CAPITALINDIA
Rediscover Business

Monday September 6, 2021

Ref. No. CIFL/BSE/2021-22/33

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

Sub: Submission of Notice of 27th (Twenty-Seventh) Annual General Meeting and Annual Report of Capital India Finance Limited ("Company") for the financial year 2020-21 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")

Dear Sir / Madam,

We wish to inform that the 27th (Twenty-Seventh) Annual General Meeting of the Members of the Company will be held on Tuesday, the 28th day of September 2021 at 10:30 A.M. (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM), in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

Pursuant to Regulation 30 and Regulation 34(1) of the Listing Regulations, we wish to submit the enclosed Notice of 27th (Twenty-Seventh) Annual General Meeting of the Company (including e-voting instructions) ("**Notice**") and the Annual Report of the Company for the financial year 2020-21 ("**Annual Report**").

The Notice along with the Annual Report is being dispatched electronically to the Members whose email IDs are registered with the Company/ KFin Technologies Private Limited (Registrar & Share Transfer Agent)/ Depositories.

The Notice along with Annual Report is also available on the website of the Company at www.capitalindia.com under the investors section.

Kindly take the above information on record and oblige.

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

RACHIT MALHOTRA
Digitally signed by RACHIT MALHOTRA
Date: 2021.09.06 19:04:31 +05'30'

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

Encl: As above

Corporate Office
A-1402, One BKC, 14th Floor,
G-Block, Bandra Kurla Complex,
Bandra (East) Mumbai,
Maharashtra - 400051

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

P: +91 22 4503 6000
E: info@capitalindia.com
CIN No: L74899DL1994PLC128577
(Capital India Finance Limited)

P: +91 11 4954 6000
W: www.capitalindia.com

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 **27th (Twenty Seventh) Annual General Meeting** ("**AGM**") of the members of Capital India Finance Limited ("**the Company**") for the financial year ended on March 31, 2021, will be held on **Tuesday, September 28, 2021 at 10:30 A.M. (IST)** 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 March 31, 2021, comprising of the Balance Sheet as at March 31, 2021, Statement of Profit & Loss for the year ended on that date and Cash Flow Statement as at March 31, 2021 together with 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, if thought fit to 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, 2021, together with the reports of the Board of Directors and Auditors thereon as circulated to the members with the notice of the Annual General Meeting, be and are hereby considered and adopted."

   b) the audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2021, comprising of the Balance Sheet as at March 31, 2021, Statement of Profit & Loss for the year ended on that date and Cash Flow Statement as at March 31, 2021 together with explanatory notes annexed thereto, or forming part of any of the aforesaid documents ("**Financial Statements**") and the report of the Auditors thereon and if thought fit, to 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, 2021, together with the report of Auditors thereon as circulated to the members with the notice of the Annual General Meeting, be and is hereby considered and adopted."

2. To declare dividend on equity shares of the Company for the financial year ended March 31, 2021 and in this regard to consider and if thought fit, pass the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT a dividend of INR 0.10 (Ten Paisa only) per equity share of face value of INR 10/- (India Rupees Ten only) each fully paid-up of the Company as recommended by the Board of Directors, be and is hereby declared for the financial year ended March 31, 2021 and the same be paid out of the profits of the Company."

3. To re-appoint Dr. Harsh Kumar Bhanwala (DIN: 06417704) as a Director of the Company, who retires by rotation, and being eligible, offers himself for re-appointment as a Director of the Company and in this regard to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to Section 152 and other applicable provisions of the Companies Act, 2013, Dr. Harsh Kumar Bhanwala (DIN: 06417704), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS:

4. To consider and approve alteration in object clause of the Memorandum of Association of the Company and in this regard if thought fit, to pass the following resolution as a **Special Resolution:**

   "RESOLVED THAT pursuant to the provisions of section 4, 13 and other applicable provisions, if any of the Companies Act, 2013 and the Companies (Incorporation) Rules, 2014 made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, any other applicable laws / rules / regulations/ guidelines, prescribed by the Securities and Exchange Board of India, the Reserve Bank of India and other competent authorities, institutions, bodies and/ or any other regulatory and statutory authorities, institutions or bodies (hereinafter collectively referred to as the "**Competent Authorities**") and subject to such requisite approvals, consents, permissions and/or sanctions of the Competent 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 consent of the members of the Company be and is hereby accorded for effecting the alteration in the existing Object Clause III of the Memorandum of Association (the "**MoA**") of the Company by inserting the following as sub clause 4 in Clause III (A) :

   4. To carry on the business of all kinds of travel agency (through online and off-line modes) for offering, to body corporates, individuals, families, large groups, businesses, in-house employees, any other persons or group of persons, various travel, accommodation and tourism services such as:

i. Booking of Tickets for travel or transit by flights, trains, buses, cabs, cruises, ships, boats, helicopters, or any other mode of transport (including but not limited to baggage and port handling, check in and assistance for Boarding, marhaba services, pass class upgrades);

ii. Booking of accommodation facilities such as room nights in hotels, cottages, lodges, apartments, motels, bungalows, villas, guest houses, farmhouses, home stays, room upgrades, bed and breakfast stays, house boats, cruises, tents, or any other mode of accommodation including laundry services;

iii. Arranging transportation of passengers, goods, animals both domestic and International, provide boarding and lodging, arrange passport / immigration, clearances, assist in visa clearances and custom clearances;

iv. Booking of various category of holidays, pilgrimages, corporate events (venue, conferences, and seminars etc.), which may include travel, stay, food, sight-seeing and any other activity, in India and abroad, for inbound, outbound and domestic travelers;

v. Facilitating the visa application (including visa documentation, pickup, delivery, assistance for passport, visa consultation and facilitation) by customers for travel to and from foreign countries;

vi. To generally engage in the business of development and promotion of tourism and to provide various facilities to national and international tourists as may be incidental or necessary for the accomplishment of above objects;

vii. To provide information about travel insurance to customers and assist the customers to procure such insurance from the insurance companies;

viii. To assist with contracting, sightseeing tickets and transfers, on tour land arrangements, tour manager, escorts, on tour meal arrangements for all Domestic and International Tour Package;

ix. To facilitate local buses, luxury buses / coaches for ground sightseeing, intercity transfers, bus tours, local car / private cars, self-drive, taxi arrangements, limousine for any purpose including domestic and international airport pickup and drop;

x. To operate charter flights for domestic as well as international travels under both inclusive and non-inclusive tour package schemes;

xi. To offer technology platforms to any travel service provider, accommodation provider, and any other service provider including insurance companies, to enable them to conduct their business in various ways;

xii. To make investments in businesses or entities related to travel, tourism and hospitality sector, such as travel agencies, alternate accommodations, leisure activity businesses, event management entities, co-working spaces, corporate travel portals or agencies, e-commerce technology companies and hotels; and

xiii. To provide information/other services for any of the aforesaid objects.

RESOLVED FURTHER THAT the Board of Directors of the Company (the "**Board**" which term shall be deemed to include its committees also) or any officer(s) so authorised by the Board, be and are hereby authorised to do all acts, deeds, matters and things as may, in their absolute discretion, deem necessary, expedient, proper or desirable to give effect to the resolution including filings of statutory forms and to settle any matter, question, difficulties or doubts that may arise in this regard and accede to such modifications and alterations to the aforesaid resolution as may be suggested by the Registrar of Companies without requiring the Board to secure any further consent or approval of the Members of the Company and that the Members of the Company are hereby deemed to have given their approval thereto expressly by the authority of this resolution and acts, things done or caused to be done shall be conclusive evidence of the authority of the Company for the same."

5. To consider and appoint Statutory Auditors of the Company to fill the casual vacancy and in this regard if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 139(8) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or amendment thereto or re-enactment thereof for the time being in force and pursuant to recommendation made by the Board of Directors of the Company, the consent of the members be and is hereby accorded to appoint M/s Singhi & Co., Chartered Accountants (Firm Registration no. 302049E) as Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No.: 117366W/W-100018).

RESOLVED FURTHER THAT M/s Singhi & Co., Chartered Accountants be and are hereby appointed as Statutory Auditors of the Company from this Annual General Meeting and that they shall hold the office of the Statutory Auditors from the conclusion of this meeting until the conclusion of the 28th Annual General Meeting of the Company and that they shall conduct the Statutory Audit for the period ended March 31, 2022 on a remuneration of INR 17,50,000 (Indian Rupees Seventeen Lakh Fifty Thousand only) per annum (exclusive of taxes and reimbursement of out of pocket expenses at actuals).

RESOLVED FURTHER THAT the Board of Directors of the Company (the "**Board**" which term shall be deemed to include its committees also) or any officer(s) so authorised by the Board, be and are hereby authorised to do all such other acts, matters, deeds and things as may be deemed necessary or expedient to give effect to this resolution and for the matters connected therewith or incidental thereto."

By order of the Board

For Capital India Finance Limited

Rachit Malhotra
Company Secretary & Compliance Officer
Membership No.: A39894
Date: August 13, 2021

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 ("**Act**"), with respect to the items of Special Businesses as set out in Item No. 4 and 5 is annexed hereto. The relevant details of Director seeking re-appointment as Director under Item No. 3 of the Notice as required under Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") and Secretarial Standard-2 issued by Institute of Company Secretaries of India is annexed herewith.
2. General instructions for accessing and participating in the 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, the Ministry of Corporate Affairs ("**MCA**") vide its Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020 read with Circular No. 02/2021 dated January 13, 2021 ("**MCA Circulars**"), and Securities and Exchange Board of India ("**SEBI**") Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 read with SEBI/ HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 ("**SEBI Circulars**") have permitted companies to hold their AGM through VC/OAVM without physical presence of Members for the calendar year 2021 and prescribed the procedures and manner of conducting the AGM through VC/ OAVM. 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) Company has appointed KFin Technologies Private Limited ("**KFintech**" or "**RTA**") to provide facility for voting through remote e-voting, for participation in the AGM through VC/OAVM facility and e-voting through Insta Poll during the AGM. The procedure for remote e-voting and participation in the meeting through VC/OAVM is explained at Note No. 19 below.
    d) The attendance of the Members (through members' login) attending the AGM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
    e) In line with the MCA Circulars and SEBI Circulars, the Notice of the 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 KFintech at www.kfintech.com
    f) Since the AGM will be held through VC / OAVM, the Route Map, proxy form and attendance slip are not annexed with this Notice.
3. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to cast its vote through remote e-voting, together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id aruncs.gupta@gmail.com with a copy marked to evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the name of "Capital India Finance Limited EVEN **6172"**.
4. A person authorised by Board Resolution/Authority letter under point 3 above, shall be entitled to exercise the same rights and powers, on behalf of the corporate member(s).
5. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and Register of Contracts or arrangements in which directors are interested maintained under Section 189 of the Act and relevant documents referred to in this Notice of AGM and explanatory statement, will be available electronically for inspection by the Members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM, i.e. September 28, 2021 in the Investor Section on the website of the Company at www.capitalindia.com and at the Registered Office of the Company on all days, except Saturdays and Sundays between 11:00 A.M. and 1:00 P.M. Members seeking to inspect such documents can send an email to secretarial@capitalindia.com.
6. 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, to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to RTA.
7. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members who hold share certificates in physical form are advised to dematerialise their shareholding.
8. 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 RTA. In respect of shares held in electronic/ dematerialised form, the members may please contact their respective depository participant.
9. The SEBI has mandated 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.

10. **Green Initiative**: In compliance of the provision of the Act and the Listing Regulations, Company has sent Notice of the AGM and the Annual Report for the Financial Year 2020-21 including therein the Audited Financial Statements for Financial Year 2020-21, Auditor's report, Board's report, along with all the annexures in Electronic Mode to the Members who have registered their E-mail IDs either with the RTA or with their respective Depositories. However, an option is available to the Members to continue to receive the physical copies of the documents/ Annual Reports by making a specific request quoting their Folio No./Client ID & DP ID to Company or to RTA.

11. 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 the Listing Regulations, 2015, the Company has availed e-voting services with KFintech for facilitating voting through electronic means. 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 KFintech.

12. 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 October 27, 2021, to those members whose names appear as members in the Register of Members/ Beneficial Owners of the Company, as on **September 17, 2021, (Record Date)**.

13. The cut-off date for eligibility for remote e-voting is September 21 ,2021. A person who is not a Member as on cut-off date should treat this Notice for information purpose only. The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date.

14. 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 as on the cut off date will be entitled to vote.

15. The Register of Members and Share Transfer Book of the Company will be closed from **September 18, 2021** to **September 28, 2021 (both days inclusive)** for the purpose of holding the 27th (Twenty Seventh) Annual General Meeting and declaration of dividend.

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

17. In compliance with applicable provisions of the Act read with aforesaid MCA circulars, the AGM of the Company being conducted through VC/ OAVM. Hence, Members can attend and participate in the AGM through VC/OAVM only.

18. Procedure for obtaining the Annual Report, AGM Notice and e-voting instructions by the Members whose email addresses are not registered with the depositories or with RTA on physical folios:

    In Compliance with the MCA General Circular No. 20/2020 dated May 5, 2020 read with Circular No. 02/2021 dated January 13, 2021 and SEBI Circular No. SEBI/ HO/CFD/CMD1/ CIR/P/2020/79 dated May 12, 2020 read with SEBI/HO/ CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, in view of the prevailing situation and owing to the difficulties involved in dispatching physical copies of the Financial statements (including Board's Report, Auditor's Report or other documents required to be attached therewith) for the Financial Year ended March 31, 2021 pursuant to section 136 of the Act and Notice calling the AGM pursuant to section 101 of the Act read with the Rules framed thereunder, such statements including the Notice of AGM are being sent only in electronic mode to those Members whose e-mail addresses are registered with the Company/ KFintech or the Depository Participant(s). The Company will not be dispatching physical copies of such statements and Notice of AGM to any Member. Members are requested to register/update their email addresses, in respect of electronic holdings with the Depository through the concerned Depository Participants and in respect of physical holdings with KFintech by following due procedure:

    i. Members are advised to receive the Notice convening the AGM and Annual Report for FY 2020-21 via e-mail, by updating their e-mail ID by accessing the link https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx. Alternatively, Notice of 27th AGM can be downloaded through https://evoting.kfintech.com/public/Downloads.aspx.

    ii. After due verification, the Company/KFintech will forward your login credentials to your registered email address.

    iii. Members are also requested to visit the website of the Company www.capitalindia.com or the website of the RTA www.kfintech.com or the website of BSE Limited www.bseindia.com for downloading the Annual Report and Notice of the e-AGM.

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

    i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI circular no. SEBI/HO/ CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 in relation to e-Voting Facility provided by Listed Entities, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by KFintech, on all the resolutions set forth in this Notice. The instructions for e-Voting are set forth in this notice.

    ii. Pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the **individual demat account holders**, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.

    iii. Individual demat account holders would be able to cast their vote without having to register again with the E-Voting Service Provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Members are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.

    iv. Further, the facility for voting through electronic voting system will also be made available at the AGM ("InstaPoll") and Members attending the meeting who have not cast their vote(s) by remote e-voting, will be able to vote at the meeting through InstaPoll. The Company has engaged the services of KFinTech as the agency to provide e-voting facility at the AGM.

    v. Any person holding shares in physical form and non-individual Members, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@Kfintech.com. However, if he / she is already registered with KFintech for remote e-Voting then he /she can use his / her existing User ID and password for casting the vote.

vi. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date i.e. September 21, 2021. The remote e-Voting period commences on September 25, 2021 at 9:00 A.M. IST and ends on September 27, 2021 at 5:00 P.M. IST.

vii. In case of Individual Members holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under "Login method for remote e-Voting and joining virtual meeting for Individual Members holding securities in demat mode."

viii. The details of the process and manner for remote e-Voting and virtual meetings (AGM) are explained herein below:

Step 1: Access to Depositories e-Voting system in case of individual Members holding shares in demat mode.

Step 2: Access to KFintech e-Voting system in case of Members holding shares in physical and non-individual Members in demat mode.

Step 3: Access to join AGM of the Company on KFintech system to participate in AGM and vote at the AGM.

Details on Step 1 are mentioned below:

I) **Login method for remote e-Voting for Individual Members holding securities in demat mode.**

Type of Members	Login Method
Individual Members holding securities in demat mode with NSDL	1. User already registered for IDeAS facility: i. Visit URL: https://eservices.nsdl.com ii. Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section. iii. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting" iv. Click on company name i.e. 'Capital India Finance Limited' or e-Voting service provider i.e. 'KFintech' and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period. 2. User not registered for IDeAS e-Services i. To register click on link : https://eservices.nsdl.com ii. Select "Register Online for IDeAS" iii. Proceed with completing the required fields. iv. Follow steps given in point 1 3. Alternatively by directly accessing the e-Voting website of NSDL i. Open URL: https://www.evoting.nsdl.com/ ii. Click on the icon "Login" which is available under 'Members/Member' section. iii. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. iv. Post successful authentication, you will be requested to select the name of the company and the e-Voting Service Provider name. On successful selection, you will be redirected to KFintech e-Voting page for casting your vote during the remote e-Voting period.
Individual Members holding securities in demat mode with CDSL	1. Existing user who have opted for Easi / Easiest i. Visit URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com ii. Click on New System Myeasi iii. Login with your registered user id and password. iv. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFintech e-Voting portal. v. Click on e-Voting service provider name to cast your vote. 2. User not registered for Easi/Easiest i. Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration ii. Proceed with completing the required fields. iii. Follow the steps given in point 1 3. Alternatively, by directly accessing the e-Voting website of CDSL i. Visit URL: www.cdslindia.com ii. Provide your demat Account Number and PAN No. iii. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP, i.e. KFintech where the e-Voting is in progress.

Individual Members login through their demat accounts / Website of Depository Participant	I. You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility. II. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. III. Click on options available against company name or e-Voting service provider – KFintech and you will be redirected to e-Voting website of KFintech for casting your vote during the remote e-Voting period without any further authentication.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

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

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: **1800 1020 990** and **1800 22 44 30**
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at **022-23058738** or **022-23058542-43**

Details on Step 2 are mentioned below:

II) **Login method for e-Voting for Members other than Individual Members holding securities in demat mode and Members holding securities in physical mode.**

(A) Members whose email IDs are registered with the Company/ Depository Participants (s), will receive an email from KFintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

i. Launch internet browser by typing the URL: https://evoting.kfintech.com/

ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) 6172, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting the vote.

iii. After entering these details appropriately, click on "LOGIN".

iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the "EVEN" i.e., '6172- AGM" and click on "Submit"

vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/ AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.

ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

x. You may then cast your vote by selecting an appropriate option and click on "Submit".

xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution(s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to cast its vote through remote e-voting, together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id aruncs.gupta@gmail.com with a copy marked to evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the name of "Capital India Finance Limited EVEN 6172."

