Notes to the Consolidated financial statements for the year ended 31st March 2020
(Currency: Rs. In Lakhs)

(iv) Recognised deferred tax assets and liabilities

Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Deferred Tax Asset/(Liabilities) Net			
Deferred Tax Asset			
Impairment on financial instruments	490.01	115.59	35.41
Provision for employee benefits	72.06	30.69	3.45
Unamortised processing fee	89.15	135.50	-
Depreciation	50.89	24.46	-
Loan given to Staff at concessional rate	0.68	0.46	-
Amortization adjustment on Lease deposits	15.61	7.90	2.17
Preliminary expenses & Accumulated losses	1.49	2.31	5.10
Ind AS 116 Adjustment	38.86	25.84	11.62
Deferred Tax Liabilities			
Interest adjustments on Lease deposits	(14.97)	(7.29)	(1.91)
Depreciation	(31.15)	(0.60)	(3.85)
Unamortised borrowing cost	(21.25)	(42.52)	-
Unrealised gain on MF	(2.00)	(5.70)	-
Deferred Tax Asset/(Liabilities) Net	**689.38**	**286.64**	**51.99**
Movement in Net deferred tax Asset during the year	388.17	234.66	51.99
Mat credit entitlement	**11.06**	-	-
	700.44	286.64	51.99

(v) Movement in temporary differences

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Credit / (Charge) in the Statement of Profit and Loss during the period		
Impairment on financial instruments	374.41	80.19
Provision for employee benefits	45.51	25.15
Unamortised processing fee	(46.35)	135.50
Depreciation	(4.13)	27.71
Loan given to Staff at concessional rate	0.22	0.46
Amortization adjustment on Lease deposits	7.71	5.73
Preliminary expenses & Accumulated losses	(0.82)	(2.79)
Ind AS 116 Adjustment	13.02	14.22
Interest adjustments on Lease deposits	(7.68)	(5.38)
Unamortised borrowing cost	21.27	(42.52)
Unrealised gain on MF	3.71	(5.70)
Net deferred tax asset at on acquisition of RFPL	(14.56)	-
Total (a)	**392.31**	**232.57**
Credit / (Charge) in the other comprehensive income during the period		
Provisions - employee benefits (b)	(4.14)	2.09
Total (a)+(b)	**388.17**	**234.66**

Notes to the Consolidated financial statements for the year ended 31st March 2020
(Currency: Rs. In Lakhs)