(B) Members whose email IDs are not registered with the Company/Depository Participants(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:

i. Members who have not registered their email address and in consequence the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, may temporarily get their email address and mobile number provided with KFintech, by accessing the link: https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx

Members are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, member may write to einward.ris@kfintech.com.

ii Alternatively, member may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the signed request letter providing the email address, mobile number, self-attested PAN and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual Report, Notice of AGM and other communication in this regard.

iii. After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

Details on Step 3 are mentioned below:

III) **Instructions for all the Members for attending the AGM of the Company through VC/OAVM and e-Voting during the meeting.**

i. Member will be provided with a facility to attend the AGM through VC / OAVM platform provided by KFintech. Members may access the same at https://emeetings.kfintech.com/ by using the e-voting login credentials provided in the email received from the Company/KFintech. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned above.

ii. Facility for joining AGM though VC/ OAVM shall open at least 15 minutes before the commencement of the Meeting.

iii. Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.

iv. Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members 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. The Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC / OAVM platform. The Members may click on the voting icon displayed on the screen to cast their votes.

vi. A Member can opt for only single mode of voting i.e., through Remote e-voting or voting at the AGM. If a Member casts votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

vii. Facility of joining the AGM through VC / OAVM shall be available for members on first come first served basis.

viii. No restrictions on account of first come first served entry into AGM in respect of large Members (Members holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.

ix. Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM.

x. Members who need assistance before or during the AGM can contact KFintech on evoting@kfintech.com or call on toll free numbers 1-800-3094-001. Kindly quote your name, DP ID-Client ID / Folio no. and E-voting Event Number in all your communications.

OTHER INSTRUCTIONS

I. **Speaker Registration:** The Members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can visit https://emeetings.kfintech.com and login through the user id and password provided in the mail received from KFintech. On successful login, select 'Speaker Registration' which will open from September 23, 2021 at 9:00 A.M. to September 24, 2021 at 5:00 P.M. Members shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.

II. **Post your Question:** The Members who wish to post their questions prior to the meeting can do the same by visiting https://emeetings.kfintech.com. Please login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Post Your Question' option which will open from September 23, 2021 at 9:00 A.M. to September 24, 2021 at 5:00 P.M.

III. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of https://evoting.kfintech.com (KFintech Website) or contact Mr. Naveen Muthelya, at evoting@kfintech.com or call KFintech's toll free No. 1-800-309-4001 for any further clarifications.

IV. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Tuesday, September 21, 2021, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.

V. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he/ she may obtain the User ID and Password in the manner as mentioned below:

i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399

1. Example for NSDL:
MYEPWD <SPACE> IN12345612345678
2. Example for CDSL:
MYEPWD <SPACE> 1402345612345678
3. Example for Physical:
MYEPWD <SPACE> XXXX1234567890

ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of https://evoting.kfintech.com/ , the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

iii. Members who may require any technical assistance or support before or during the AGM are requested to contact KFintech at toll free number 1-800-309-4001 or write to them at evoting@kfintech.com.

VI. The results of the electronic voting shall be declared to the Stock Exchanges after the AGM. The results along with the Scrutinizer's Report, shall also be placed on the website of the Company.

20. **Tax on dividend:**

i. Pursuant to the Income Tax Act, 1961, as amended by the Finance Act, 2020, dividend income will be taxable in the hands of Members with effect from April 1, 2020 and therefore, the Company shall be required to deduct tax at source (TDS) from dividend paid to Members at the prescribed rates. Members are requested to update their Permanent Account Number ("PAN") with the Company / KFintech (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

ii. For Resident Shareholders, tax shall be deducted at source under Section 194 of the Income-tax Act, 1961 @ 10% on the amount of Dividend declared and paid by the Company during the Financial Year 2021-22, provided PAN is furnished by the Shareholder. If PAN is not submitted, TDS would be deducted @ 20% as per Section 206AA of the Income-tax Act, 1961.

iii. However, no Tax shall be deducted on the Dividend payable to a resident Individual if the total dividend to be received during FY 2021-22 does not exceed Rs. 5,000. Please note that this includes the future dividends, if any, which may be declared by the Board in the FY 2021-22.

iv. Separately, in cases where the Shareholder provides Form 15G (applicable to any person other than a Company or a Firm) / Form 15H (applicable to an Individual above the age of 60 years), no tax at source shall be deducted provided that the eligibility conditions are being met. Needless to say, PAN is mandatory. Members are requested to note that in case their PAN is not linked with Aadhaar, tax will be deducted at a higher rate of 20%

v. Section 206AB introduced by the Finance Act, 2021 effective July 1, 2021, provides for deduction of higher rate of tax in case a person:

a. Had not filed Income Tax returns (ITR) for the last two preceding previous years where the time limit to file the return of income prescribed under section 139 (1) of the Income-tax Act, 1961 has expired; and

b. Had aggregate TDS credit of Rs. 50,000 or more in each of these two preceding years

Accordingly, in case both the above conditions are not fulfilled, tax would be deducted at a higher rate.

vi. For Non-Resident Shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 of the Income-tax Act, 1961 at the applicable rates in force. As per the relevant provisions of Section 195 of the said Act, the withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) on the amount of Dividend payable to them. In case of Foreign Portfolio Investors/Foreign Institutional Investors, the withholding tax shall be as per the rate specified in 196D of the Act plus applicable surcharge and cess on the amount of Dividend payable to them.

vii. However, as per Section 90 read with Section 195 of the Income-tax Act, the Non-Resident Shareholder has 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 Tax Treaty benefits, the Non-Resident Shareholder will have to provide the following on or before September 18, 2021:

a) Self-attested true copy of Tax Residency Certificate ("**TRC**") obtained from the tax authorities of the country of which the shareholder is resident for the Financial Year 2021-22;

b) Self-declaration in Form 10F;

c) Self-attested true copy of the PAN Card if allotted by the Indian Income Tax authorities

d) Self-declaration in the format prescribed by the Company, certifying the following points:

- ❖ Shareholders are and will continue to remain a tax resident of the country of their residence during the Financial Year 2021-22;
- ❖ Shareholders are eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company;

- ❖ Shareholders have no reason to believe that their claim for the benefits of the DTAA is impaired in any manner;
- ❖ Shareholder does not have a taxable presence or a Permanent Establishment ("PE") in India during the Financial Year 2021-22. In any case, the amounts paid/ payable to the Shareholder are not attributable or effectively connected to the PE or fixed base, if any, which may have got constituted otherwise;
- ❖ Shareholder is the ultimate beneficial owner of shares held in the Company and dividend receivable from the Company; and
- ❖ Non-Resident Shareholder is satisfying the Principle Purpose Test as per the respective tax treaty effective 1st April, 2020 (if applicable).

Please note that the Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/ withholding on dividend amounts.

viii. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by the Non-Resident Shareholder.

ix. Members may submit the aforementioned documents on the link: https://ris.kfintech.com/ form15/. For further information, Members are requested to refer email communication sent to them in this regard.

x. It may be further noted that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents from the Shareholders, there would still be an option available with the Shareholders to file the return of income and claim an appropriate refund, if eligible

xi. The Company shall arrange to email the soft copy of TDS certificate to the Shareholders at the registered email ID in due course, post payment of the said Dividend.

xii. No communication on the tax determination or deduction shall be entertained post September 18, 2021.

xiii. The Securities and Exchange Board of India ("SEBI") has made it mandatory for all companies to use the bank account details furnished by the Depositories and the bank account details maintained by the Registrar and Transfer Agents for payment of dividend to Members electronically. The Company has extended the facility of electronic credit of dividend directly to the respective bank accounts of the Member(s) inter alia through the Electronic Clearing Service (ECS)/National Electronic Clearing Service (NECS)/ National Electronic Fund Transfer (NEFT)/ Real Time Gross Settlement (RTGS)/Direct Credit.

By order of the Board
For Capital India Finance Limited

Rachit Malhotra
Company Secretary & Compliance Officer
Membership No.: A39894
Date: August 13, 2021

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(es) mentioned in the Notice:

Item No. 4

The alteration in the Objects Clause of the Memorandum of Association (MOA) as set out in the Resolution is proposed in order to expand and give value added services to various stakeholders. This will also enable the company to enlarge the area of operations and carry on its business economically and efficiently.

Therefore, it is proposed to amend Objects Clause of the MOA of the Company by inserting sub clause 4 after the existing Clause III (A) (3) of the Memorandum of Association, to include the following:

4. To carry on the business of all kinds of travel agency (through online and off-line modes) for offering, to body corporates, individuals, families, large groups, businesses, in-house employees, any other persons or group of persons, various travel, accommodation and tourism services such as:
   - i. Booking of Tickets for travel or transit by flights, trains, buses, cabs, cruises, ships, boats, helicopters, or any other mode of transport (including but not limited to baggage and port handling, check in and assistance for Boarding, marhaba services, pass class upgrades);
   - ii. Booking of accommodation facilities such as room nights in hotels, cottages, lodges, apartments, motels, bungalows, villas, guest houses, farmhouses, home stays, room upgrades, bed and breakfast stays, house boats, cruises, tents, or any other mode of accommodation including laundry services;
   - iii. Arranging transportation of passengers, goods, animals both domestic and International, provide boarding and lodging, arrange passport / immigration, clearances, assist in visa clearances and custom clearances;
   - iv. Booking of various category of holidays, pilgrimages, corporate events (venue, conferences and seminars etc.), which may include travel, stay, food, sight-seeing and any other activity, in India and abroad, for inbound, outbound and domestic travelers;
   - v. Facilitating the visa application (including visa documentation, pickup, delivery, assistance for passport, visa consultation and facilitation) by customers for travel to and from foreign countries;
   - vi. To generally engage in the business of development and promotion of tourism and to provide various facilities to national and international tourists as may be incidental or necessary for the accomplishment of above objects;
   - vii. To provide information about travel insurance to customers and assist the customers to procure such insurance from the insurance companies;
   - viii. To assist with contracting, sightseeing tickets and transfers, on tour land arrangements, tour manager, escorts, on tour meal arrangements for all Domestic and International Tour Package;
   - ix. To facilitate local buses, luxury buses / coaches for ground sightseeing, intercity transfers, bus tours, local car / private cars, self-drive, taxi arrangements, limousine for any purpose including domestic and international airport pickup and drop;
   - x. To operate charter flights for domestic as well as international travels under both inclusive and non-inclusive tour package schemes;
   - xi. To offer technology platforms to any travel service provider, accommodation provider, and any other service provider including insurance companies, to enable them to conduct their business in various ways;
   - xii. To make investments in businesses or entities related to travel, tourism and hospitality sector, such as travel agencies, alternate accommodations, leisure activity businesses, event management entities, co-working spaces, corporate travel portals or agencies, e-commerce technology companies and hotels; and
   - xiii. To provide information/other services for any of the aforesaid object.

As per Section 13 of the Companies Act, 2013, approval of the Members of the Company is being sought, for alteration of MoA of the Company by way Special Resolution. The draft copy of the Memorandum of Association of the Company is available 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 AGM.

The Amendment shall be effective upon the registration of the resolution with the Registrar of the Companies. The MoA shall also be available for inspection by the Members on the Company's website. In light of the above facts, the approval of the Members is sought for effecting the alteration in the existing Object Clause of the MoA of the Company.

None of the Directors/ Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the proposed resolution. The Board recommends the resolution set out in Item No. 4 of this Notice for approval of the Members as a Special Resolution.

Item No. 5

The Members of the Company at the 24th Annual General Meeting of the Company held on June 2, 2018, had appointed M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Regn. No.: 117366W/W-100018) as Statutory Auditors till the conclusion of the 29th AGM of the Company.

The Reserve Bank of India vide its circular no. DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 ("**RBI Circular**"), has issued guidelines on appointment of Statutory Auditors ("SAs") by NBFCs, which states that "One audit firm can concurrently take up statutory audit of a maximum of eight NBFCs during a particular year, subject to compliance with required eligibility criteria and other conditions for each Entity and within overall ceiling prescribed by any other statutes or rules".

Pursuant to the RBI circular, M/s Deloitte Haskins & Sells LLP, Chartered Accountants have tendered resignation from the position of Statutory Auditors, resulting into casual vacancy in the office of Statutory Auditors of the Company in accordance with Section 139(8) of the Companies Act, 2013.

The Board in its meeting held on August 13, 2021 approved the appointment of M/s Singhi & Co., Chartered Accountants having Firm Registration No. 302049E, who have conveyed their consent to be appointed as the Statutory Auditors of the Company in casual vacancy along with a confirmation that, their appointment, if made by the members, would be within the limits prescribed under the Companies Act, 2013 and in accordance with the RBI Circular.

The proposed fee for the said appointment will be INR 17,50,000 (Indian Rupees Seventeen Lakh Fifty Thousand only) per annum (exclusive of taxes and reimbursement of out of pocket expenses at actuals) which is in line with the industry standards and is not materially different from the fee paid to the erstwhile auditors.

The Audit Committee has taken into account the experience and expertise of the auditors and recommended them to the Board for appointment. The Board has accordingly appointed them in the causal vacancy caused by M/s Deloitte Haskins & Sells LLP and recommended the same to the shareholders for their appointment.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives is, in any way, concerned or interested, financially or otherwise, in the proposed resolution. The Board recommends the resolution set out in Item No. 5 of this Notice for approval of the Members as an Ordinary resolution.

By order of the Board

For Capital India Finance Limited

Rachit Malhotra

Company Secretary & Compliance Officer

Membership No.: A39894

Date: August 13, 2021

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 re-appointed:

Name	**Dr. Harsh Kumar Bhanwala**
DIN	06417704
Age	59 years
Brief Resume	Dr. Harsh Kumar Bhanwala 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 its kind 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	Please refer to aforesaid Brief Resume and Report on Corporate Governance for detailed information.
Recognition or awards	Awarded honorary doctorate in Science by Tamil Nadu Agricultural University, Coimbatore.
Job Profile and suitability	Based on his rich experience and background he is suitable for the position of Director in the category of Executive Chairman.
Remuneration sought to be paid	No change is proposed in the existing remuneration
Remuneration last drawn by such person, if applicable	INR 75.78 Lakhs (during financial year 2020-21)
Directorships (other than alternate directorships) held in other companies (excluding foreigncompaniesandsection8 companies)	Bayer Cropscience Limited Multi Commodity Exchange of India Limited
Memberships/ Chairmanships of committees of other Public companies (includes only Audit Committee and Stakeholders' Relationship Committee.)	Bayer Cropscience Limited – Member of Audit Committee
Shareholding in the Company	Nil
Relationship with the Company, any Director(s), Manager and other Key Managerial Personnel of the Company	Not related with the Company, any Director(s), Manager and other Key Managerial Personnel of the Company
Number of meetings of Board attended during the financial year 2020-21	2

By order of the Board

For Capital India Finance Limited

Rachit Malhotra

Company Secretary & Compliance Officer

Membership No.: A39894

Date: August 13, 2021

Registered Office:

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

CAPITAL INDIA

Rediscover Business

ANNUAL REPORT 2020-21

27th ANNUAL REPORT

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dr. Harsh Kumar Bhanwala	Executive Chairman
Mr. Keshav Porwal	Managing Director
Mr. Vinod Somani	Independent Director
Mr. Yogendra Pal Singh	Independent Director
Mr. Malay Mukherjee	Independent Director
Mrs. Rachna Dikshit	Independent Director
Mr. Subhash Chander Kalia	Independent Director

CHIEF EXECUTIVE OFFICER

Mr. Vineet Kumar Saxena

CHIEF FINANCIAL OFFICER

Mr. Neeraj Toshniwal

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Rachit Malhotra

STATUTORY AUDITORS

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

SECRETARIAL AUDITORS

M/s Arun Gupta & Associates,
Company Secretaries
59, Ground Floor, Street No. 3, Madan Park, East Punjabi Bagh,
New Delhi - 110026

INTERNAL AUDITORS

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

REGISTRAR & SHARE TRANSFER AGENTS

KFin Technologies Private Limited,
Selenium Tower B, Plot Nos. 31 & 32, Gachibowli,
Financial District, Nanakramguda, Hyderabad – 500 032

REGISTERED OFFICE

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

CORPORATE OFFICE

A-1402, One BKC, A-Wing, 14th Floor,
G-Block, BKC, Bandra East, Mumbai-400051

DEBENTURE TRUSTEE

Catalyst Trusteeship Limited
Windsor, 6th Floor, Office No. 604, C.S.T. Road, Kalina,
Santa Cruz (East), Mumbai – 400098

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BOARD'S REPORT

To,

The Members,

CAPITAL INDIA FINANCE LIMITED ("the Company")

Your Board of Directors ("**Board**") take pride in presenting their 27th Annual Report together with the Audited Financial Statements (both on standalone and consolidated basis) ("**Financial Statements**") for the Financial Year ended on March 31, 2021 ("**FY 2020-21**" or "**period under review**"). The summarised consolidated and standalone financial performance of your Company is as follows:

1. FINANCIAL HIGHLIGHTS

(INR in Lakhs)

Particulars	Consolidated		Standalone	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Total Income	57,950.65	17,927.24	35,459.64	10,524.04
Less: Total Expenditure	56,475.21	15,492.99	32,533.71	6,399.65
Profit before tax	1,475.44	2,434.25	2,925.93	4,124.39
Less: Tax Expense	866.95	1,170.52	880.34	1,048.18
Profit for the year (Owners of the Company)	960.35	1,723.09	2,045.59	3,038.26
Other Comprehensive Income	27.44	11.59	20.02	7.08
Total Comprehensive Income for the year (Owners of the Company)	987.80	1,734.68	2,065.60	3,045.34
Add: Balance brought forward from previous year	1,228.77	493.55	3,082.86	1,020.09
Less: Appropriations:				
Transfer to Special Reserve under Section 45-IC of the RBI Act, 1934	409.12	607.65	409.12	607.65
Dividend on equity shares	71.93	310.94	71.93	310.94
Tax on Dividend	5.80	63.98	5.80	63.98
Other Deductions during the year	90.32	16.89	-	-
Surplus in the Statement of Profit and (Loss)	1,639.39	1,228.77	4,661.61	3,082.86

2. STATE OF COMPANY'S AFFAIRS

The Company is registered as a Non–Banking Financial Company not accepting public deposits holding Certificate of Registration from the Reserve Bank of India dated August 13, 2017 under Section 45-IA of the Reserve Bank of India Act, 1934 ("RBI Act").

During the Financial year 2020-21, the Company has been granted Authorised Dealer Category – II License to carry out foreign exchange services by Reserve Bank of India.

During the period under review, on standalone basis, the Company's total income was Rs. 35,459.64 Lakhs as compared to Rs.10,524.04 Lakhs during the previous financial year and the Company has earned a Profit Before Tax of Rs. 2,925.93 Lakhs as compared to Rs. 4,124.39 Lakhs during the previous financial year.

The Financial Statements both on Standalone and Consolidated basis forms part of this Annual Report.

3. RESERVES

For the financial year ended March 31, 2021, an amount of Rs. 409.12 Lakhs was transferred to Special Reserve in terms of Section 45-IC of the RBI Act.

The Company has done a provision reversal of Rs. (34.07) Lakhs for Employee Stock Options and reversal of Rs. (101.53) Lakhs for Expected Credit Losses ('ECL') during the period under review. Total provisions for ECL of the Company as at the end of FY 2020-21 is Rs. 1,632.18 Lakhs.

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

4. SHARE CAPITAL

During the period under review, there was no change in the capital structure of the Company. Accordingly, as at March 31, 2021, the Capital structure stand as follows:

- The authorised share capital of the Company was Rs. 21,400 Lakhs divided into 21,40,00,000 (Twenty-one crore forty lakhs) equity shares of INR 10/- (Indian Rupees Ten only) each, and
- Paid up share capital of the Company was 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 INR 10/- (Indian Rupees Ten only) each.

5. NON-CONVERTIBLE DEBENTURES

During the period under review, the Company has issued and allotted the following Non-Convertible Debentures ("NCDs"), through private placement:

S. No.	Name of Debenture Holder	No. of NCDs allotted*	Face Value (in Rs.)	Amount (Rs.in Crores)	Date of Issue
1	Bank of India	500	10,00,000	50.00	June 24, 2020
2	Punjab National Bank	250	10,00,000	25.00	July 30, 2020
3	State Bank of India	300	10,00,000	30.00	November 06, 2020
4	Punjab National Bank	100	10,00,000	10.00	December 31, 2020

*All the above NCDs are listed on BSE Limited.

6. CHANGE IN NATURE OF BUSINESS

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

7. AMENDMENT IN MEMORANDUM AND ARTICLE OF ASSOCIATION OF THE COMPANY

Subsequent to the closure of financial year till the date of this report, the Company had issued Postal Ballot Notice dated May 26, 2021, seeking approval of the Shareholders by way of Special Resolution on the following items:

i. Amendment in the object clause of its Memorandum of Association by incorporating sub-clause 3 under Clause III A:

3. To act as money changers, brokers, dealers, agents, buyers, and sellers of all in foreign exchange in the form of currencies, travellers cheques, bonds, notes, instruments, papers subject to approval of Reserve Bank of India, to take positions hold and trade on the movements of foreign currencies on behalf of customers or otherwise, to hold, operate and transact in foreign currencies and/or exchange by maintaining foreign currency bank accounts or otherwise, and to Issue or act as agents for travellers cheques, credit cards, phone cards and all Instruments in any currency subject to all rules, regulations and approvals as may be necessary and to undertake the business of money transfer within India and cross border, money remittance within India and cross border, or foreign currency prepaid cards with multicurrency and INR wallets with all its variations or extensions which are in existence or which may come into existence within India and outside and as a principal or as an agent for any other person carrying on such business, subject to terms and conditions mentioned in the permission / license as may be required to be obtained from Reserve Bank of India or from any other authority.

ii. Amendment in the Article of Association by deleting the following Clause 139:

Unless decided by the Board to the contrary, depending upon the circumstances of the case, a Managing Director shall not, while he continues to hold that office, be subject to retirement by rotation, in accordance with the Article 124 hereof. If he ceases to hold the office of director, he shall ipso-facto and forthwith ceases to hold the office of Managing Director.

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

During the period under review, the Company has the following subsidiaries:

S. No.	Name of Subsidiary	Percentage of Shareholding
1.	Capital India Home Loans Limited	99.96%
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 Adviser Private Limited	100%
6.	Rapipay Fintech Holding Private Limited*	100%
7.	Rapipay Fintech Private Limited	55.60%

*During the period under review, Rapipay Fintech Holding Private Limited ceased to be our subsidiary company since Rapipay Fintech Holding Private Limited has been amalgamated in Rapipay Fintech Private Limited pursuant to order dated March 1, 2021 of Hon'ble NCLT Court-II, Delhi. The Company does not have any associate or holding company or joint venture.

Note:

- As required under Rule 8 (1) of the Companies (Accounts) Rules, 2014, the Board's Report has been prepared on Standalone Financial Statements basis. A report on the performance and financial position of each of the Company's Subsidiaries as per Section 129(3) of the Act read with the Companies (Accounts) Rules, 2014, in the prescribed form AOC-1 is attached as **Annexure I** to the Board's Report.
- As required under Regulations 16(1)(c) and 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "**Listing Regulations**"), the Board has approved and adopted the Policy for determining Material Subsidiaries. The Policy is available on the Company's website at https://capitalindia.com. Also, details of the Material Subsidiary 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 financial statements of the subsidiaries may write to the Company Secretary at secretarial@capitalindia.com.
- 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.

9. DIVIDEND DISTRIBUTION POLICY

Your Company has adopted the Dividend Distribution Policy which sets out the parameters and circumstances to be considered by the Board in determining the distribution of dividend to its shareholders and / or retaining profits earned by the Company. The said Policy is available on the website of the Company at https://capitalindia.com under the "Investors" tab.

10. DIVIDEND

In line with the Dividend Distribution Policy of the Company, your Directors are pleased to recommend a final dividend of Re. 0.10/- (Rupee Ten Paisa only) per equity share for the FY 2020-21 payable to shareholders whose names appear in the Register of Member as on the Record Date i.e. Friday, September 17, 2021. 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).

11. 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 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 of the Company and otherwise disseminated internally.

12. 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 Listing Regulations, 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, 2021, the Board of the Company consists of following 7 (Seven) directors:

Sr. No	Name	DIN	Designation	Details
1.	Dr. Harsh Kumar Bhanwala	06417704	Executive Chairman	Appointed as an Additional Director in the capacity of Executive Chairman, by the Board w.e.f. August 06, 2020 and the same was approved by the shareholders in their Annual General Meeting held on September 28, 2020.
2.	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 the same was approved by the shareholders in their Annual General Meeting held on June 2, 2018.
3.	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 the same was approved by the shareholders in their Annual General Meeting held on September 27, 2019
4.	Mr. Malay Mukherjee	02272425	Independent Director	Appointed as an Additional Director in the capacity of Non – Executive Independent Director by the Board w.e.f. July 31, 2020 and the same was approved by the shareholders in their Annual General Meeting held on September 28, 2020
5.	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 the same was approved by the shareholders in their Annual General Meeting held on June 2, 2018.
6.	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 the same was approved by the shareholders in their Annual General Meeting held on June 2, 2018.
7.	Mrs. Rachna Dikshit	08759332	Independent Woman Director	Appointed as an Additional Director in the capacity of Woman Non – Executive Independent Director by the Board w.e.f. September 30, 2020.

ii **Fit and Proper Criteria**

On the basis of declaration received from the Directors of the Company as on March 31, 2021 and taken on record by the Board of Directors, none of the Director is disqualified as on March 31, 2021 from being appointed as a Director in terms of Section 164 (2) of the Act.

All the Directors of the Company duly meet the Fit and Proper Criteria of Director as per the requirements of Guidelines on Corporate Governance issued by the Reserve Bank of India and has given their declaration in this regard.

iii. Changes in Directors and Key managerial Personnel

During the year under review and subsequent to the closure of financial year, the composition of the Board of Directors and Key Managerial Personnel underwent the following changes:

- Mrs. Rachna Dikshit (DIN: 08759332) was appointed as an Additional Director in the capacity of Woman Independent Director by the Board w.e.f. September 30, 2020;
- Ms. Shraddha Suresh Kamat (DIN: 07555355) resigned from the position of Woman Non-Executive Non-Independent Director of the Company with effect from September 30, 2020 due to her personal reasons.;
- Mr. Amit Sahai Kulshreshtha (DIN: 07869849) resigned from the position of Executive Director & Chief Executive Officer of the Company, with effect from February 15, 2021 due to his personal reasons.;
- Mr. Vineet Kumar Saxena resigned from the position of Non-Executive Director of the Company with effect from April 1, 2021 due to his personal reasons. Thereafter, Mr. Vineet Kumar Saxena was appointed as Chief Executive Officer of the Company with effect from May 26, 2021; and
- Mr. Subhash Chander Kalia (DIN: 00075644) was appointed as an Additional Director in the capacity of Independent Director by the Board w.e.f. May 26, 2021.

iv. Declaration of Independence

The Company has received necessary declarations from all the Independent Directors of the Company confirming that they meet the criteria of Independence as prescribed under Section 149(6) of the Act and Regulation 25 (8) read with Regulation 16 of Listing Regulations. The Company has also received from them declaration of compliance of Rule 6 (1) & (2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, regarding online registration with the Indian Institute of Corporate Affairs, for inclusion/ renewal of name in the databank of 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 Board and Committee(s) of the Board of the Company.

v. Statement regarding opinion of the Board with regard to integrity, expertise and experience (including the proficiency) of the Independent Directors appointed during the year

With regard to integrity, expertise and experience (including the proficiency) of the Independent Directors appointed during the Financial Year 2020- 21, the Board of Directors have taken on record the declarations and confirmations submitted by the Independent Directors and is of the opinion that all the Independent Directors are persons of integrity and possess relevant expertise and experience and their continued association as Directors will be of immense benefit and in the best interest of the Company.

vi. Directors and Officers (D&O) Liability Insurance

Your Company has an Insurance for its Directors/Officers for such quantum and risks as determined by the Company.

vii. 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, Dr. Harsh Kumar Bhanwala, Executive Chairman 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 Director of the Company.

viii. Key Managerial Personnel

As on the date of this Report, the Company has the following KMPs in accordance with the provisions of the Companies Act, 2013 and rules made thereunder:

Dr. Harsh Kumar Bhanwala	:	Executive Chairman
Mr. Keshav Porwal	:	Managing Director
Mr. Vineet Kumar Saxena	:	Chief Executive Officer
Mr. Neeraj Toshniwal	:	Chief Financial Officer
Mr. Rachit Malhotra	:	Company Secretary & Compliance Officer

During the period under review and upto the date of this report, Mr. Amit Sahai Kulshreshtha, Executive Director & Chief Executive Officer of the Company, resigned with effect from February 15, 2021 and Mr. Vineet Kumar Saxena was appointed as the Chief Executive Officer of the Company with effect from May 26, 2021. No other change occurred in the Key Managerial Personnel ("**KMP**") of the Company.

ix. Board Meetings

During the period under review, 4 (Four) Board meetings were held, the details of composition of the Board and its meetings held during the year under review and the attendance of the Directors at those meetings is provided in the Corporate Governance Report which forms part of this Annual Report. The intervening gap between the meetings were within the period prescribed under the Companies Act, 2013 and rules made thereunder.

x. 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;
x. IT Strategy Committee; and
xi. Corporate Social Responsibility Committee

xi. **Composition of the Committees:**

The following was the composition of the Committees as on March 31, 2021:

Sl. No.	Committee meeting	Composition
1	Audit Committee	Mr. Vinod Somani (Chairman)
		Mr. Yogendra Pal Singh (Member)
		Mrs. Rachna Dikshit (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. Malay Mukherjee (Member)
		Mr. Vineet Kumar Saxena (Member)
4	Investment Committee	Dr. Harsh Kumar Bhanwala (Chairman)
		Mr. Keshav Porwal (Member)
		Mr. Vineet Kumar Saxena (Member)
5	Risk Management Committee	Dr. Harsh Kumar Bhanwala (Chairman)
		Mrs. Rachna Dikshit (Member)
		Mr. Achal Kumar Gupta (Member)
		Mr. Keshav Porwal (Member)
6	Asset-Liability Committee	Dr. Harsh Kumar Bhanwala (Chairman)
		Mr. Vinod Somani (Member)
		Mr. Keshav Porwal (Member)
		Mr. Neeraj Toshniwal (Member)
		Mr. Chetan Bafna (Member)
7	Management Committee	Dr. Harsh Kumar Bhanwala (Chairman)
		Mr. Keshav Porwal (Member)
		Mr. Vineet Kumar Saxena (Member)
8	Credit Committee	Mr. Vinod Somani (Chairman)
		Mr. Keshav Porwal (Member)
		Mr. Vineet Kumar Saxena (Member)
9	Securities Issuance Committee	Mr. Vinod Somani (Chairman)
		Mr. Keshav Porwal (Member)
		Mr. Vineet Kumar Saxena (Member)
10	IT Strategy Committee	Mr. Yogendra Pal Singh (Chairman)
		Mr. Vineet Kumar Saxena (Member)
		Mrs. Rekha Kashyap (Member)
		Mr. Manish Gupta (Member)
11	Corporate Social Responsibility Committee	Mr. Yogendra Pal Singh (Chairman)
		Mr. Keshav Porwal (Member)
		Mr. Malay Mukherjee (Member)

xii. 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	June 01, 2020
			July 31, 2020
			November 11, 2020
			February 11, 2021
2	Audit Committee (AC)	4	June 01, 2020
			July 31, 2020
			November 11, 2020
			February 11, 2021
3	Stakeholder Relationship Committee (SRC)	1	February 11, 2021
4	Nomination & Remuneration Committee (NRC)	4	June 01, 2020
			July 31, 2020
			November 11, 2020
			February 11, 2021
5	Risk Management Committee (RMC)	4	May 25, 2020
			July 28, 2020
			November 04, 2020
			January 20, 2021
6	Asset-Liability Committee (ALCO)	4	June 01, 2020
			July 31, 2020
			November 6, 2020
			February 11, 2021
7	Investment Committee (IC)	6	June 01, 2020
			July 30, 2020
			September 15, 2020
			November 06, 2020
			February 11, 2021
			February 15, 2021
8	IT Strategy Committee (IT)	2	May 11, 2020
			November 06, 2020
9	Securities Issuance Committee (SIC)	Nil	Nil
10	Management Committee (MC)	9	July 1, 2020
			August 14, 2020
			September 15, 2020
			September 30, 2020
			October 14, 2020
			November 07, 2020
			January 29, 2021
			March 18, 2021
			March 24, 2021
11	Credit Committee (CC)	Nil	Nil
12	Corporate Social Responsibility Committee	1	June 01, 2020

xiii. Attendance of Directors/Members at the Board and Committee meetings

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	CSR	MC	IT	ALCO
Dr. Harsh Kumar Bhanwala	2/2	-	-	-	-	-	-	-	-	4/4
Mr. Vinod Somani	4/4	4/4	4/4	1/1	-	-	-	-	-	4/4
Mr. Yogendra Pal Singh	4/4	4/4	4/4	1/1	-	-	1/1	-	2/2	-
Mr. Malay Mukherjee	2/2	-	-	-	-	-	-	-	-	-
Mrs. Rachna Dikshit	2/2	1/1	-	-	1/1	-	-	-	-	-
Mr. Keshav Porwal	4/4	-	-	-	4/4	6/6	1/1	9/9	-	4/4
Mr. Vineet Kumar Saxena	4/4	4/4	4/4	1/1	-	5/6	-	9/9	2/2	-
Mr. Amit Sahai Kulshreshtha*	3/4	-	-	-	3/3	4/6	1/1	0/9	2/2	3/4
Ms. Shraddha Suresh Kamat**	2/2	-	-	-	-	-	-		-	-
Mr. Achal Kumar Gupta	-	-	-	-	4/4	-	-	-	-	-
Mr. Manish Gupta	-	-	-	-	-	-	-	-	2/2	-
Mr. Neeraj Toshniwal	-	-	-	-	-	-	-	-	-	1/1
Mr. Chetan Bafna	-	-	-	-	-	-	-	-	-	1/1

*Resigned from the position of Executive Director and Chief Executive Officer w.e.f. February 15, 2021

**Resigned from the position of Woman Non-Executive Director w.e.f. September 30, 2020

xiv. Separate Meeting of Independent Directors

In accordance with the provisions of Schedule IV to the Act and Regulation 25(3) of the Listing Regulations, during the Financial Year 2020-21, the Independent Directors met once on July 20, 2020 to discuss relevant items including the agenda items as prescribed under the applicable laws.

The meeting was attended by the Independent Directors of the Company eligible to attend the same.

13. POLICIES GOVERNING THE APPOINTMENT AND REMUNERATION OF THE DIRECTORS AND EMPLOYEES

The Nomination & Remuneration Committee ("**NRC**") has been constituted to undertake the functions in accordance with the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations as amended from time to time.

In accordance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Regulations, 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 purpose of this Policy is to establish and govern the procedure as applicable inter alia in respect to the following:

a) 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) relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

c) 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.

NRC 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, NRC ensures that the new Directors are familiarized with the operations of the Company and endeavors to provide relevant training to the Directors.

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.

14. REMUNERATION OF THE DIRECTORS, KEY MANAGERIAL PERSONNEL & EMPLOYEES

Disclosure with respect to the ratio of remuneration of each of the Director and employee 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**.

A statement containing the details of the Remuneration of Directors, KMPs and Employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is forming part of this Annual Report. However, as per the provisions of Section 136 of the Companies Act, 2013, the report and financial statements are being sent to the Members and others entitled thereto after excluding the disclosure on particulars of employees. The disclosure is available for inspection by the Members on the website and at the Registered Office of your Company during business hours on all working days of the Company up to the date of the ensuing AGM. Any Member interested in obtaining a copy thereof, may write an email to secretarial@capitalindia.com

15. PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

As required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has a Policy on Prevention of sexual harassment of women at workplace and matters connected therewith and has also complied with the provisions relating to the constitution of Internal Complaint Committee ("ICC"). It is our constant endeavor to ensure that we provide harassment free, safe and secure working environment to all employees especially women.

During the period under review, there was no case of sexual harassment reported to the Company.

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

NRC 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 Listing Regulations, at its separate meeting, evaluated the performance of the Chairman, Non-Independent Directors and the Board as a whole and the flow of information between the management and the Board.

NRC carried out the evaluation of performance of each of the Directors, without the presence of the Director being evaluated and the Board carried out a formal evaluation of its own performance and the Board Committees. The Board of Directors had expressed their satisfaction with the evaluation process.

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.

17. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As required under Regulation 34 of the Listing Regulations, the Management Discussion and Analysis Report is forming a part of this Annual Report.

18. 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, 2021 and state:

a. that in the preparation of Annual Accounts for the Financial Year ended as at March 31, 2021, 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, 2021 and of the profit and loss of the Company for the Financial Year ended on March 31, 2021.

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 were operating effectively; and

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

19. 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 issued by Reserve Bank of India for public deposits are not applicable on the Company.

20. 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.