41 Maturity Analysis of Assets & Liabilities

	As at March 31, 2020			As at March 31, 2019			As at April 01, 2018		
	Within 12 Months	After 12 months	Total	Within 12 Months	After 12 months	Total	Within 12 Months	After 12 months	Total
Assets									
Financial Assets									
Cash & cash equivalents	6,797.62	-	6,797.62	2,945.96	-	2,945.96	539.25	-	539.25
Bank balances other than Cash & cash equivalents	117.53	-	117.53	583.79	-	583.79	2,650.00	-	2,650.00
Receivables									-
- Trade Receivables	231.25	-	231.25	-	-	-	-	-	-
- Other Receivables	19.23	-	19.23	-	-	-	32.40	-	32.40
Loans	25,535.78	30,052.55	55,588.33	25,367.00	30,276.43	55,643.43	9,302.49	963.37	10,265.86
Investments	863.41	-	863.41	1,850.53	525.00	2,375.53	-	-	-
Other financial assets	1,294.49	363.54	1,658.03	1,004.72	449.84	1,454.56	166.87	153.48	320.35
Non-financial Assets									
Inventories	11.56	-	11.56	-	-	-	-	-	-
Current tax assets(net)	387.04	-	387.04	86.71		86.71	129.71	-	129.71
Deferred tax asset (net)	-	700.44	700.44	-	286.64	286.64	-	51.99	51.99
Property, plant and equipment	-	1,731.11	1,731.11	-	1,528.29	1,528.29	-	829.99	829.99
Capital work in progress	-	42.16	42.16	-	202.26	202.26	-	235.22	235.22
Intangible assets under development	-	89.80	89.80	-	-	-	-	-	-
Goodwill	-	552.26	552.26	-	-	-	-	-	-
Other intangible assets	-	469.23	469.23	-	4.13	4.13	-	2.37	2.37
Right of use assets	383.61	1,517.21	1,900.82	427.94	1,119.13	1,547.07	433.16	1,189.18	1,622.34
Other non-financial assets	535.78	30.67	566.45	276.91	84.41	361.32	222.49	-	222.49
Total Assets	**36,177.30**	**35,548.97**	**71,726.27**	**32,543.56**	**34,476.12**	**67,019.69**	**13,476.37**	**3,425.60**	**16,901.97**
LIABILITIES									
Financial Liabilities									
Payables									
(i)Trade Payables	133.62	-	133.62	117.64	-	117.64	34.16	-	34.16
(ii)Other Payables	44.81	-	44.81	-	-	-	-	-	-
Debt Securities	-	4,000.00	4,000.00	-	-	-	-	-	-
Borrowings	5,273.87	2,912.87	8,186.74	5,034.15	7,645.54	12,679.69	1,105.32	-	1,105.32
Deposits	-	-	-	550.00	-	550.00	700.00	-	700.00
Other financial liabilities	3,839.61	1,607.26	5,446.87	695.17	1,254.86	1,950.03	465.95	1,297.40	1,763.35
Non-Financial Liabilities									
Current tax liabilities (net)	383.34	-	383.34	43.56	-	43.56	-		-
Provisions	121.05	101.46	222.51	312.17	36.04	348.21	11.17	1.36	12.53
Other non-financial liabilities	468.80	177.78	646.58	354.06	221.07	575.13	223.61	-	223.61
Total Liabilities	**10,265.10**	**8,799.37**	**19,064.47**	**7,106.75**	**9,157.51**	**16,264.26**	**2,540.21**	**1,298.76**	**3,838.97**
Net	25,912.20	26,749.60	52,661.80	25,436.81	25,318.62	50,755.43	10,936.16	2,126.84	13,063.00
Other undrawn commitments									
Total commitments	1,829.94	-	1,829.94	211.00	-	211.00	-	-	-

Notes to the Consolidated financial statements for the year ended 31st March 2020
(Currency: Rs. In Lakhs)

42 Capital Management

The objective of the Group's Capital Management is to maximise shareholder value, safeguard business continuity and support the growth and continue as going concern. The Group determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through loans and operating cash flows generated.

For the purpose of the Group's capital management capital includes issued capital and equity reserves. The primary objective of the Group's capital management is to ensure that the Group complies with RBI prescribed Capital adequacy requirements and maintains adequate capital to support its business and maximise shareholders value. The Group manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

43 Financial Risk Management

The respective Board of Directors of the group through its respective committees has overall responsibility for the establishment and oversight of the risk management framework. They oversees how management monitors compliance with the risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks.

The risk management policies are established to identify and analyse the risks faced, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions.

The Group has exposure to the following risks arising from its business operations:

i) Credit risk

Credit risk is the risk of financial loss if a customer or counterparty fails to meet an obligation under a contract. Lending activities account for most of the Group's credit risk. Other sources of credit risk also exist in loans and transaction settlements. Credit risk is measured as the amount that could be lost if a customer or counterparty fails to make repayments. The maximum exposure to credit risk in case of all the financial instruments is restricted to their respective carrying amount

Credit Risk is monitored through stringent credit appraisal, counterparty limits ands internal risk ranges of the borrowers. Exposure to credit risk is managed through regular analysis of the ability of all the customers and counterparties to meet interest and capital repayment obligations and by changing lending limits where appropriate.

Group primarily offers loans secured by real estate/housing property. In order to mitigate credit risk, Group also seeks collateral appropriate to the product segment and also ensure that Loan to value ratio is maintained as specified by regulator . Other means of mitigating credit risk that the Group uses are guarantees. The most common types of collateral the Group receives, measured by collateral value, are mortgages on financial assets in the form of Residential/Commercial property/Real estate.