21. 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 24th Annual General Meeting ("**AGM**") of the Company for a period from the conclusion of the said 24th AGM 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 AUDITOR

The Board had appointed M/s Arun Gupta & Associates, Company Secretaries, as the Secretarial Auditors of the Company to undertake the Secretarial Audit for the financial year 2020-21 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 and Regulation 24A of Listing Regulations. 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.

Pursuant to Regulation 24A of the Listing Regulations, every listed company shall annex with its annual report the Secretarial Audit Report of its material subsidiaries incorporated in India. In compliance with the said requirement, the Secretarial Audit Report of Capital India Home Loans Limited, a material subsidiary of the Company, for the financial year 2020-21 forms part of this Annual Report.

c) INTERNAL AUDITOR

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 2020-21 in terms of the provisions of Section 138 of the Companies Act, 2013 and rules made thereunder.

22. 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.

23. ANNUAL RETURN

Pursuant to Section 134 and Section 92(3) of the Act read with Rule 12 (1) of the Companies (Management and Administration) Rules, 2014, the annual return as on March 31, 2021 will be available on the website of the Company at https://capitalindia.com.

24. CORPORATE GOVERNANCE REPORT

It has always been the Company's endeavor to excel better Corporate Governance through 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 in accordance with Regulation 34 read with Schedule V of the Listing Regulations and Guidelines on Corporate Governance issued by the Reserve Bank of India is presented in separate section forming part of this Annual Report.

A certificate from M/s Arun Gupta & Associates, Company Secretaries confirming compliance to the conditions of Corporate Governance as stipulated under Para E of Schedule V of the Listing Regulations is enclosed to this Report.

25. RELATED PARTY TRANSACTIONS

During the period under review, all contracts / arrangements / transactions entered into by the Company with the related parties were on arm's length basis and in the ordinary course of business. Also, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. 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.

All related party transactions entered are disclosed in Note 35 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

26. CODE OF CONDUCT

The Board has approved a Code of Conduct for Board of Directors and Senior Management Personnel which 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.

27. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company promotes ethical behavior in all its business activities and accordingly 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 Listing Regulations, the Company has established and implemented a Vigil Mechanism within the Company to be known as the '**Vigil Mechanism/Whistle Blower 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 victimization 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/Whistle Blower Policy has been formulated with a view to provide a mechanism for the Directors and employees of the Company to approach the Vigilance and 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 complaint of unethical or improper activity was reported to the Company.

28. 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.

29. PREVENTION OF INSIDER TRADING

In accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated and approved (i) an Insider Trading Code to regulate dealing in the securities of the Company by designated persons in compliance with the regulations; and (ii) a Policy for Fair Disclosure of Unpublished Price Sensitive Information. The Board is responsible for the implementation of this Code. Mr. Rachit Malhotra, Company Secretary of the Company is Compliance officer for the purposes of Insider Trading Code.

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

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

Your Company is into the business of Non-Banking Financial Services and thus does not involve any manufacturing activity. Most of the Information required to be provided under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, is not applicable. However, the information as applicable is given hereunder:

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

(e) Expenditure incurred on Research and Development

c) FOREIGN EXCHANGE EARNINGS AND OUTGO

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

31. 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 Audit Committee or Board during the period under review.

32. 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.

33. 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.

34. CORPORATE SOCIAL RESPONSIBILITY

In compliance with the provisions prescribed under Section 135 of the Act, your Company constituted a CSR Committee. The Board of Directors laid down the CSR Policy, covering the objectives, focus areas, governance structure and monitoring & reporting framework among others.

Your Company has taken note of the recent amendments brought in the CSR provisions under the Act and has taken necessary steps to identify the impact of the amendments on the Company and work out action plans to ensure compliance during the period under review.

Details of composition of CSR Committee and other relevant details have been provided in the Corporate Governance Report. The CSR Policy is placed on the website of the Company at URL https://capitalindia.com and a brief outline of the policy and the Annual Report on CSR activities is appended in **Annexure-III** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

35. 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 and Non-Convertible Debentures of Rs. 150 Crore.

36. CONSOLIDATED FINANCIAL STATEMENTS

Your Company has prepared the Audited Consolidated Financial Statements in accordance with Section 129(3) of the Act read with the applicable Indian Accounting Standards and Listing Regulations. As required under the Indian Accounting Standards (Ind AS), notified under Section 133 of the Companies Act, 2013 and applicable provisions of the Listing Regulations, the Audited Consolidated Financial Statements of the Company reflecting the Consolidation of the Accounts of its Subsidiary are included in this Annual Report.

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

37. 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 periodically reviewed and enhanced in response to changes in the external environment and business processes.

38. 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.

39. LISTING OF SECURITIES

Presently, the equity shares and debt securities of the Company are listed on the BSE Limited. The applicable Annual Listing Fees has been duly paid to BSE Limited.

40. 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.

41. 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**") including any amendment thereto. Relevant disclosures pursuant to SEBI SBEB Regulations, as on March 31, 2021 are available on the website of the Company at https://capitalindia.com.

A certificate with respect to the implementation of CIFL ESOP Plan in compliance with SEBI SBEB Regulations would be presented 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 till the date of AGM and will also be available on the website of the company at https://capitalindia.com.

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

42. BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report ("**BRR**") of your Company for the year 2020-21 forms part of this Annual Report as required under Regulation 34(2) (f) of the Listing Regulations and is appended as "**Annexure-IV**".

43. OTHER DISCLOSURES

Your Directors states that no disclosure or reporting is required in respect of the following 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.

44. CAUTIONARY STATEMENT

Statements in this Report, particularly those which relate to Management Discussion and Analysis, describing the Company objective, projections, estimates and expectations may constitute forward looking statement within the meaning of applicable laws and regulations.

45. 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

Dr. Harsh Kumar Bhanwala
Executive Chairman
DIN: 06417704

Keshav Porwal
Managing Director
DIN: 06706341

Place: Mumbai
Date: May 26, 2021

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 for the year ended March 31, 2021

Part-A: Subsidiaries

(Rs. In Lakhs)

Sr. No.	Particulars	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 Adviser Private Limited	Rapipay Fintech Holding Private Limited	Rapipay Fintech Private Limited
1	The date since when the subsidiary was acquired	August 11, 2017	August 29, 2017	September 12, 2017	September 18, 2017	September 14, 2017	September 20, 2019	September 21, 2019
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
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	Authorised Share Capital	13,005	3.00	5.00	3.00	3.00	-	3,749.55
5	Reserves & surplus	(1,538.08)	(2.61)	(2.94)	(2.61)	(2.72)	-	3,858.91
6	Total Assets	19,686.05	0.70	2.49	0.70	0.70	-	18,841.14
7	Total Liabilities	8,219.13	0.31	0.43	0.31	0.42	-	11,232.68
8	Investments	-	-	-	-	-	-	-
9	Turnover	1585.92	-	-	-	-	-	20,974.08
10	Profit before tax	(413.27)	(0.61)	(0.57)	(0.61)	(0.73)	-	(1,034.70)
11	Provision for tax	(44.96)	-	-	-	-	-	(242.27)
12	Profit after tax	(368.3)	(0.61)	(0.57)	(0.61)	(0.73)	-	(792.43)
13	Proposed dividend	0%	0%	0%	0%	0%	-	0%
14	% of shareholding	99.96%	100%	100%	100%	100%	-	55.60%

Note:

1. Names of subsidiaries which are yet to commence operations: None

2. Names of subsidiaries which have been liquidated or sold during the year: Rapipay Fintech Holding Private Limited ceased to be our subsidiary company pursuant to order **dated March 1, 2021** of Hon'ble **NCLT Court-II, Delhi**

Part B: Associates & Joint Ventures

Not Applicable

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

Dr. Harsh Kumar Bhanwala **Executive Chairman** DIN – 06417704	**Keshav Porwal** **Managing Director** DIN - 06706341	**Neeraj Toshniwal** **Chief Financial Officer** PAN - ACCPT2249N	**Rachit Malhotra** **Company Secretary & Compliance Officer** M. No. A39894

ANNEXURE II

Particulars of employees for the year ended on March 31, 2021 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[3] 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**
	Dr. Harsh Kumar Bhanwala[1]	-
	Amit Sahai Kulshreshtha[2]	-
	Keshav Porwal	16.60
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**
	Dr. Harsh Kumar Bhanwala[1]	-
	Amit Sahai Kulshreshtha[2]	-
	Keshav Porwal	-90.6
	Rachit Malhotra	-24.4
	Neeraj Toshniwal	-54.5
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	136 as on March 31, 2021.	
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 (4%) Percentage increase in managerial remuneration: (-67%)	
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.	

1 Dr. Harsh Kumar Bhanwala was appointed as Executive Chairman with effect from August 6, 2020. Since his term was for a part of the year, ratio of remuneration to median remuneration and percentage increase in remuneration are not comparable and hence not stated.

2 Amit Sahai Kulshreshtha ceased to be Executive Director & CEO with effect from February 15, 2021. Since his term was for a part of the year, ratio of remuneration to median remuneration and percentage increase in remuneration are not comparable and hence not stated.

3 Non-Executive Director and Independent Directors are not paid any commission/remuneration except sitting fees for attending Board meetings of the Company and hence not stated the ratio of remuneration to median remuneration and percentage increase in remuneration.

ANNEXURE III

ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR ENDED MARCH 31, 2021

1. **Brief outline on CSR Policy of the Company:**

Capital India Finance Limited has aligned a corporate social responsibility (CSR) policy in accordance with the provisions of section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 (CSR Rules), as amended, which outlines Company's CSR objectives and its implementation.

The Company is a socially responsible organization which aims to create an empowered, equitable, and sustainable ecosystem. We truly believe that a nation only progresses when all the strata of its society, and all the forces in its environment live together in harmony.

Through our philanthropic arm ATULYA FOUNDATION we reach out to the last mile communities and act as a catalyst in providing access to services & opportunities that help these communities live a prosperous life in a sustainable manner. Our focus areas are- Women Empowerment, Education, Skill development, Rural development, Health, Sanitation and Sustainable Environment.

2. **Composition of CSR Committee:**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Yogendra Pal Singh	Chairman/ Independent Director	1 (one)	1 (one)
2	Mr. Keshav Porwal	Member/ Managing Director	1 (one)	1 (one)
3	Mr. Malay Mukherjee*	Member / Independent Director	Not Applicable	Not Applicable

* Mr. Malay Mukherjee became the member of the Committee with effect from February 11, 2021.

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company. https://capitalindia.com/

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report). **NOT APPLICABLE**

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be setoff for the financial year, if any (in Rs)
Not Applicable			

6. Average net profit of the Company as per section 135(5): Rs. 2060.05 Lakhs

7.(a) Two percent of average net profit of the company as per section 135(5): Rs 41.20 Lakhs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(c) Amount required to be set off for the financial year, if any: Nil

(d) Total CSR obligation for the financial year (7a+7b-7c): Rs 41.20 Lakhs

8.(a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs. Lakhs)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
41.20	NA	NA	NA	NA	NA

(b) Details of CSR amount spent against **ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (in Rs. Lakhs)	Amount spent in the current financial Year (in Rs. Lakhs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	Health, Hygiene and Satination	Refer Note - 1	Yes	PAN India		12 Month	41.20	41.20	NA	No	Atulya Foundation	CSR00002180

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year: NA

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number

(d) Amount spent in Administrative Overheads: 10%

(e) Amount spent on Impact Assessment, if applicable: NA

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): 41.20 Lakhs

(g) Excess amount for set off, if any: Nil

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	41.20 Lakhs
(ii)	Total amount spent for the Financial Year	41.20 Lakhs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

9. (a) Details of Unspent CSR amount for the preceding three financial years: NA

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer	
Not Applicable							

(b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed / Ongoing.
Not Applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year **(asset-wise details).**

    (a) Date of creation or acquisition of the capital asset(s). NA

    (b) Amount of CSR spent for creation or acquisition of capital asset. NA

    (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

    (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

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 deficiency syndrome, 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.

Yogendra Pal Singh
Chairman CSR Committee

Keshav Porwal
Managing Director

Annexure IV

BUSINESS RESPONSIBILITY REPORT

for the financial year 2020-2021

[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 2020-2021
7.	Sector(s) that the Company is engaged in (industrial activity code- wise)		As on March 31, 2021, the Company is: i. an NBFC with the main business of Financing and Investments – granting Loans; and ii. activities related to foreign exchange business The NIC code is 64990
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)		1. Financing and Investment – Granting of Loans 2. Activities Permitted to Authorised Dealer Category-II
9.	Total number of locations where business activity is undertaken by the Company		13
	a.	Number of International Locations:	0
	b.	Number of National Locations:	13
10.	Markets served by the Company – Local/State/ National/International		The Company together with its subsidiaries, serves the domestic market

SECTION B: FINANCIAL DETAILS OF THE COMPANY

Sl. No.	Particulars	Company information
1.	Paid up Capital as on March 31, 2021	7,77,34,260 equity shares of INR 10 each aggregating to INR 77,73,42,600
2.	Total Turnover (Rs. in Lakhs)	
	a) Standalone	35,459.64
	b) Consolidated	57,950.65
3.	Total profit after taxes (Rs. in Lakhs)	
	a) Standalone	2045.59
	b) Consolidated	608.49
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	INR 41,20,000 (Indian Rupees Forty One Lakhs Twenty Thousand)
5.	List of activities in which expenditure in 4 above has been incurred	Kindly refer to the Annual Report on 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, 2021, the Company has 6 (Six) subsidiaries as follows: • Capital India Home Loans Limited • Rapipay Fintech Private Limited • Capital India Asset Management Private Limited • Capital India Wealth Management Private Limited • CIFL Holdings Private Limited • CIFL Investment Adviser 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)	Subsidiary companies are not directly involved in the business responsibility initiatives of the Company.
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%]	Other entities are not directly involved in the business responsibility initiatives of the Company.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

Sl. No.	Particulars		Information
1.	Details of the Director/Director responsible forimplementation of the BR policy/policies		
	i.	DIN	06706341
	ii.	Name	Keshav Porwal
	iii.	Designation	Managing Director
2.	Details of the BR head		
	i.	DIN	06706341
	ii.	Name	Keshav Porwal
	iii.	Designation	Managing Director
	iv.	Telephone Number	(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)	Yes. The Company adheres with the acts, rules, regulations and circulars on the policies to be framed by the Company issued by the governing bodies as are applicable from time to time. The Policies of the Company are framed in line with the extant laws and the market standards.								
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?	https://www.capitalindia.com								
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 Board review the BR performance annually.
2.	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Yes, the Business Responsibility Report is published annually as part of the Annual Report which can be accessed from the Website of the Company at www.capitalindia.com

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.	The Company has a Grievance Redressal mechanism for receiving complaints from different stakeholders, viz. shareholders, customers etc. There are dedicated resources to respond to the complaints within a stipulated time. During the year under review, the Company did not receive any complaints relating to ethics, bribery and corruption from any stakeholders.

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	136
2.	Total number of employees hired on temporary/contractual/ casual basis	Not Applicable
3.	Number of permanent women employees	24
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 duringthe financial year	No of complaints pending as onend 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	:	100
(b)	Permanent Women Employees	:	100
(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, out of its diverse stakeholders, the Company has identified the community surrounding its business operations as the disadvantaged, vulnerable and marginalized stakeholders
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 on 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?	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 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.

CORPORATE GOVERNANCE REPORT

1. CORPORATE GOVERNANCE PHILOSOPHY

Capital India Finance Limited ("the **Company**") believes in and adhere to good corporate governance practices. The Company's philosophy is aimed at assisting the management of the Company in the efficient conduct of the business and in meeting its obligations to all its stakeholders.

The Company has framed 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.

The Company is in compliance with the provisions of Corporate Governance specified in Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "**Listing Regulations**").

2. BOARD OF DIRECTORS

The Company is managed and controlled through a professional and qualified Board of Directors ("**Board**"). Board plays the 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 ensures high standards of ethics, transparency and disclosures.

As on March 31, 2021, the Board consists of 7 (seven) Directors comprising of 2 (two) executive directors, 4 (four) non- executive independent directors and 1 (one) non-executive non independent director. The composition of the Board is in conformity with the Companies Act, 2013 and rules made thereunder (hereinafter referred to as the "**Act**") and the Listing Regulations, having optimum 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 June 1, 2020, July 31, 2020, November 11, 2020 and February 11, 2021.

The attendance of the members of the Board at Annual General meeting and Board meetings held during the period under review, shareholding in the Company and position held in Board/Board committees of other companies, is as follows:

Sr. No.	Name, Designation and DIN of Director	No. of Board meetings held during the tenure of director/ financial year 2020-21	No. of Board meetings attended during the financial year 2020-21	Whether attended the last Annual General meeting	Shareholding in the Company as on March 31, 2021	Number of Directorships in other Companies as on March 31, 2021#	No. of Committee position held in other public Companies as on March 31, 2021$		Names of the listed entities where the director is a director and the category of directorship
							Membership	Chairmanship	
1	Dr. Harsh Kumar Bhanwala (Executive Chairman) (06417704)	2	2	Yes	Nil	1	1	0	Bayer Cropscience Limited (Independent Director)
2.	Mr. Vinod Somani (Independent Director) (00327231)	4	4	No	Nil	1	1	1	N.A.
3.	Mr. Yogendra Pal Singh (Independent Director) (08347484)	4	4	Yes	Nil	1	1	0	N.A.
4.	Mr. Malay Mukherjee (Independent Director) (02272425)	2	2	Yes	Nil	4	3	1	SREI Infrastructure Finance Limited (Independent Director) Dilip Buildcon Limited (Independent Director)
5.	Ms. Rachna Dikshit (Independent Director) (08759332)	2	2	NA	Nil	2	0	0	N.A.

6.	Mr. Keshav Porwal (Managing Director) (06706341)	4	4	Yes	Nil	Nil	1	0	N.A.
7.	Mr. Amit Sahai Kulshreshtha (Executive Director & Chief Executive* Officer) (07869849)	4	3	Yes	N.A.	N.A.	N.A.	N.A.	N.A.
8.	Mr. Vineet Kumar Saxena (Non-Executive Director) (07710277)	4	4	Yes	Nil	1	0	N.A.	N.A.
9.	Ms. Shraddha Suresh Kamat** (Non- Executive Director) (07555355)	2	2	No	N.A.	N.A.	N.A.	N.A.	N.A.

Note:

excludes directorship in the Company, deemed public company, private companies, foreign companies and Section 8 companies.

$ includes audit committee and stakeholders relationship committee in all public limited companies.

* Resigned as Executive Director & Chief Executive Officer of Company w.e.f February 15, 2021

** Resigned as Non- Executive Director of Company w.e.f September 30, 2020

Inter-se relationship among Directors

None of the Directors are in any way related to each other.