a) Maximum exposure to the Credit risk

This table below shows the Group's maximum exposure to the credit risk

Particulars	Mar-20	Mar-19	Mar-18
Financial Assets at amortised cost - Loans & Advances (Gross)	57,367.04	56,040.66	10,394.37
Less : Impairment loss allowances	1,778.71	397.23	128.51
Financial Assets at amortised cost - Loans & Advances (Net)	55,588.33	55,643.43	10,265.86
Financial Assets measured at FVTPL - Mutual funds	863.41	1,850.53	-
Receivables	250.48	-	32.40
Total	**56,702.22**	**57,493.96**	**10,298.26**

. Credit risk on Cash and Cash equivalents is considered to be Nil as these are generally held with leading banks.

b) Credit quality analysis

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. The credit quality of Loans and advances measured at amortised cost is primarily assessed by the Days Past Due (DPD) status and other qualitative factors leading to increase in credit risk

Notes to the Consolidated financial statements for the year ended 31st March 2020

(Currency: Rs. In Lakhs)

Inputs, assumptions and techniques used for estimating impairment

In assessing the impairment of financial assets under the expected credit loss model, the Company defines default when a loan obligation is overdue for more than 90 days and credit impaired.

Assessment of significant increase in credit risk

When determining whether the risk of default has increased significantly since initial recognition, the Company considers the DPD status of the loans. Credit risk is deemed to have increased significantly when an asset is more than 30 days past due (DPD) and other qualitative internal or external factors demonstrating credit or liquidity risk.

Calculation of expected credit losses

The key elements in calculation of ECL are as follows:

PD - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

EAD - The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, accrued interest from missed payments and loan commitments.

LGD - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The LGD is determined based on valuation of collaterals and other relevant factors.

For PD the Company has relied upon the PD data from industry benchmarks and external rating agencies. For Loss Given Default (LGD) the Company has relied on internal and external information.

In relation to COVID-19, Management has applied appropriate overlay to the above method of determining ECL. Refer note 48 for additional details.

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Gross Stage 1 (DPD< 30 days) Performing asset and 12 month ECL	48,295.61	55,860.23	6,592.32
Less : Impairment loss allowance	802.60	395.48	92.87
Net Stage 1 Assets	47,493.01	55,464.75	6,499.45
ECL Prov. Coverage	1.66%	0.71%	1.41%
Gross Stage 2 (30>DPD< 90 days) Under performing assets increase in credit risk and Lifetime ECL	9,071.43	180.43	3,802.05
Less : Impairment loss allowance	976.11	1.75	35.64
Net Stage 2 Assets	8,095.32	178.68	3,766.41
ECL Prov. Coverage	10.76%	0.97%	0.94%
Gross Stage 3 (DPD>90) Non-performing assets credit impaired and lifetime ECL	-	-	-
Less : Impairment loss allowance	-	-	-
Net Stage 3 Assets	-	-	-
ECL Prov. Coverage	0.00%	0.00%	-
Total Loans & Adv	57,367.04	56,040.66	10,394.37
Less : Impairment loss allowance	1,778.71	397.23	128.51
Net Loans & Advances	55,588.33	55,643.43	10,265.86
ECL Prov. Coverage	3.10%	0.71%	1.24%

Notes to the Consolidated financial statements for the year ended 31st March 2020

(Currency: Rs. In Lakhs)

Credit impairment charge to the income statement

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
New and increased provisions (incl. write off)	1,381.48	268.72
Write-backs of specific provisions	-	-
Recoveries of specific provisions	-	-
Total charge to the income statement	1,381.48	268.72

Write-offs still under enforcement activity

The contractual amount outstanding on loans and advances and Trade receivables that were written off during the year ended March 2020 is 130.00 Lakhs and 13.12 Lakhs respectively and the contractual amount outstanding on loans and advances and Trade receivables that are still subject to enforcement activity was Nil.

c) Movement in Gross Exposures and credit impairment for loans and advances

The Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial Assets measured at amortised cost or FVTOCI. Company follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition. Please refer to the accounting policy for details.

As at April 1, 2018	Movement in Gross Exposure to Loans & Adv.				Movement in ECL			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balance as at April 1, 2018	6,592.32	3,802.05	-	10,394.37	92.87	35.64	-	128.51
Changes due to financial assets recognised in opening balance that have:								
- Transferred to 12 month ECL	666.67	(666.67)		-	2.91	(2.91)		-
- Transferred to lifetime ECL - significant increase in credit risk				-	-	-	-	-
- Transferred to lifetime ECL credit – impaired				-	-	-	-	-
Increase due to financial assets originated	49,701.24			49,701.24	305.17	-	-	305.17
Decrease due to loans derecognised on full payment	(1,100.00)	(2,954.95)		(4,054.95)	(5.47)	(30.98)	-	(36.45)
Net remeasurement (Due to recovery on regular basis changes in rating, changes in security value etc.)								
Amounts written off during the year				-	-	-	-	-
Balance as at March 31, 2019	**55,860.23**	**180.43**	-	**56,040.66**	**395.48**	**1.75**	-	**397.23**
Changes due to financial assets recognised in opening balance that have:								
- Transferred to 12 month ECL	-	-	-	-	-	-	-	-
- Transferred to lifetime ECL - significant increase in credit risk	(5,828.90)	5,828.90	-	-	(43.45)	43.45	-	-
- Transferred to lifetime ECL credit – impaired	-	-		-	-	-		-
Increase due to financial assets originated	27,076.14	3,242.54		30,318.68	559.27	932.67	-	1,491.94
Decrease due to loans derecognised on full payment	(28,811.87)	(180.43)	-	(28,992.30)	(108.71)	(1.75)		(110.46)
Net remeasurement (Due to recovery on regular basis changes in rating, changes in security value etc.)	-	-	-	-	-	-	-	-
Amounts written off during the year	-	-	-	-	-	-	-	-
Balance as at March 31, 2020	**48,295.60**	**9,071.44**	-	**57,367.04**	**802.59**	**976.12**	-	**1,778.71**

Notes to the Consolidated financial statements for the year ended 31st March 2020
(Currency: Rs. In Lakhs)

d) Collateral and other credit enhancements

Group would generally have its credit exposures backed by securities, either primary or collateral. Lending Policy of the Company prescribes Asset cover norms and collateral guidelines for its various product offering. The amount and type of collateral required depends on an assessment of the credit risk of the counterparty and product offered.

Group grants loans against collateral of real estate (Land, Under construction projects, Ready property) including commercial and residential properties.
As collateral is a source of mitigating credit risk, assessment of the condition of the securities and their value is undertaken on regular basis. There were no significant changes in the collateral policy of the Group during the Financial Year 2019-2020

Group does not have any Credit impaired assets as on March 2020 (March 19 Nil).

e) Credit Concentration

The Group's loan portfolio is primarily concentrated on real estate, as detailed below.

Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Real Estate	54.91%	56.89%	36.58%
Others	45.09%	43.11%	63.42%

ii) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting the obligations associated with its financial liabilities that are selected by delivering cash or other financial assets. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The respective BOD of the group through its respective committees monitors liquidity functions. They review Asset Liability strategy and Balance Sheet management in relation to asset and liability profile. They ensures that the objectives of liquidity management are met by monitoring the gaps in the various time buckets, deciding on the source and mix of liabilities, setting the maturity profile of the incremental assets and liabilities etc.

Key principles adopted in the Group's approach to managing liquidity risk include:

a) Monitoring the Group's liquidity position on a regular basis, using a combination of contractual and behavioural modelling of balance sheet and cash flow information

b) Maintaining a high quality liquid asset portfolio

c) Operating a prudent funding strategy which ensures appropriate diversification and limits maturity concentrations

The Group's principal sources of liquidity are cash and cash equivalents, Overdraft facilities from Banks, liquid asset portfolio like Mutual funds and the cash flow that is generated from operation.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include interest accrued till the reporting date.

As at 31st March 2020	Contractual cash flows				
	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Borrowings (Includes Interest accrued but not due)	8,249.38	5,336.51	2,889.30	23.57	-
Debt securities	4,077.70	77.70	4,000.00		
Trade and Other Payables	178.43	178.43	-	-	-
Other Financial Liabilities	5,306.54	3,775.72	954.73	422.38	153.71
	17,812.05	**9,368.36**	**7,844.03**	**445.95**	**153.71**

Notes to the Consolidated financial statements for the year ended 31st March 2020
(Currency: Rs. In Lakhs)