Key Board skills/expertise/competencies

Your Board is skill-based comprising of Directors who collectively have the skills, knowledge and experience to effectively govern and direct the organization. The Company has identified the key skills on the basis of the business, the industry wherein the Company operates and the Policy on remuneration of the directors, key managerial personnel and other employees. The Directors are persons of eminence in areas such as business, industry, finance, law, administration, economics etc. and bring with them experience and skills which add value to the performance of the Board.

It is not mandatory for all the Directors to possess all the skills and knowledge however the Board as a whole possess such skills as 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 of Independence from Independent Director

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

The Independent Directors have also submitted a declaration that they have registered themselves with the Indian Institute of Corporate Affairs for inclusion/renewal of their 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 Independent Directors, your Board confirms that, in its opinion, the independent directors fulfill the conditions specified in the Listing Regulations and are independent of the management of the Company.

Cessation of an Independent Director

During the period under review, none of the Independent Director has resigned from the Company.

Familiarization Programme for Independent Directors

All Independent Directors are familiarized periodically inter alia with their roles, rights, and responsibilities in the Company, business model of the Company, corporate governance practices, financials, business operations and other information including those pertaining to changes in statutes/legislations and economic environment and on matters affecting the Company, to enable them to take well-informed and timely decisions.

The details of familiarization programme in terms of regulation 25(7) of the regulations is uploaded on the website of the Company and can be accessed at www.capitalindia.com

Board Functioning and Procedure

Adequate notice is given to all Directors/members of the Committees for the Board/Committee Meetings. Detailed agenda is sent well in advance to all the Directors/members of Committees for enabling the Board/Committees take informed decisions at the meetings.

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. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. The Members of the Board/Committees express their opinion and decisions taken on the basis of consensus arrived at after detailed discussion at the Board Meeting and the same is accordingly recorded in the minutes of the meetings.

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 Company's guidelines relating to the Board meetings are applicable to the Committee meetings. The composition and terms of reference of all the Committees are in compliance with the Companies Act, 2013 and the Listing Regulations, as applicable. The Board supervises the execution of its responsibilities by the Committees and is responsible for their actions. Each Committee has the authority to engage outside experts, advisors and counsels to the extent it considers appropriate to assist in its functioning. Minutes of the proceedings of Committee meetings are circulated to the respective Committee members and placed before the Board meetings for noting. The composition of all the Committees is given in this Report.

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 Regulation 18 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. The Company Secretary acts as the Secretary of the Audit Committee.

Meetings

During the period under review, 4 (four) meetings of the Audit Committee were held on June 1, 2020, July 31, 2020, November 11, 2020 and February 11, 2021. The intervening period between Audit Committee Meetings was within the maximum time gap prescribed under Regulation 18 of Listing Regulations and the Act.

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

Name of Member	Designation in Committee	Category	No. of Committee meetings held during the tenure of member/ financial year 2020-21	No. of Committee meetings attended during the financial year 2020-21
Mr. Vinod Somani	Chairman	Independent Director	4	4
Mr. Yogendra Pal Singh	Member	Independent Director	4	4
Mrs. Rachna Dikshit	Member	Independent Director	1	1
Mr. Vineet Kumar Saxena	Member	Non-Executive - Non-Independent Director	4	4

The necessary quorum was present for all the meetings held during the year.

During the year under review and subsequent to the closure of financial year, the following changes in composition of the Audit Committee took place:

- Mrs. Rachna Dikshit, Independent Director of the Company was appointed as member of the Audit Committee with effect from November 11, 2020, and
- Mr. Vineet Kumar Saxena, Non Executive Non Independent Director of the Company ceased to be a member of Audit Committee with effect from April 1, 2021.

Post the aforementioned changes, the composition of the Audit Committee as on the date of this report is as detailed under:

Name of Member	Designation in Committee	Category
Mr. Vinod Somani	Chairman	Independent Director
Mr. Yogendra Pal Singh	Member	Independent Director
Mrs. Rachna Dikshit	Member	Independent Director

Terms of Reference

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

1) To approve the remuneration and terms of appointment of auditors of the company;
2) To review and monitor the auditor's independence and performance, and effectiveness of audit process;
3) To do examination of the financial statement and the auditors' report thereon;
4) To approve or make subsequent modification of transactions of the company with related parties;
5) To make scrutiny of inter-corporate loans and investments;
6) To review valuation of undertakings or assets of the Company, wherever it is necessary;
7) To do evaluation of internal financial controls and risk management systems;
8) To monitor the end use of funds raised through public offers and related matters;
9) To oversee the vigil mechanism established by the Company for Directors and employees to report genuine concerns.
10) To investigate any activity within its terms of reference;
11) To seek information from any employee;
12) To obtain outside legal or other professional advice;
13) To secure attendance of outsiders with relevant expertise, if it considers necessary;
14) 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;
15) 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;
16) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
17) Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
18) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
19) Changes, if any, in accounting policies and practices and reasons for the same;
20) Major accounting entries involving estimates based on the exercise of judgment by management;
21) Significant adjustments made in the financial statements arising out of audit findings;
22) Compliance with listing and other legal requirements relating to financial statements;
23) Disclosure of any related party transactions;
24) Qualifications in the draft audit report.
25) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
26) 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;
27) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;

28) 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;

29) Discussion with the internal auditors on any significant findings and follow up there on;

30) 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;

31) 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;

32) 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;

33) To review the functioning of the Whistle Blower mechanism, in case the same is existing;

34) 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;

35) to consider and comment on:

- rationale,
- cost-benefits and
- impact on the listed entity and its shareholders of schemes involving merger, demerger, amalgamation etc.; and

36) 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 Regulation 19 of the Listing Regulations. The Company Secretary acts as the Secretary of the Nomination & Remuneration Committee.

Meetings

During the period under review, 4 (Four) meetings of the Nomination & Remuneration Committee were held on June 1, 2020, July 31, 2020, November 11, 2020 and February 11, 2021.

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

Name of member	Designation in Committee	Category	No. of Committee meetings held during the tenure of member/ financial year 2020-21	No. of Committee meetings attended during the financial year 2020-21
Mr. Vinod Somani	Chairman	Independent Director	4	4
Mr. Yogendra Pal Singh	Member	Independent Director	4	4
Mr. Vineet Kumar Saxena	Member	Non-Executive Non-Independent Director	4	4

The necessary quorum was present for all the meetings held during the year.

Subsequent to the closure of financial year, the following changes in composition of the Nomination & Remuneration Committee took place:

- Mrs. Rachna Dikshit, Independent Director of the Company was appointed as member of the Nomination & Remuneration Committee with effect from May 14, 2021, and
- Mr. Vineet Kumar Saxena, Non-Executive Non-Independent Director of the Company ceased to be a member of Nomination & Remuneration Committee with effect from April 1, 2021

Post the aforementioned changes, the composition of the Nomination & Remuneration Committee as on the date of this report is as detailed under:

Name of Member	Designation in Committee	Category
Mr. Vinod Somani	Chairman	Independent Director
Mr. Yogendra Pal Singh	Member	Independent Director
Mrs. Rachna Dikshit	Member	Independent Director

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 Act and rules made thereunder, Listing Regulations and Performance Evaluation Policy ("**PEP**") of the Company, the Board and the Nomination & Remuneration Committee, has carried out a formal evaluation of the performance of the Board, its Committees and individual Directors, including Independent Directors. The Independent Directors' performance evaluation was carried out by the entire Board excluding the Director being evaluated. Further, the Independent Directors at a separate meeting reviewed the performance of the Non-Independent Directors, the Board as a whole and Chairman of the Board after taking into account the views of Executive Directors and other Non-Executive 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. The Company Secretary acts as the Secretary of the Stakeholders Relationship Committee.

i. Name of Non-Executive Director heading the Stakeholders Relationship Committee: Mr. Vinod Somani, Independent Director
ii. Name and designation of the Compliance Officer: Mr. Rachit Malhotra, Company Secretary & Compliance Officer
iii. Number of shareholders' complaints received during the financial year: 3 (Three)
iv. Number of complaints not solved to the satisfaction of shareholders: All complaints were resolved to the satisfaction of shareholders
v. Number of pending complaints: No complaints were pending unresolved as on March 31, 2021

Meetings

During the period under review, 1 (one) meeting of the Stakeholders Relationship Committee was held on February 11, 2021.

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

Name of the member	Designation in Committee	Category	No. of Committee meetings held during the tenure of member/financial year 2020-21	No. of Committee meetings attended during the financial year 2020-21
Mr. Vinod Somani	Chairman	Independent Director	1	1
Mr. Yogendra Pal Singh	Member	Independent Director	1	1
Mr. Malay Mukherjee	Member	Independent Director	N.A.	N.A.
Mr. Vineet Kumar Saxena	Member	Non-Executive Non-Independent Director	1	1

The necessary quorum was present for the meeting held during the year.

During the year under review and subsequent to the closure of financial year, the following changes in composition of the Stakeholders Relationship Committee took place:

- Mr. Malay Mukherjee, Independent Director of the Company was appointed as member of the Stakeholders Relationship Committee with effect from February 11, 2021, and

- Mr. Vineet Kumar Saxena, Non-Executive Non-Independent Director of the Company ceased to be a member of Stakeholders Relationship Committee with effect from April 1, 2021

Post the aforementioned changes, the composition of the Stakeholders Relationship Committee as on the date of this report is as detailed under:

Name of Member	Designation in Committee	Category
Mr. Vinod Somani	Chairman	Independent Director
Mr. Yogendra Pal Singh	Member	Independent Director
Mr. Malay Mukherjee	Member	Independent Director

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. The Company Secretary acts as the Secretary of the CSR Committee.

Meetings

During the period under review, 1 (one) meeting of the Corporate Social Responsibility Committee was held on June 1, 2020.

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

Name of the member	Designation in Committee	Category	No. of Committee meetings held during the tenure of member/ financial year 2020-21	No. of Committee meetings attended during the financial year 2020-21
Mr. Yogendra Pal Singh	Chairman	Independent Director	1	1
Mr. Keshav Porwal	Member	Managing Director	1	1
Mr. Malay Mukherjee	Member	Independent Director	N.A.	N.A.
Mr. Amit Sahai Kulshreshtha	Member	Executive Director	1	1

The necessary quorum was present for the meeting held during the year.

During the year and after the closure of financial year, the following changes in composition of the CSR Committee took place:

- Mr. Malay Mukherjee, Independent Director of the Company was appointed as member of the CSR Committee with effect from February 11, 2021, and
- Mr. Amit Sahai Kulshreshtha, Executive Director and Chief Executive Offier of the Company ceased to be a member of CSR Committee with effect from February 11, 2021.

Post the aforementioned changes, the composition of the CSR Committee as on the date of this Report is as detailed under:

Name of the member	Designation in	Category
Mr. Yogendra Pal Singh	Chairman	Independent Director
Mr. Keshav Porwal	Member	Managing Director
Mr. Malay Mukherjee	Member	Independent Director

Terms of Reference

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

1) 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;

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

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

4) 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 www.capitalindia.com.

5) Risk Management Committee

The Company has constituted a Risk Management Committee ("**RMC**") of the Board comprising of Directors and Senior Executives of the Company. The Company has a Risk Management Policy that is intended to ensure that an effective Risk Management framework is established and implemented within the organisation. The Company looks into various risks which may impact the Company's ability to achieve its strategy, objectives and results.

Meetings

During the period under review, 4 (four) meetings of the Risk Management Committee were held on May 25, 2020, July 28, 2020, November 4, 2020 and January 20, 2021.

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

Name of the member	Designation in Committee	Category	No. of Committee meetings held during the tenure of member/ financial year 2020-21	No. of Committee meetings attended during the financial year 2020-21
Dr. Harsh Kumar Bhanwala	Chairman	Executive Director	1	1
Mr. Keshav Porwal	Member	Managing Director	4	4
Mr. Amit Sahai Kulshreshtha	Member	Executive Director	3	3
Mr. Achal Kumar Gupta	Member	Independent Advisor	4	4
Ms. Rachna Dikshit	Member	Independent Director	1	1

The necessary quorum was present for all the meetings held during the year.

During the year and subsequent to the closure of financial year, the following changes in composition of the RMC Committee took place:

- Dr. Harsh Kumar Bhanwala, Executive Chairman of the Company was appointed as the Chairman of the Risk Management Committee with effect from November 11, 2020.
- Ms. Rachna Dikshit, Independent Director of the Company was appointed as member of the Risk Management Committee with effect from November 11, 2020;
- Mr. Amit Sahai Kulshreshtha ceased to be a member of Risk Management Committee with effect from November 11, 2020; and
- Mr. Achal Kumar Gupta ceased to be a member of Risk Management Committee with effect from May 17, 2021.

Post the aforementioned changes, the composition of the RMC Committee as on the date of this Report is as detailed under:

Name of the member	Designation in Committee	Category
Dr. Harsh Kumar Bhanwala	Chairman	Executive Director
Mr. Keshav Porwal	Member	Managing Director
Ms. Rachna Dikshit	Member	Independent Director

Terms of Reference

1. To formulate a detailed risk management policy which shall include:
   (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
   (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
   (c) Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken; and
6. To review the appointment, removal and terms of remuneration of the Chief Risk Officer.

4. REMUNERATION PAID TO DIRECTORS

Details of remuneration paid to all the Directors of the Company for the Financial Year 2020-21 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.	Dr. Harsh Kumar Bhanwala	Nil	65.98	9.80	Nil	Nil	75.78
2.	Mr. Vinod Somani	7.01	Nil	Nil	Nil	Nil	7.01
3.	Mr. Yogendra Pal Singh	6.75	Nil	Nil	Nil	Nil	6.75
4.	Mr. Malay Mukherjee	2.50	Nil	Nil	Nil	Nil	2.50
5.	Mrs. Rachna Dikshit	2.36	Nil	Nil	Nil	Nil	2.36
6.	Mr. Keshav Porwal	Nil	98.67	1.41	Nil	Nil	100.08
7.	Mr. Amit Sahai Kulshreshtha	Nil	248.60	1.58	Nil	Nil	250.17
8.	Mr. Vineet Kumar Saxena	Nil	Nil	Nil	Nil	Nil	Nil
9.	Ms. Shraddha Suresh Kamat	Nil	Nil	Nil	Nil	Nil	Nil

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.	Dr. Harsh Kumar Bhanwala, Executive Chairman	3 years	August 6, 2020	3 Calendar months
2.	Keshav Porwal, Managing Director	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 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.

b) During the year, there were no other pecuniary relationships or transactions with Independent Directors of the Company.

c) The Company has not granted any stock options to its Independent Directors.

5. GENERAL BODY MEETINGS

Annual General Meeting

The location, date and time of the Annual General Meetings held during last 3 years along with Special Resolution(s) passed thereat are as follows:

Sr. No.	Year of Annual General Meeting	Place	Date & Time	Brief description of Special Resolutions passed, if any
1	2020	Video Conferencing/ Other Audio Visual Means	September 28, 2020 at 11:00 A.M.	i. issue of non-convertible debentures and other debt securities; ii. issuance of securities; and iii. appointment of Dr. Harsh Kumar Bhanwala as an Executive Chairman of the Company.
2.	2019	The Magnolia Habitat World, India Habitat Centre, Lodhi Road, New Delhi – 110003	September 27, 2019 at 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.
3.	2018	The Magnolia Habitat World, India Habitat Centre, Lodhi Road, New Delhi – 110003	June 2, 2018 at 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 v. 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.

Extra-ordinary General Meeting

No Extra-ordinary General Meeting was held during the financial year ended on March 31, 2021.

Postal Ballot

The Company has not sought approval from shareholders through postal ballot during the financial year ended on March 31, 2021.

Subsequent to the closure of the Financial Year ended March 31, 2021, the Company vide Postal Ballot Notice dated May 26, 2021, had proposed the following Special Business(es) for consent of the members:

a) To consider and approve raising funds by way issuance of debt securities;
b) To consider and approve amendment in Memorandum of Association of the Company;
c) To consider and approve amendment in Articles of Association of the Company;
d) To consider and approve appointment of Mrs. Rachna Dikshit as Woman Independent Director of the Company; and
e) To consider and approve appointment of Mr. Subhash Chander Kalia as an Independent Director of the Company.

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. The extract of financial results, quarterly, half yearly and annual results and other statutory information were communicated to the shareholders generally by way of publication in newspapers viz. Jansatta (Hindi) and Financial Express (English). 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

The Company promotes ethical behavior in all its business activities and accordingly 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 Listing Regulations, the Company has established and implemented a Vigil Mechanism within the Company to be known as the '**Vigil Mechanism/Whistle Blower 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 victimization 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/Whistle Blower Policy has been formulated with a view to provide a mechanism for the Directors and employees of the Company to approach the Vigilance and 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 complaint of unethical or improper activity was reported to 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 Managing Director 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, 2021.

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

Keshav Porwal
Managing Director
Date: May 26, 2021
Place: Mumbai

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) 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.

B) Reporting of Internal Auditor

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

11. GENERAL SHAREHOLDERS INFORMATION

A) Company Registration Details

The Corporate Identity Number (CIN) of the Company is L74899DL1994PLC128577.

B) Annual General Meeting

The 27th 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.0.10 per share) amounting to Rs. 77.73 Lakhs (previous year Rs. 77.73 Lakhs) is proposed on equity shares. The recommended dividend will be accounted for when approved by the shareholders at this Annual General Meeting. Date of payment of dividend would be within 30 days from the date of AGM.

E) Listing of Securities on Stock Exchange

The Company's equity shares and debentures are listed at BSE Limited ("**BSE**"), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001

The applicable Annual Listing Fees has been duly paid to BSE.

F) Scrip code:

Equity Shares: 530879

Non-Convertible Debentures:

S. No.	Name of Debenture Holder	No. of NCDs allotted	Date of Issue	Scrip Code
1	Bank of India	500	June 24, 2020	959610
2	Punjab National Bank	250	July 30, 2020	959804
3	State Bank of India	300	November 06, 2020	960196
4	Punjab National Bank	100	December 31, 2020	960385

G) Registrar and Share Transfer Agent

Shareholders may correspond with the Registrar & Share Transfer Agent at the following address for all matters related to securities of the Company:

KFin Technologies Private Limited,

Selenium Building, Tower B, Plot 31-32, Financial District Nanakramguda,

Serilingampally, Hyderabad, Rangareddi, Telangana 500 032

Toll Free No.: 1- 800-309-4001

Email ID: einward.ris@kfintech.com

Website: www.kfintech.com

H) Share Transfer System

Trading in equity shares of the Company through recognized Stock Exchanges can be done only in dematerialized form. As per Regulation 40 of the Listing Regulations, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in demat form with a depository. 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.