As at 31st March 2019	Contractual cash flows				
	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Borrowings (Includes Interest accrued but not due)	12,885.34	5,239.80	7,645.54	-	-
Trade and Other Payables	117.64	117.64	-	-	-
Other Financial Liabilities	2,294.39	1,083.74	1,016.81	153.64	40.20
	15,297.37	**6,441.18**	**8,662.35**	**153.64**	**40.20**

As at 1st April 2018	Contractual cash flows				
	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Borrowings (Includes Interest accrued but not due)	1,160.59	1,160.59	-	-	-
Trade and Other Payables	34.16	34.16	-	-	-
Other Financial Liabilities	2,408.08	505.41	1,404.73	497.94	-
	3,602.84	**1,700.17**	**1,404.73**	**497.94**	-

iii) Market Risk

Market risk represents the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices.

iv) Interest rate risk

Group has exposure to interest rate risk, primarily from its lending business and related borrowings. The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Group's statement of profit and loss.

	% Increase in rate		Increase/(decrease) in profit	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Borrowings that are re-priced	0.25%	0.25%	(30.47)	(33.07)
Loans that are re-priced	0.25%	0.25%	143.42	140.10

Interest rate risk is managed primarily by monitoring the sensitivity of expected net interest income ('NII') under varying interest rate scenarios. This monitoring is undertaken by the respective Board of directors of the group through its respective committees on regular basis. The NII sensitivities shown are indicative and based on simplified scenarios.

44 Impairment of Goodwill

The Group tests goodwill for impairment annually on March 31. During the year ended March 31, 2020, the testing did not result in any impairment in the carrying amount of goodwill.

45 Financial Instruments

Accounting classification and fair values:

The following table shows the carrying amounts and fair values of financial instruments (excluding investment in subsidiaries), including their levels in the fair value hierarchy. The Group has disclosed financial instruments not measured at fair value at carrying values because their carrying amounts are a reasonable approximation of the fair values.

Notes to the Consolidated financial statements for the year ended 31st March 2020
(Currency: Rs. In Lakhs)

As at March 31, 2020	Carrying Amount			Fair value hierarchy			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets							
Investment in Mutual fund Units	863.41	-	863.41	-	-	-	-
Cash and cash equivalents	-	6,797.62	6,797.62	-	-	-	-
Other Bank Balances	-	117.53	117.53	-	-	-	-
Trade and other receivables	-	250.48	250.48	-	-	-	-
Loans & Advances	-	55,588.33	55,588.33	-	-	-	-
Others financial assets	-	1,658.03	1,658.03	-	-	-	-
Total	**863.41**	**64,411.99**	**65,275.40**	-	-	-	-
Financial liabilities							
Trade and Other Payables	-	178.43	178.43	-	-	-	-
Debt Securities	-	4,000.00	4,000.00				
Borrowings	-	8,186.74	8,186.74	-	-	-	-
Other Financial Liabilities	-	5,446.87	5,446.87	-	-	-	-
Total	-	**17,812.04**	**17,812.04**	-	-	-	-

As at March 31, 2019	Carrying Amount			Fair value hierarchy			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets							
Investment in Mutual fund Units	1,850.53	-	1,850.53	-	-	-	-
Investment in Debt Instruments	-	525.00	525.00				
Cash and cash equivalents	-	2,945.96	2,945.96	-	-	-	-
Other Bank Balances	-	583.79	583.79	-	-	-	-
Loans & Advances	-	55,643.43	55,643.43	-	-	-	-
Others financial assets	-	1,454.56	1,454.56	-	-	-	-
Total	**1,850.53**	**61,152.74**	**63,003.27**	-	-	-	-
Financial liabilities							
Trade and Other Payables	-	117.64	117.64	-	-	-	-
Borrowings	-	12,679.69	12,679.69	-	-	-	-
Deposits	-	550.00	550.00				
Other Financial Liabilities	-	1,950.03	1,950.03	-	-	-	-
Total	-	**15,297.36**	**15,297.36**	-	-	-	-

As at April 01, 2018	Carrying Amount			Fair value hierarchy			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets							
Cash and cash equivalents	-	539.25	539.25	-	-	-	-
Other Bank Balances	-	2,650.00	2,650.00	-	-	-	-
Other receivables	-	32.40	32.40	-	-	-	-
Loans & Advances	-	10,265.86	10,265.86	-	-	-	-
Others financial assets	-	320.35	320.35	-	-	-	-
Total	-	**13,807.86**	**13,807.86**	-	-	-	-
Financial liabilities							
Trade and Other Payables	-	34.16	34.16	-	-	-	-
Borrowings	-	1,105.32	1,105.32	-	-	-	-
Deposits	-	700.00	700.00	-	-	-	-
Other Financial liabilities	-	1,763.35	1,763.35	-	-	-	-
Total	-	**3,602.83**	**3,602.83**	-	-	-	-

Notes to the Consolidated financial statements for the year ended 31st March 2020

(Currency: Rs. In Lakhs)

46 Ind AS 101 - First Time adoption of Indian Accounting Standards

The Group has prepared opening balance sheet as per Ind AS as at April 01, 2018 (transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, derecognising items of assets or liabilities which are not permitted to be recognised by Ind AS, reclassifying items from Previous GAAP to Ind AS as required, and applying Ind AS to measure the recognised assets and liabilities.

Reconciliation of Equity :

	Particulars	As at March 31, 2019	As at April 01, 2018
	Total Equity as per IGAAP	**51,042.04**	**13,174.20**
	Adjustment made during the transition to IND AS		
a)	Accounting for Operating Leases (refer note vii)	(89.28)	(42.18)
b)	ECL Adjustment on Financial instruments measured at Amortized cost (refer note iii)	(171.53)	(86.94)
c)	Others (including taxes)	(25.80)	17.92
	Total Impact due to Ind AS adjustments	**(286.61)**	**(111.20)**
	Total Equity as per Ind AS as at 1st April, 2018	**50,755.43**	**13,063.00**

Reconciliation of Total Comprehensive Income for the year ended March 31, 2019

	Particulars	Amount
	Profit after Tax as per Old GAAP	**587.25**
	Adjustment made during the transition to IND AS	
a)	Expected credit loss (refer note iii)	(84.60)
b)	ESOP Fair value adjustment (refer note viii)	234.05
c)	Accounting for Operating Leases (refer note vii)	(47.10)
d)	Others (including taxes)	(38.62)
	Profit after tax as per Ind AS (Before Other Comprehensive income)	**650.98**
	Other Comprehensive Income (Net of Tax)	(5.08)
	Total Comprehensive Income as per Ind AS	**645.90**

Statement of reconciliation of cash flow statement under Ind AS and cash flow statement reported under Previous GAAP

Particulars	Previous GAAP	Adjustment	Ind AS
Net cash used in operating activities (A) (refer note vii)	(45,840.74)	(518.11)	(45,322.63)
Net cash used in investing activities (B)	(2,932.64)	1.53	(2,934.17)
Net cash generated from financing activities (C)(refer note vii)	49,531.62	518.11	49,013.51
Net increase in cash and cash equivalents (A+B+C)	758.24	1.53	756.71
Cash and cash equivalents at beginning of the year	2,189.25	-	2,189.25
Cash and cash equivalents at the end of the year	**2,947.49**	**1.53**	**2,945.96**

An explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows is set out in the following notes and tables.

i) Effective interest rate (EIR) method :

Previous GAAP did not require loans to be recorded using the EIR method. Under Ind AS, the EIR method calculates the amortised cost of a financial instrument and allocated such interest over the relevant period. The EIR is the rate that exactly discounts estimated future cash flows (including all fees paid or received that form an integral part of the EIR, transaction costs and other premiums or discounts) through the expected life of the instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Notes to the Consolidated financial statements for the year ended 31st March 2020
(Currency: Rs. In Lakhs)

ii) Expected credit loss (ECL) :

Previous GAAP provisions for credit losses were primarily based on RBI guidelines. Under Ind AS, the ECL allowance is based on the credit losses expected to arise from all possible default events over the expected life of the financial assets ('life time ECL'), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12-month ECL.

iii) Income recognition on credit-impaired loans :

RBI guidelines required income on NPAs to be reversed. Under Ind AS, income continues to be recognised on credit impaired loans, by applying the effective interest rate to the net amortised cost of loans (i.e. net of allowance for loan losses)

iv) Borrowing costs :