I) Distribution of Shareholding

The shareholding distribution of equity shares as on March 31, 2021, is given hereunder:

Shareholding between	No. of shareholders	% of Total	Total Shares	Amount (Rs. In Lakhs)	% of Amount
1 to 10,000	800	97.68	338267	3382670	0.44
10,001 to 20,000	4	0.49	59457	594570	0.08
20,001 & above	15	1.83	77336536	773365360	99.49
Total	**819**	**100.00**	**77734260**	**777342600**	**100.00**

J) Dematerialisation of Shares and Liquidity

As on March 31, 2021, the number of equity shares held in dematerialised form was 7,75,43,620 (99.75%) and in physical form was 1,90,640 (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.

K) 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.

L) CEO & CFO Certification

In terms of Regulation 17(8) of the Listing Regulations, the Managing Director 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.

M) 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 2020-21.

N) 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, 2021, the Company has resolved investors complaints satisfactorily. There was no pending investor complaint as on March 31, 2021.

O) 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, 2021.

P) Plant location

In view of the nature of the Company's business viz. non-banking financial services and activities of authorised dealer category-II, the Company carries the business activities from various offices in India.

Q) 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

R) Disclosures

a) 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.

b) 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.

c) The Company has complied with all the mandatory requirements specified in Regulation 17 to 27 and applicable requirements of Regulation 46 of the Listing Regulations, as amended. The status of compliance with non-mandatory requirements of the Listing Regulations are as detailed hereunder:

i. Audit Qualification – The financial statements of the Company are unqualified.

ii. Internal Auditor – The Internal Auditor reports directly to the Audit Committee of the Company.

d) 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.

e) 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).

f) Your Board had accepted, all the necessary recommendations of the Committee(s) of the Board during the financial year ended on March 31, 2021.

g) 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, 2021**
Audit fees	17.71
Taxation matters (Tax audit fees)	1.64
Certification& other services	1.64
Total	**20.98**

h) 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, 2021.

S) 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 and Non-Convertible Debentures of Rs. 150 Crore.

T) Equity Shares in the Suspense Account

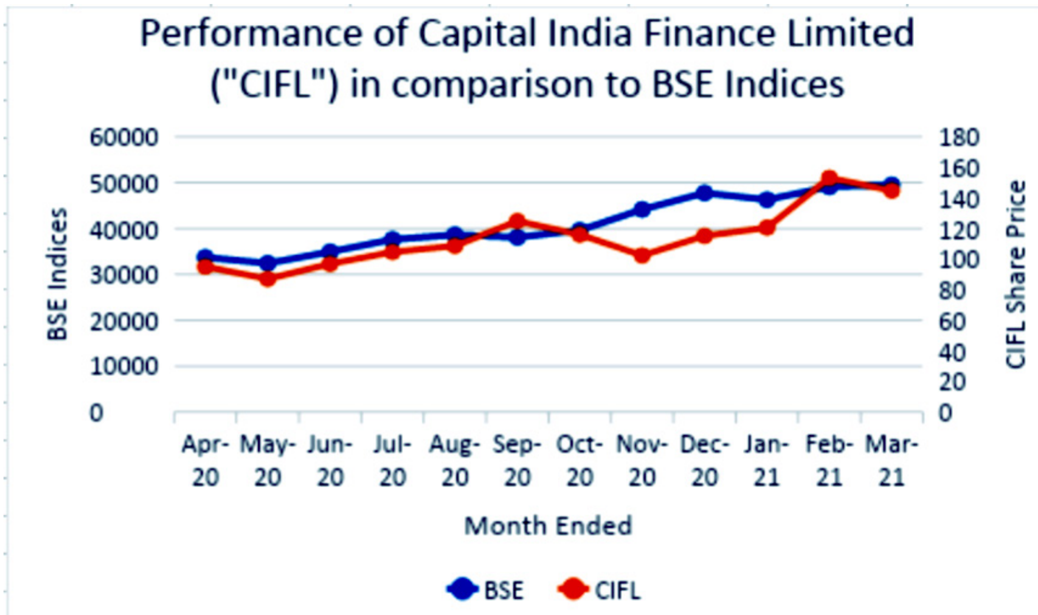
There were no outstanding equity shares in the Unclaimed Suspense account of the Company, as on March 31, 2021.

U) 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, 2021 are as under:

Month	**High Price (INR)**	**Low Price (INR)**	**No. of Shares Traded**
Apr-20	123.15	77.1	12199
May-20	101.9	74.1	3168
Jun-20	123.9	86	19177
Jul-20	104.6	75.5	14321
Aug-20	121	77	16797
Sep-20	136	95.75	101241
Oct-20	176	110.55	1872516
Nov-20	122	87.2	33960
Dec-20	124.7	95	20865
Jan-21	134	92	32587
Feb-21	177	108	44857
Mar-21	177	126.3	19504

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



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

The following information in respect of director being re-appointed is being disclosed in the Notice convening the 27th 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 director.

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 (CIN: L74899DL1994PLC128577),** having its 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, 2021 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	00327231	20/12/2017
2.	Mr. Yogendra Pal Singh	08347484	13/02/2019
3.	Mr. Keshav Porwal	06706341	27/11/2017
4.	Mr. Vineet Kumar Saxena	07710277	27/11/2017
5.	Mr. Harsh Kumar Bhanwala	06417704	06/08/2020
6.	Mr. Malay Mukherjee	02272425	31/07/2020
7.	Ms. Rachna Dikshit	08759332	30/09/2020

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: A021227C000371478

Date: 26/05/2021
Place: New Delhi

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 the **Capital India Finance Limited** ("**the Company**") for the year ended on 31st March 2021, 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 2021.
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: A021227C000371005

Place: New Delhi
Date: 26/05/2021

CERTIFICATE

To,

The Shareholders and Board of Directors,

Capital India Finance Limited

Sub: 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, 2021

We, Keshav Porwal, Managing Director 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, 2021 (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.

Keshav Porwal
Managing Director

Neeraj Toshniwal
Chief Financial Officer

Date: May 26, 2021
Place: Mumbai

Form No. MR-3
SECRETARIAL AUDIT REPORT

For the Financial Year Ended on 31st March, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

Capital India Finance Limited

(CIN: L74899DL1994PLC128577)

2nd Floor, DLF Centre, Sansad Marg,

New Delhi, Delhi-110001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Capital India Finance Limited** (hereinafter called the "**Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

i) The Companies Act, 2013 ("**the Act**") and the rules made thereunder;

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;

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

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
   d) The Securities and Exchange Board of India (Share based Employee Benefits) Regulation, 2014;
   e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
   f) 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;
   g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not Applicable**);
   h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (**Not Applicable**);
   i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018; and
   j) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation,2015.

vi) Other laws as are applicable to the Company are based on the discussion of the heads of the Department:

   a) Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Provisions of Employee State Insurance Act, 1948;
   b) Workmen's Compensation Act, 1923, Equal Remuneration Act, 1976, and all other allied labour laws, as informed / confirmed to me;
   c) Income Tax Act, 1961;
   d) Finance Act, 1994;
   e) Prevention of Money Laundering Act, 2002;
   f) Goods and Service Tax Act, 2017;
   g) Maharashtra Shops and Establishments Act, 1948;
   h) Delhi Shops and Commercial Establishment Act, 1954;
   i) Other State laws on Shops and Commercial Establishments, wherever applicable;
   j) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
   k) Reserve Bank of India Act, 1934 and rules, regulations, circulars, notification issued by the Reserve Bank of India from time to time for Non-Banking Finance Company and Authorised Dealers Category-II;

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(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, Standard, etc. mentioned above.

We further report that:

- 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.
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All decisions of the Board and Committees were carried with requisite majority while the views of the dissenting members, wherever any, are captured and recorded as part of the minutes.

We 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.

We 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.:

- Allotment of 500 (Five Hundred) Secured Listed Rated Redeemable Non-Convertible Debentures having face value of INR 10,00,000/- (Indian Rupees Ten Lakhs only) each bearing fixed rate of interest @ 10% per annum for an aggregate amount of INR 50,00,00,000 (Indian Rupees Fifty Crores only), vide resolution passed by the Securities Issuance Committee of the Board through circulation dated 24th June, 2020;
- Allotment of 250 (Two Hundred Fifty) Secured Listed Rated Redeemable Non-Convertible Debentures having face value of INR 10,00,000/- (Indian Rupees Ten Lakhs only) each bearing fixed rate of interest @ 10.05% per annum for an aggregate amount of INR 25,00,00,000 (INR Rupees Twenty-Five Crores only), vide resolution passed by the Securities Issuance Committee of the Board through circulation dated 30th July, 2020;
- Allotment of 300 (Three Hundred) Secured Listed Rated Redeemable Non-Convertible Debentures having face value of INR 10,00,000/- (Indian Rupees Ten Lakhs only) each bearing fixed rate of interest @ 09.50% per annum for an aggregate amount of INR 30,00,00,000 (Indian Rupees Thirty Crores only), vide resolution passed by the Securities Issuance Committee of the Board through circulation dated 06th November, 2020;
- Allotment of 100 (One Hundred) Secured Listed Rated Redeemable Non-Convertible Debentures having face value of INR 10,00,000/- (Indian Rupees Ten Lakhs only) each bearing fixed rate of interest @ 09.50% per annum for an aggregate amount of INR 10,00,00,000 (Indian Rupees Ten Crores only), vide resolution passed by the Securities Issuance Committee of the Board through circulation dated 31st December, 2020; and
- Grant of 50,000 (Fifty Thousand) employee stock options pursuant to the CIFL Employee Stock Option Plan, 2018 exercisable into not more than 50,000 (Fifty 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 February 11, 2021

For **Arun Gupta & Associates**

Arun Kumar Gupta
Company Secretary
ACS No: 21227
CP No: 8003
ICSI Unique Code: I2008DE626100
UDIN: A021227C000371962

Place: New Delhi
Date: 26/05/2021

Note 1: We have conducted online verification & examination of records, as facilitated by the company, due to Covid-19 and subsequent lockdown situation (wherever Applicable) for the purpose of issuing this report / certification documents (as applicable).

Note 2: This report is to be read with our letter of even date which is annexed as **'ANNEXURE A'** and forms an integral part of this report.

"ANNEXURE A"

To,
The Members,
Capital India Finance Limited
(CIN: L74899DL1994PLC128577)
Add: 2nd Floor, DLF Centre, Sansad Marg,
New Delhi, Delhi-110001

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management's Representation Letter about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standard is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Arun Gupta & Associates**

Arun Kumar Gupta
Company Secretary
ACS No: 21227
CP No: 8003
ICSI Unique Code: I2008DE626100
UDIN: A021227C000371962

Place: New Delhi
Date: 26/05/2021

Form No. MR-3
SECRETARIAL AUDIT REPORT

For The Financial Year Ended on 31st March, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

Capital India Home Loans Limited
(CIN: U65990DL2017PLC322041)
2nd Floor, DLF Centre Sansad Marg,
New Delhi - 110001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Capital India Home Loans Limited (**CIN: **U65990DL2017PLC322041**)(hereinafter called the "Company"). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2021complied 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

i) The Companies Act, 2013 ("the Act") and the rules made thereunder;

ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **(Not applicable)**

iii) The Depositories Act, 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;

v) Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-**(Not applicable);**

vi) Other laws as are applicable to the Company are based on the discussion of the heads of the Department:

   a. Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021;
   b. Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Provisions of Employee State Insurance Act, 1948
   c. Workmen's Compensation Act, 1923, Equal Remuneration Act, 1976, and all other allied labour laws, as informed / confirmed to me;
   d. Income Tax Act, 1961;
   e. Finance Act, 1994;
   f. Prevention of Money Laundering Act, 2002;
   g. Goods and Service Tax Act, 2017
   h. Maharashtra Shops and Establishments Act, 1948;
   i. Delhi Shops and Commercial Establishment Act, 1954;
   j. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
   k. Reserve Bank of India Act, 1934, National Housing Bank Act, 1987 and rules, regulations, circulars, notification issued by Reserve Bank of India and National Housing Bank respectively, from time to time for Housing Finance Company;

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) As the Company is an Unlisted Public Company, the regulations of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereon are not applicable on the Company.

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

We further report that:

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.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions are carried through with the unanimous consent, so therefore dissenting members' views are not required to be captured and recorded as part of the minutes.

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

We further report that during the audit period:

(i) The Company had issued and allotted 2,50,00,000 (Two Crore Fifty Lakhs) Equity Shares to the existing Equity shareholders of the Company on Right basis.

(ii) The Company had raised Rs. 15,00,00,000/- (Fifteen Crores) through issue of Equity Shares on Private Placement basis.

(iii) The Company had granted 14,25,000 (Fourteen Lakhs and Twenty Five Thousand) options exercisable into not more than 14,25,000 (Fourteen Lakhs and Twenty Five Thousand) equity shares of the Company of face value of Rs. 10/- (Rupees Ten only) each employee stock options pursuant to the CIHL Employee Stock Option Plan, 2018.

For **Arun Gupta & Associates**

Arun Kumar Gupta
Company Secretary
ACS No: 21227
CP No: 8003
UDIN: A021227C000340227

Place: New Delhi
Date: 18/05/2021

Note 1: We have conducted online verification & examination of records, as facilitated by the company, due to Covid-19 and subsequent lockdown situation (wherever Applicable) for the purpose of issuing this report / certification documents (as applicable).

Note 2: This report is to be read with our letter of even date which is annexed **as 'ANNEXURE A'** and forms an integral part of this report.

"ANNEXURE A"

To,

The Members,

Capital India Home Loans Limited
(CIN: U65990DL2017PLC322041)
2nd Floor, DLF Centre Sansad Marg,
New Delhi - 110001

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management's Representation Letter about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standard is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Arun Gupta & Associates**

Arun Kumar Gupta
Company Secretary
ACS No: 21227
CP No: 8003
UDIN: A021227C000340227

Place: New Delhi
Date: 18/05/2021

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Your Company is an 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 RBI as an 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

Capital India is an India-focused, Technology enabled SME Finance Platform. We partner small and medium businesses with customized finance solutions. We believe, India's growing economy requires tailormade financing opportunities to millions of small businesses, traders and self-employed, who may not have ready access to traditional financial channels. Financing that serves the latent yet burgeoning demand which is unmet by conventional lenders.

We focus on being a partner credit institution that seek to provide bespoke financial solutions to Small and Medium Enterprises (SMEs) 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 Small and Medium Enterprises (SME) for its financing activities. The Product portfolio of the Company primarily consists of SME Secured Loans, Equipment Finance and Supply Chain Finance.

The Company's product suite is as follows.

SME Secured Loans

SME Secured loan solutions offer convenient loans against collateral. Our technology enabled solution ensures quick turn around times, attractive interest rates and seamless disbursements and customer experience.

Equipment Finance

Access to funds for purchase or/and upgrade of machinery and equipment. These loans can be availed for purchase of new or refurbished machinery/ equipment at competitive interest rates with fast turn around time.

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.

Supply Chain Finance / Vendor Finance

- Supply Chain Finance provide capital to support the credit cycle of the entire value chain at favourable interest rates. These collateral-free loans ensure that business growth objectives remain unhindered
- 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. Dr. Harsh Kumar Bhanwala, Executive Chairman is Ex-Chairman NABARD is a post graduate in management from IIM Ahmedabad and has immense experience of financial services sector. Mr. Keshav Porwal, our Managing Director has approximately two decades of experience in the financial services and real estate industry. Mr. Vineet Kumar Saxena, CEO of Capital India Home Loans Limited, 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 SME focused lending institution.

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 SME segment borrower category: 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 endeavour 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. We are in the process of increasing our footprints apart from Delhi and Mumbai. We have opened branch in Jaipur and soon going to have branches operational at Ahmedabad, Bangalore, Chennai, Pune too. 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 helps us 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.

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.

Covid-19 – Fighting the Second Wave

As the Financial Year 2020-21 was nearing to a close, India was at a bright spot of strong recovery, coming out of the grip of COVID-19, the pandemic of the century. Having regained positive growth, India was positioned better relative to its peers in handling the disease with one of the highest recovery rates in the World. Till, January 2021, India's 95.3% recovery figure was far ahead with the global figure of 70.3% and was ahead of countries like USA, Russia, Brazil and most of Europe. However, situation altered drastically in coming weeks and India faced one of the worst breakouts of COVID-19 seen anywhere.

The 'second wave' being deadlier posed bigger challenges for the health infrastructure. Governments and regulators. With restrictions and containment measures being localised and targeted, businesses and households learned to adapt. The collective efforts of Authorities, Local Bodies and Society has a whole has helped navigating the crisis and we have hopefully seen the peak.

In the aftermath of the first outbreak of COVID-19, NBFC sector saw dip in profitability and consolidated balance sheet of NBFCs grew at a slower pace in Q2 and Q3 of FY 2020-21 as the economy continued to weather the headwinds of COVID-19 pandemic and muted credit demand. However, NBFCs continued to disburse credit despite disruptions caused by the pandemic, albeit at a slower pace. In continuation with the Regulatory Packages announced previously by RBI and Central Govt., the Reserve Bank of India announced additional measures to support the economy and financial sector. The measures include providing liquidity to Emergency Health Services, Small Finance Banks (SFBs), Micro Finance Institutions (MFIs) and MSMEs. The rationalization of compliance related to KYC requirements will help financial companies extending financial services to underbanked customers more efficiently.

In a big relief to small individual businessmen and MSMEs, the RBI announced Resolution Framework 2.0 for COVID Related Stressed Assets, allowing restructuring of such accounts having aggregate exposure of up to 25 Crores and who have not availed restructuring under Framework 1.0. In accordance with these guidelines, only one account of your Company's loan book had to be restructured. The exposure to this account is only 18.34 Crores which is 3.3% of the total loan book. This reflects the strong credit and monitoring system your Company has in place.

After Supreme Court judgement on charging penal interest during moratorium, the RBI has asked all lenders to compensate borrowers with interest on interest charged between March 1, 2020, and August 31, 2020. The impact of this notification on your Company has been minimal and your Company has proactively reimbursed an amount of 2.09 crores to its borrowers.

We are continuously ensuring that our employees, customers, and businesses are least impacted in these extraordinary times. The Second Wave of Covid-19 has not had any impact on our ability to render services to our customers or lenders on a going concern basis.

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, 2021, 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, 2021 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 potential impact of the COVID-19 pandemic on the Company's financial statements and particularly the impairment provisions are dependent on future developments, which are highly uncertain.