Previous GAAP did not require amortised cost accounting for liabilities. Under Ind AS, the Group determines the effective interest rate of its borrowings and records interest expense on that basis.

v) Security deposits :

Previous GAAP did not require the fair valuation of financial instruments at initial recognition. Under Ind AS, the Group records security deposits provided to landlords at time value of money, with corresponding adjustments to interest expense and depreciation.

vi) Employee defined benefit plans :

Previous GAAP required actuarial experience adjustments relating to defined benefit plans, i.e. gratuity to be recorded in the profit and loss account. By contrast, under Ind AS, the Group records such adjustments in OCI

vii) Lease Rent :

Previous GAAP as well as Ind AS 17 require to classify lease as finance lease and operating lease and for operating leases, lessee is required to recognise the lease payments as an expense (Lease rent) on a straight line basis.

Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

Under Ind AS 116, a lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognizes depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows applying Ind AS 7, Statement of Cash Flows.

viii) Share-based payment transactions :

Under Previous GAAP, the Group recorded its ESOP grants at intrinsic value while under Ind AS, the grants are recorded at fair value.

ix) Deferred tax :

Deferred tax effect of all adjustments has been recognised on transition date and during the year ended 31 March 2019.

x) Ind AS 101 exemptions :

The Group has used certain available exemptions under Ind AS 101 for first-time adoption, and accordingly has retained the accounting under Previous GAAP for transactions that occurred prior to the Ind AS transition date. These optional exemptions relate to property plant and equipment, intangible assets, investment in subsidiaries.

xi) Cash flow statement :

There are no significant differences in the principles used for presenting cash flows between the previous GAAP and Ind AS.

Notes to the Consolidated financial statements for the year ended 31st March 2020

(Currency: Rs. In Lakhs)

47 COVID Impact

The outbreak of COVID 19 pandemic and consequent lockdown has severely impacted business and operations of the Group since the last week of March 2020. In terms of the policy approved by the Board of directors of Group companies pursuant to Reserve Bank of India (RBI) Circular dated March 27, 2020 and April 17, 2020 relating to 'COVID-19 – Regulatory Package', the Group has granted EMI moratorium to eligible borrowers for a period upto 3 months with regards to the payment falling due between March 1, 2020 and May 31, 2020. Further, in relation to the accounts overdue but standard as at February 29, 2020 where moratorium benefit has been extended in terms of aforesaid RBI guidelines, the staging of those accounts at March 31 2020 is based on the days past due status as on February 29, 2020. Based on an assessment by the Group, this relaxation has not been deemed to be automatically triggering significant increase in credit risk.. On May 22, 2020, the RBI has announced extension of the Moratorium Period by further three months which is currently under evaluation by the Group.

In relation to COVID-19, judgments and assumptions include the extent and duration of the pandemic, the impacts of actions of governments and other authorities, and the responses of businesses and consumers in different industries. While the methodologies and assumptions applied in the impairment loss allowance calculations remained unchanged from those applied prior to the COVID-19 pandemic, the Group has separately incorporated estimates, assumptions and judgments specific to the impact of the COVID-19 pandemic based on early indicators of moratorium and delayed payments metrics observed along with an estimation of potential stress on probability of defaults and exposure at defaults. Accordingly, the Group has measured additional impairment loss allowance and recognised a total provision towards expected credit losses of Rs. 1778.71 Lakhs as at 31 March 2020. The extent to which the COVID-19 pandemic will impact the Group's impairment loss allowance on assets and future results will depend on future developments, which are highly uncertain and the Group will continue to closely monitor the same.

48 The Financial Statements have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 01st June, 2020

49 There have been no events after the balance sheet date that require disclosure in these financial statements.

For and on behalf of the board
Capital India Finance Limited

Keshav Porwal	**Amit Sahai Kulshreshtha**
Managing Director	Executive Director & CEO
DIN : 06706341	DIN : 07869849
Place: Mumbai	Place: Mumbai
Date: 01 June 2020	Date: 01 June 2020
Neeraj Toshniwal	**Rachit Malhotra**
Chief Financial Officer	Company Secretary
Place: Mumbai	Place: Mumbai
Date: 01 June 2020	Date: 01 June 2020