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. 56,828.60 net of provision for ECL Rs. 1,632.18 as at March 31, 2021. 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. • Determining the probability of defaults and estimation of loss given defaults based on the 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.	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 controls pertaining to identification, classification and staging of loans in correct maturity 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;

	Accordingly, the loans form a major portion of the Company's assets, and due to the significance of the judgments used in classifying loans into various stages as stipulated in Indian Accounting Standard (IND AS) 109 and determining related impairment provision requirements and related disclosures, this is considered to be the area that had a greater focus of our overall Company audit and a key audit matter.	• assessed disclosures included in the Ind AS financial statements in respect of expected credit losses; • obtained written representations from management and those charged with governance whether they believe significant assumptions used in calculation of expected credit losses are reasonable.

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 audit we report that:

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

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

c) The Balance Sheet, 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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)

Pallavi A. Gorakshakar
(Partner)
(Membership No. 105035)
UDIN: 21105035AAAAEZ3914

Place: Mumbai
Date: 26 May 2021

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, 2021 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, 2021, 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)

Pallavi A. Gorakshakar
(Partner)
(Membership No. 105035)
UDIN: 21105035AAAAEZ3914

Place: Mumbai
Date: 26 May 2021

ANNEXURE "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) According to the information and explanations given to us, the Company does not have any immov-able properties of acquired freehold land and building. In respect of immovable properties of building that have been taken on lease and disclosed as Right of Use Assets in the Ind AS financial statements, the lease agreements are in the name of the Company.

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) The Company is a registered non-banking finance company to which the provisions of Sections 185 and 186 of the Companies Act, 2013, are not applicable, and hence reporting under clause (iv) of CARO 2016 is not applicable.

v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. Therefore, the provisions of clause (v) of CARO 2016 is not applicable.

vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.

vii) According to the information and explanations given to us, in respect of statutory dues:
   a) The Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax Act, cess and other material statutory dues applicable to it to the appropriate authorities. We are informed that the provisions of Sales Tax, Value Added Tax, Customs Duty and Excise Duty are not applicable to the Company.
   b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, cess and other material statutory dues in arrears as on March 31, 2021 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, 2021 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 or dues to debenture holders. 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 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. The Company has disclosed the details of related party transactions 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 companies or persons connected with him and hence provisions of section 192 of the Act are not applicable.

xvi) The Company has received the Authorised Dealer – Category II (AD – Cat II) license vide no. 15/2020 under the RBI/DNBR/2016-17/45 Master Direction DNBR.PD.008/03.10.119/2016-17 and under this licence the Company has commenced Forex Operations in the current year. Subsequently, the Company has written to the Reserve Bank of India (RBI) vide letter dated January 4, 2021 seeking clarification as to whether the revenue and assets from Forex business should be treated as financial income and financial asset. Pending any further clarification from the RBI, the Company has continued to compute asset income pattern without considering Income from Forex Services as a part of Total Income. Basis the said exclusion, 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)

Pallavi A. Gorakshakar
(Partner)
(Membership No. 105035)
UDIN: 21105035AAAAEZ3914

Place: Mumbai
Date: 26 May 2021

Standalone Balance Sheet as at 31st March 2021

(Currency: Rs. In Lakhs)

	Particulars	Note No.	As at 31st March 2021	As at 31st March 2020
	ASSETS			
1	**Financial Assets**			
(a)	Cash & cash equivalents	3	5,364.14	3,259.29
(b)	Bank balances other than Cash & cash equivalents	4	1,163.29	1.53
(c)	Receivables			
	(i) Trade Receivables	5	-	-
	(ii) Other Receivables		21.29	19.23
(d)	Loans	6	54,838.29	49,409.06
(e)	Investments	7	15,150.51	11,150.51
(f)	Other financial assets	8	362.87	262.45
2	**Non-financial Assets**			
(a)	Current tax assets(Net)	9	491.48	163.46
(b)	Deferred tax asset (Net)	10	503.04	630.81
(c)	Property, plant and equipment	11	995.60	1,079.72
(d)	Capital work in progress		168.57	42.16
(e)	Intangible assets	11A	175.08	172.30
(f)	Right of use assets	11B	1,505.07	769.80
(g)	Other non-financial assets	12	417.23	266.33
	Total Assets		**81,156.46**	**67,226.65**
	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
	ii) total outstanding dues of creditors other than micro enterprises and small enterprises		122.36	74.87
	(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	11,500.00	4,000.00
(c)	Borrowings	14A	10,444.94	7,561.13
(d)	Other financial liabilities	15	2,603.35	1,083.59

Standalone Balance Sheet as at 31st March 2021

(Currency: Rs. In Lakhs)

	Particulars	Note No.	As at 31st March 2021	As at 31st March 2020
2	**Non-Financial Liabilities**			
(a)	Current tax liabilities (net)	16	-	383.34
(b)	Provisions	17	507.90	103.21
(c)	Other non-financial liabilities	17A	66.32	62.57
	EQUITY			
(a)	Equity share capital	18	7,773.43	7,773.43
(b)	Other equity	19	48,138.16	46,184.35
	Total Liabilities and Equity		**81,156.46**	**67,226.65**

Notes 1 to 52 forms part of the Standalone Financial Statements
In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Pallavi A. Gorakshakar
Partner

Place: Mumbai
Date: 26th May 2021

For and on behalf of the board
Capital India Finance Limited

Dr. Harsh Kumar Bhanwala
Executive Chairman
DIN : 06417704
Place: Mumbai
Date: 26th May 2021

Keshav Porwal
Managing Director
DIN : 06706341
Place: Mumbai
Date: 26th May 2021

Neeraj Toshniwal
Chief Financial Officer
Place: Mumbai
Date: 26th May 2021

Rachit Malhotra
Company Secretary
Place: New Delhi
Date: 26th May 2021

Statement of Standalone Profit and Loss for the year ended

(Currency: Rs. In Lakhs)

	Particulars	Note	For the year ended 31st March 2021	For the year ended 31st March 2020
	Revenue from operations :			
(i)	Interest income	20	9,011.86	10,277.24
(ii)	Fees and commission income		93.94	101.19
(iii)	Income from Forex Services		26,269.34	-
(iv)	Net gain on fair value changes	21	83.79	140.98
(I)	**Total revenue from operations**		**35,458.93**	**10,519.41**
(II)	Other income	22	0.71	4.63
(III)	**Total income (I+II)**		**35,459.64**	**10,524.04**
	Expenses :			
(i)	Finance costs	23	1,899.62	1,294.35
(ii)	Cost of materials consumed	24	26,110.13	-
(iii)	Impairment of financial instruments	25	(101.53)	1,338.98
(iv)	Employee benefits expense	26	2,768.24	2,293.91
(v)	Depreciation and amortization	11,11A&11B	932.37	772.22
(vi)	Others expenses	27	924.88	700.19
(IV)	**Total expenses (IV)**		**32,533.71**	**6,399.65**
(V)	Profit before exceptional items and tax (III-IV)		2,925.93	4,124.39
(VI)	Exceptional items		-	-
(VII)	**Profit before tax (V -VI)**		**2,925.93**	**4,124.39**
(VIII)	**Tax Expense:**			
	Current Tax		759.30	1,440.49
	Deferred Tax(Credit)		121.04	(354.36)
(IX)	**Profit for the year**		**2,045.59**	**3,038.26**
(X)	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to profit or loss		26.75	9.46
	(ii) Income Tax relating to items that will not be reclassified to profit or loss		(6.73)	(2.38)
	Other Comprehensive Income		**20.02**	**7.08**

Statement of Standalone Profit and Loss for the year ended

(Currency: Rs. In Lakhs)

	Particulars	Note	For the year ended 31st March 2021	For the year ended 31st March 2020
(XI)	**Total Comprehensive Income for the year**		**2,065.60**	**3,045.34**
	Basic Earning per Share		2.63	3.91
	Diluted Earning per share		2.60	3.86

Notes 1 to 52 forms part of the Standalone Financial Statements
In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Pallavi A. Gorakshakar
Partner

Place: Mumbai
Date: 26th May 2021

For and on behalf of the board
Capital India Finance Limited

Dr. Harsh Kumar Bhanwala
Executive Chairman
DIN : 06417704
Place: Mumbai
Date: 26th May 2021

Keshav Porwal
Managing Director
DIN : 06706341
Place: Mumbai
Date: 26th May 2021

Neeraj Toshniwal
Chief Financial Officer
Place: Mumbai
Date: 26th May 2021

Rachit Malhotra
Company Secretary
Place: New Delhi
Date: 26th May 2021

Standalone Cash Flow Statement for the year ended 31st March 2021

(Currency: Rs. In Lakhs)

	PARTICULARS	For the year ended 31st March 2021	For the year ended 31st March 2020
A)	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Profit before exceptional items and taxes	2,925.93	4,124.39
	Adjustments to reconcile profit before tax to net cash flows:		
	Add : Non-cash expenses		
	Depreciation and amortisation expenses	932.37	772.22
	Provision for employee benefits	404.69	(159.52)
	Share based payments to employees	(34.07)	67.83
	Interest on Lease Liability	133.97	111.79
	Interest income on Lease rental deposits	(16.12)	(23.13)
	Impairment on financial instruments	(101.53)	1,338.98
	Loss on sale of PPE	4.43	-
	Less : Income/expense considered separately		
	Interest on OCD	-	(35.51)
	Profit on sale of fixed assets	-	-
	Operating profit before working capital changes	**4,249.66**	**6,197.06**
	Changes in -		
	(Increase)/ Decrease in loans and advances	(5,327.70)	5,278.28
	(Increase) / Decrease in trade and other receivables	(2.06)	(19.23)
	(Increase) / Decrease in other financial assets	(1,337.64)	(74.76)
	(Increase) / Decrease in other non-financial assets	(150.90)	(31.46)
	Increase / (Decrease) in trade payables	47.34	(23.26)
	Increase / (Decrease) in other financial liabilities	1,944.50	(116.85)
	Increase / (Decrease) in other non-financial liabilities	3.75	(130.13)
	Cash used in operations	**(573.04)**	**11,079.64**
	Income tax paid	(1,470.66)	(1,198.43)
	Net Cash generated from /(used in) operating activities (A)	**(2,043.70)**	**9,881.22**
B)	**CASH FROM INVESTING ACTIVITIES:**		
	Purchase of property, plant and equipment and Intangible assets	(474.65)	(209.09)
	Proceeds from sale of property, plant and equipment	10.85	6.98
	Investment in Subsidiary Company	(4,000.00)	(6,579.00)
	Investment in mutual funds	(17,694.29)	-
	Redemption of mutual funds	17,694.29	-
	Investment in Fixed deposits	(1,27,541.00)	125.00
	Maturity of Fixed deposits	1,26,380.00	-
	Net Cash (used in) investing activities (B)	**(5,624.81)**	**(6,656.11)**
C)	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Payment of dividend and dividend distribution tax thereon	(77.73)	(374.92)
	Payment of Lease rent	(532.71)	(499.32)
	Proceeds from borrowings	21,361.18	4,000.00
	Repayment of borrowings	(10,977.37)	(5,584.15)
	Net cash (used in)/ generated from financing activities (C)	**9,773.37**	**(2,458.39)**
D)	**Net increase in cash and cash equivalents (A+B+C)**	**2,104.85**	**766.71**
E)	**Cash and cash equivalents as at the beginning of the year**	3,259.29	2,492.58
F)	**Cash and cash equivalents as at the end of the year**	**5,364.14**	**3,259.29**

Standalone Cash Flow Statement for the year ended 31st March 2021

(Currency: Rs. In Lakhs)

Cash and cash equivalents comprises:

Particulars	As at 31st March 2021	As at 31st March 2020
Cash in hand	4.77	0.31
Foreign Currencies in hand	39.98	-
Balances with banks		
- in current accounts	2,619.39	3,258.98
- in deposit accounts	2,700.00	-
	5,364.14	**3,259.29**

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 52 forms part of the Standalone Financial Statements
In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Pallavi A. Gorakshakar
Partner

Place: Mumbai
Date: 26th May 2021

For and on behalf of the board
Capital India Finance Limited

Dr. Harsh Kumar Bhanwala
Executive Chairman
DIN : 06417704
Place: Mumbai
Date: 26th May 2021

Keshav Porwal
Managing Director
DIN : 06706341
Place: Mumbai
Date: 26th May 2021

Neeraj Toshniwal
Chief Financial Officer
Place: Mumbai
Date: 26th May 2021

Rachit Malhotra
Company Secretary
Place: New Delhi
Date: 26th May 2021

Statement of changes in equity for the year ended 31st March 2021

(Currency: Rs. In Lakhs)

A. Equity share capital

	Amount
Balance at 1st April 2019	**7,773.43**
Changes in equity share capital during the year	-
Balance at 31st March 2020	**7,773.43**
Changes in equity share capital during the year	**-**
Balance at 31st March 2021	**7,773.43**

B. Other equity

	Employee stock option outstanding	Reserves and Surplus				Other comprehensive income	Total
		Statutory reserve	Securities premium	General reserves	Retained earnings		
Balance as at 1st April 2019	**25.14**	**279.71**	**42,119.40**	**1.76**	**1,025.17**	**(5.08)**	**43,446.11**
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	-	-	-	-	-	**67.82**
Income tax on the above	-	-	-	-	-	-	-
Profit/(loss) for the year after income tax	-	-	-	-	3,038.26	-	**3,038.26**
Adjustment on account of actuarial valuation	-	-	-	-	-	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**
Dividend paid including dividend distribution tax	-	-	-	-	(77.73)	-	**(77.73)**
Transfer to/(from) retained earnings	-	409.12	-	-	(409.12)	-	-
Other Additions/Deductions during the year	(34.07)	-	-	-	-	-	**(34.07)**
Profit (loss) for the year after income tax	-	-	-	-	2,045.59	-	**2,045.59**
Adjustment on account of actuarial valuation	-	-	-	-	-	26.75	**26.75**
Less: Income Tax on Other Comprehensive Income	-	-	-	-	-	(6.73)	**(6.73)**
Balance as at 31st March 2021	**58.90**	**1,296.48**	**42,119.40**	**1.76**	**4,639.60**	**22.02**	**48,138.16**

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Pallavi A. Gorakshakar
Partner

Place: Mumbai
Date: 26th May 2021

For and on behalf of the board
Capital India Finance Limited

Dr. Harsh Kumar Bhanwala
Executive Chairman
DIN : 06417704
Place: Mumbai
Date: 26th May 2021

Keshav Porwal
Managing Director
DIN : 06706341
Place: Mumbai
Date: 26th May 2021

Neeraj Toshniwal
Chief Financial Officer
Place: Mumbai
Date: 26th May 2021

Rachit Malhotra
Company Secretary
Place: New Delhi
Date: 26th May 2021

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2021

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. Also, the company is engaged in the business of foreign exchange services as an Authorised Category II Dealer vide RBI license No. 15/2020 dated 1st September 2020 under the RBI/DNBR/2016-17/45 Master Direction DNBR.PD.008/03.10.119/2016-17 and under this licence the Company has commenced Forex Operations in the current year. Subsequently, the Company has written to the RBI vide letter dated 4 January 2021 seeking clarification as to whether the revenue and assets from Forex business should be treated as financial income and financial asset. Pending any further clarification from the RBI, the Company has continued to compute asset income pattern without considering Income from Forex Services as a part of Total Income. Basis the above, the Company is entitled to continue to hold the CoR based on its asset / income pattern as on and for the year ended 31st March, 2021, which have been computed in terms of RBI Press Release 1998-99/1269 dated 8th April, 1999, after excluding the Income from Forex Services from the Total Income. 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.

To provide more reliable and relevant information about the effect of certain items in the Balance Sheet and Statement of Profit and Loss, the Company has changed the classification of certain items. Previous year figures have been re-grouped or reclassified, to confirm to such current year's grouping / classifications. There is no impact on Equity or Net Loss due to these regrouping / reclassifications.

The accounting policies are applied consistently to all the periods presented in the financial statements.

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

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 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 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 (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 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

j) Foreign currency risk – The company entered into foreign currency transactions in the Foreign currency business. The currency risk arising out of foreign currency transactions in the foreign currency business is monitored by a central dealing room, which then hedges the positions transactions entered into at individual locations across the country, through deals in the interbank market, or through forward contracts, thereby ensuring that they are minimal open positions.

2.3 **Cash and Cash equivalents**

Cash and cash equivalents consist of cash in hand, bank balances, foreign currencies and notes, 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.

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 recognized are reversed such that the asset is recognized at its recoverable amount but not exceeding written down value which would have been reported if the impairment losses had not been recognized 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

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 recognised 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.

Profit or loss on purchase and sale of foreign exchange by the company in its capacity as Authorised Foreign Exchange Dealer are accounted as part of the revenue.

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, documentation charges and fees towards foreign currency transactions.

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 collectability exists.

g) **Income from Foreign Currency**

Revenue on foreign exchange services are recognized by reference to the time of services rendered. Revenue reflects gross sales of Foreign currency in physical or digital form as per Ind AS 115.

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'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 recognizes 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 recognizes any remaining amount of the re-measurement in the Statement of Profit and Loss.

For short-term and low value leases, the Company recognizes 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.

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 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 at company level. 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 company as a whole and are not allocable to segments on a reasonable basis have been included under Unallocated Income / Costs.

Operating segments identified by the Company comprises as under:

- Lending services
- Forex services

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.

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2021

3 Cash and cash equivalents

Particulars	As at 31st March 2021	As at 31st March 2020
Cash on hand	4.77	0.31
Balances with bank		
- in current accounts	2,619.39	3,258.98
- in fixed deposits with original maturity less than 3 months	2,700.00	-
Foreign Currencies in hand	39.98	-
	5,364.14	**3,259.29**

4 Bank Balances other than cash and cash equivalents

Particulars	As at 31st March 2021	As at 31st March 2020
Fixed deposit with bank (Maturity less than 12 months)	1,161.00	-
Unclaimed dividend	2.29	1.53
	1,163.29	**1.53**

5 Receivables

Particulars	As at 31st March 2021	As at 31st March 2020
Trade receivables		
(i) Secured considered good	-	-
(ii) Unsecured considered good	-	-
	-	**-**
Other receivables		
a) Secured, considered good ;	-	-
b) Unsecured, considered good; and	21.29	19.23
c) Doubtful	-	-
Subtotal (a+b+c)	21.29	19.23
Less: Allowance for impairment loss	-	-
Net Receivables	21.29	19.23
	21.29	**19.23**

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 2021

6 Loans

Particulars		As at 31st March 2021	As at 31st March 2020
(A)	**Advances - at amortised cost**		
	Vendor financing (Unsecured)	2,148.34	991.16
	Gross	**2,148.34**	991.16
	Less: Impairment loss allowance	10.06	4.97
		2,138.28	**986.19**
(B)	**Term Loans in India - at amortised cost**		
	Secured (Secured by tangible assets) Refer note (ii) below	53,435.16	46,370.78
	Unsecured	1,245.10	4,143.82
	Gross	**54,680.26**	**50,514.60**
	Less: Impairment loss allowance	1,622.12	1,728.74
		53,058.14	**48,785.86**
(C)	**(I) Loans and Advances In India**		
	(i) Public Sectors	-	-
	(ii)Others	56,828.60	51,505.76
	Total Gross	**56,828.60**	**51,505.76**
	Less: Impairment loss allowance	1,632.18	1,733.71
	Total Net	**55,196.42**	**49,772.05**
	(II) Loans and advances Outside India (Net)	**-**	-
		55,196.42	**49,772.05**
	Less: Unamortised interest income	20.72	8.81
	Less: Unamortised processing fee Income	337.41	354.18
	Loans (Net)	**54,838.29**	**49,409.06**

Note :

i) There is no loan assets measured at FVOCI or FVTPL or designated at FVTPL.

ii) These secured loans are secured by underlying securities of lands, commercial properties, residential properties, personal guarantee, corporate guarantee etc.

In line with the judgment pronounced by the Hon'ble Supreme Court of India in the matter of Small Scale Industrial Manufacturers Association v/s. UOI & Others and other connected matters on March 23, 2021, the Reserve Bank of India (RBI) vide their Circular no. RBI/2021-22/17 DOR. STR.REC.4/21.04.048/2021-22 dated April 7, 2021 has mandated all lending institutions to put in place a Board-approved policy to refund/ adjust the 'interest on interest' charged to the borrowers during the moratorium period, i.e. March 1, 2020 to August 31, 2020 in conformity with the above judgement. In order to ensure that the above judgement is implemented uniformly in letter and spirit by all lending institutions, the RBI also suggested that the methodology for calculation of the amount to be refunded/adjusted for different facilities shall be as finalised by the Indian Banks Association (IBA) in consultation with other industry participants/bodies, which shall be adopted by all lending institutions. The IBA Managing Committee at their meeting held on March 25, 2021 and April 16, 2021 has clarified that interest on interest/penal interest/compound interest, if charged during the moratorium on borrowing accounts, should be refunded or adjusted in the next instalment of the loan account. Accordingly, Company will refund/adjust Rs.209.92 Lakhs from the subsequent instalments.

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2021

7 Investments

Particulars	As at 31st March 2021	As at 31st March 2020
Recorded at cost less impairment		
In India		
Investment in equity instruments (unquoted):		
- In subsidiary companies		
- Capital India Home Loans Limited	13,000.00	9,000.00
13,00,00,000 (31st March 2020: 9,00,00,000) equity shares @ Rs. 10/- each		
- Rapipay Fintech Private Limited	2,136.51	1,200.00
2,08,46,273 (31st March 2020: 1,20,00,000) equity shares @ Rs.10/- each		
- Rapipay Fintech Holding Private Limited	-	936.51
Nil (31st March 2020: 93,65,100) equity shares @ Rs.10/- each		
- Capital India Asset Management Private Limited	5.00	5.00
50,000 (31st March 2020: 50,000) equity shares @ Rs.10/- each		
- Capital India Wealth Management Private Limited	3.00	3.00
30,000 (31st March 2020: 30,000) equity shares @ Rs.10/- each		
- CIFL Holding Private Limited	3.00	3.00
30,000 (31st March 2020: 30,000) equity shares @ Rs.10/- each		
- CIFL Investment Adviser Private Limited	3.00	3.00
30,000 (31st March 2020: 30,000) equity shares @ Rs.10/- each		
	15,150.51	**11,150.51**

Note:

(i) The Company has invested Rs. 4,000 lakhs in equity shares of its subsidiary Capital India Home Loans Limited ('CIHL') during the year ended March 31, 2021.

(ii) The Board of Directors of Rapipay Fintech Private Limited (RFPL) ("the Company/the Transferee Company") being our subsidiary in their meeting held on January 27, 2020, approved the Scheme of Amalgamation between the Company and Rapipay Fintech Holding Private Limited (RFHPL) ("the Transferor Company") and their respective Shareholders and Creditors ("the Scheme") under section 230 to 232 of Companies Act, 2013 and other applicable provisions of the Companies Act 2013 for Amalgamation of the businesses from the Transferor Company, inter alia, consisting of entire undertaking, business, activities and operations pertaining to the business and its transfer as a going concern to the Transferee Company as per Ind AS 103. In terms of the Scheme the amalgamation has been accounted for in accordance with the Pooling of Interest Method laid down in Appendix C of Ind AS 103 "Business Combinations of entities under common control". The Transferee Company has issued and alloted to each of the shareholders of the Transferor Company, 9446 equity shares of face value of Rs. 10/- each, of the Transferee Company for every 10,000 equity shares of face value of Rs. 10/- each held by the shareholder of the Transferor Company pursuant to this Scheme. Hence, on March 31, 2021, 88,46,273 equity shares have been issued to Capital India Finance Limited (CIFL) the shareholders of RFHPL at face value of Rs. 10 each.

8 Other financial assets

Particulars	As at 31st March 2021	As at 31st March 2020
Unsecured considered good		
Interest accrued but not due on fixed deposits	10.85	-
Security deposit	345.56	254.94
Advance paid to staff	6.46	7.51
	362.87	**262.45**

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2021

9 Current tax assets (Net)

Particulars	As at 31st March 2021	As at 31st March 2020
Advance tax and tax deducted at source (Net of provision for tax of Rs. 3131.73 Lakhs (PY Rs. 916.46 Lakhs)	491.48	163.46
	491.48	**163.46**

10 Deferred tax assets (Net)

Particulars	As at 31st March 2021	As at 31st March 2020
Deferred Tax Asset		
Provision for ECL	410.82	436.38
Provision for employee benefits	47.02	49.38
Unamortised processing fee	90.14	89.15
Depreciation	84.86	50.89
Loan given to staff at concessional rate	0.74	0.68
Amortization adjustment on Lease deposits	16.07	12.04
Ind AS 116 Adjustment	26.39	25.27
Deferred Tax Liabilities		
Unamortised borrowing cost	(157.21)	(21.25)
Interest adjustments on Lease deposits	(15.79)	(11.73)
Deferred Tax Asset/(Liabilities) Net	**503.04**	**630.81**
Movement in Net deferred tax Asset during the year	**(127.77)**	**351.98**

Note:

The Company 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	(121.04)	354.36
Routed through other comprehensive income	(6.73)	(2.38)
Total	**(127.77)**	**351.98**

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2021

11 Property, Plant and Equipment

Particulars	As at 31st March 2021					
	Furniture & Fixtures	Vehicles	Office Equipment	Leasehold improvements	Computer & printers	Total
At cost at the beginning of the year	638.94	280.34	131.67	569.63	110.58	1,731.16
Additions	45.06	67.30	41.49	96.59	11.18	261.62
Disposals	1.03	18.03	-	-	6.04	25.10
At cost at the end of the year	**682.97**	**329.61**	**173.16**	**666.22**	**115.72**	**1,967.68**
Accumulated depreciation as at the beginning of the year	136.54	92.75	54.98	321.08	46.09	651.44
Depreciation for the year	66.30	64.06	30.85	135.53	33.70	330.46
Disposals	-	6.88	-	-	2.94	9.82
Accumulated depreciation as at the end of the year	**202.84**	**149.93**	**85.83**	**456.61**	**76.85**	**972.08**
Net carrying amount as at the end of the year	**480.13**	**179.68**	**87.33**	**209.61**	**38.89**	**995.60**

Particulars	As at 31st March 2020					
	Furniture & Fixtures	Vehicles	Office Equipment	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 year	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**

11A Intangible assets (other than internally generated)

Particulars	As at 31st March 2021	
	Computer software	Total
At cost, beginning of the year	181.03	181.03
Additions	86.63	86.63
Total cost	**267.66**	**267.66**
Accumulated amortization :		
At beginning of the year	8.73	8.73
Amortization	83.85	83.85
Total amortization	**92.58**	**92.58**
Net carrying amount	**175.08**	**175.08**

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2021

Particulars	As at 31st March 2020	
	Computer software	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**

11B Right of Use assets

Particulars	As at 31st March 2021	As at 31st March 2020
Lease Premises		
Opening gross carrying value	1,780.94	1,769.10
Additions	1,255.26	11.84
Adjustment for Lease modification	(1.92)	-
Accumulated amortization :		
At beginning of the year	1,011.14	571.36
Amortization	518.07	439.78
Total amortization	1,529.21	1,011.14
Net carrying amount	**1,505.07**	**769.80**

12 Other non-financial assets

Particulars	As at 31st March 2021	As at 31st March 2020
Unsecured considered good		
Prepaid expenses	99.40	79.16
Advance to suppliers	6.48	9.51
GST input credit	311.35	177.67
	417.23	**266.33**

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2021

13 Payables

Particulars	As at 31st March 2021	As at 31st March 2020
Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises*	-	0.16
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	122.36	74.86
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	-	-
	122.36	**75.01**

* 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.

Note: Details of dues to Micro, Small and Medium Enterprises

Particulars	As at March 31, 2021	As at March 31, 2020
The Principal amount remaining unpaid at the end of the year	-	0.16
The Interest amount remaining unpaid at the end of the year	-	-
Balance of MSME parties at the end of the year	**-**	**0.16**

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

Particulars	As at March 31, 2021	As at March 31, 2020
At Amortised Cost		
Secured		
(a) Non convertible debentures (500 debentures @ Rs 10 Lakhs each)	11,500.00	-
Unsecured		
(a) Non convertible debentures (40 debentures @ Rs 100 Lakhs each)	-	4,000.00
Total	**11,500.00**	**4,000.00**
Debts in India	11,500.00	4,000.00
Debts outside India	-	-
Total	**11,500.00**	**4,000.00**

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2021

Sr.No	ISIN No.	Date of Redemption	As at 31st March 2021	As at 31st March 2020	Rate of Interest
1	INE345H07039	Friday, May 06, 2022	3,000.00	-	9.50%
2	INE345H07047	Thursday, June 30, 2022	1,000.00	-	9.50%
3	INE345H07013	Saturday, June 24, 2023	5,000.00	-	10.00%
4	INE345H07021	Sunday, July 30, 2023	2,500.00	-	10.05%
5	Unsecured	Tuesday, July 13, 2021	-	4,000.00	9.00%
	Total		11,500.00	4,000.00	

Terms of repayment:

Particulars	Interest Range	Tenure
Non convertible debentures - Secured	9.5% - 10.05%	Payable after 14 to 28 months
Non convertible debentures - Unsecured	9%	Payable after 18 months

i) Security details

- Non convertible debentures is secured against pari passu charge on standard asset portfolio of book debts .

14A Borrowings

Particulars	As at March 31, 2021	As at March 31, 2020
At Amortised Cost		
Secured		
(a) Term loans from banks	10,667.00	7,500.00
(b) Term loans from SIDBI	250.00	-
(c') Vehicle Loans from Banks	152.55	145.54
Total	**11,069.55**	**7,645.54**
Borrowings in India	11,069.55	7,645.54
Borrowings outside India	-	-
Total	**11,069.55**	**7,645.54**
Less: Unamortised Borrowings costs	624.61	84.41
Net Borrowings	**10,444.94**	**7,561.13**

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.

- Term loan from SIDBI is secured against pari passu charge on standard asset portfolio of book debts.

- Vehicle loans is secured by way of hypothecation on vehicles.

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2021

Terms of repayment:			
Term loan from banks	**As at 31st March 2021**	**As at 31st March 2020**	**Rate of interest**
0-1 Year	7,936.00	6,250.00	9.40% - 10.1%
1-3 years	2,731.00	1,250.00	
Total	**10,667.00**	**7,500.00**	

Term loan from SIDBI	As at 31st March 2021	As at 31st March 2020	Rate of interest
0-1 Year	250.00	-	6.32%

Vehicle loans	As at 31st March 2021	As at 31st March 2020	Rate of interest
0-1 Year	49.27	37.22	8.5% - 8.71%
1-3 years	87.39	84.76	
3-5 years	15.89	23.56	
Total	152.55	145.54	

iii) The borrowings have not been guaranteed by directors or others.
iv) Additionaly the Company has not defaulted in repayment of principal and interest during the year and as at Balance sheet date.

15 Other financial liabilities

Particulars	As at 31st March 2021	As at 31st March 2020
Interest accrued but not due on borrowings	74.70	58.32
Interest accrued but not due on debt securities	691.26	77.70
Advances deposits from customer	92.04	39.18
Salary payable to employees	143.00	-
Unclaimed dividends	2.29	1.53
Lease liability	1,600.06	906.86
	2,603.35	**1,083.59**

16 Current Tax Liabilities (net)

Particulars	As at 31st March 2021	As at 31st March 2020
Provision for tax (Net of advance tax of Rs. Nil Lakhs (PY Rs. 1,057.16 Lakhs))	-	383.34
	-	**383.34**

17 Provisions

Particulars	As at 31st March 2021	As at 31st March 2020
Provision for employee benefits		
Provision for gratuity (refer note 37)	70.41	52.74
Provision for compensated absence (refer note 37)	57.49	50.47
Provision for performance bonus	380.00	-
	507.90	**103.21**

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2021

17A Other non financial liabilities

Particulars	As at 31st March 2021	As at 31st March 2020
Revenue received in advance	0.53	0.03
Statutory dues payable	65.79	62.54
	66.32	**62.57**

18 Equity share capital

	As at 31st March 2021		As at 31st March 2020	
	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
Preference shares of Rs. 10 each	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**
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
Total issued, subscribed and fully paid up share capital	**7,77,34,260**	**7,773.43**	**7,77,34,260**	**7,773.43**

a. Reconciliation of the shares and amount outstanding at the beginning and at the end of the reporting period:

	As at 31st March 2021		As at 31st March 2020	
	Number	Amount	Number	Amount
At the beginning of the year	7,77,34,260	7,773.43	7,77,34,260	7,773.43
Add : Allotment during the year	-	-	-	-
Outstanding at the end of the year	**7,77,34,260**	**7,773.43**	**7,77,34,260**	**7,773.43**

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

	As at 31st March 2021		As at 31st March 2020	
	Number	%	Number	%
Equity shares of Rs. 10 each				
Capital India Corp LLP (Holding Entity)	5,67,75,720	73.04%	5,67,75,720	73.04%
Dharampal Satyapal Limited	61,97,800	7.97%	61,97,800	7.97%
DS Chewing Products LLP	43,16,800	5.50%	43,16,800	5.50%
	6,72,90,320	**86.51%**	**6,72,90,320**	**86.51%**

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2021

19 Other Equity

Particulars	As at 31st March 2021	As at 31st March 2020
Statutory Reserve under Section 45-IC of the RBI Act, 1934	1,296.48	887.36
Securities premium	42,119.40	42,119.40
Employee stock option outstanding account	58.90	92.97
General reserve	1.76	1.76
Retained earnings	4,639.60	3,080.86
Other comprehensive income- Adjustment on account of actuarial valuation	22.02	2.00
	48,138.16	**46,184.35**

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.

v) Retained earnings:

Retained earnings represents surplus/accumulated earnings of the Company and are available for distribution to shareholders.

20 Interest income

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
	On Financial Assets measured at Amortised Cost	**On Financial Assets measured at Amortised Cost**
Interest on loans	8,777.62	10,141.58
Interest income on optionally convertible debentures	-	35.51
Interest income on vendor financing	97.47	16.75
Interest on deposits with banks	113.15	53.75
Other interest income	23.62	29.65
	9,011.86	**10,277.24**

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2021

21 Net gain on fair value changes

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Net gain/ (loss) on financial instruments at fair value through profit and loss account :-		
Mutual fund units	83.79	122.98
Debentures	-	18.00
Total Net gain/(loss) on fair value changes	**83.79**	**140.98**
Fair Value changes*		
Realised	**83.79**	**140.98**
Unrealised	**-**	**-**

Note : Fair value changes in this schedule are other than those arising on account of interest income/expense

22 Other income

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Revenue from space sharing	-	3.01
Interest on income tax refund	-	1.57
Misc. income	0.71	0.05
	0.71	**4.63**

23 Finance cost

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Interest on borrowings	840.23	1,077.68
Interest on NCD-Unsecured	168.81	77.70
Interest on NCD -Secured	756.37	-
Interest on inter corporate deposits	-	26.88
Interest on lease liability	133.96	111.79
Other finance costs	0.25	0.30
	1,899.62	**1,294.35**

24 Cost of materials consumed

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Opening stock	-	-
Add: Purchases	26,150.10	-
	26,150.10	-
Less: Closing stock	39.97	-
	26,110.13	**-**

25 Impairment of financial instruments

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
	On Financial instruments measured at Amortised Cost	On Financial instruments measured at Amortised Cost
On Loans	(101.53)	1,338.98
	(101.53)	**1,338.98**

26 Employee benefits expense

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Salaries and wages including bonus	2,666.13	2,078.87
Contribution to provident and other funds	130.01	116.18
Share Based Payments to employees (refer note 38)	(34.07)	67.83
Staff welfare expenses	5.74	29.91
Others:		
- Cost for giving loan to employees at concessional rate	0.43	1.12
	2,768.24	**2,293.91**

27 Other expenses

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Rent	93.75	32.28
Rate, fee & taxes	53.69	35.55
Repairs & maintenance - others	106.42	94.37
Office expenses	98.25	64.24
Electricity charges	20.64	20.25
Communication expenses	29.29	21.18
Printing & stationery	9.16	11.82
Insurance	14.92	8.98
Membership & subscription	24.00	54.50
Travelling & conveyance	16.33	88.00
Advertisement, marketing & business promotion expenses	64.24	37.80
Commission & brokerage	114.28	7.68
Auditor's remuneration (Refer Note 29)	20.98	28.12
Legal & professional charges	117.72	97.66
Rating fee	14.16	6.62
Listing fee	3.86	5.23
Directors sitting fees	20.30	19.02
Donation	2.40	-
CSR expense	41.20	15.00
Trusteeship Fees	6.40	-
Loss on Sale of fixed assets	4.43	-
Miscellaneous expenses	48.44	51.89
	924.88	**700.19**

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2021

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 2021	For the year ended 31st March 2020
Basic			
Profit after tax (Rs. In Lakhs)	A	2,045.59	3,038.26
Weighted average number of equity shares outstanding	B	7,77,34,260	7,77,34,260
Basic earning per share (Rs)	A/B	2.63	3.91
Diluted			
Profit after tax (Rs. In Lakhs)	A	2,045.59	3,038.26
Weighted average number of equity shares outstanding	B	7,77,34,260	7,77,34,260
Add: Weighted average number of potential equity shares on account of employee stock options	C	8,84,155	10,34,028
Weighted average number of shares outstanding for diluted EPS	D=B+C	7,86,18,415	7,87,68,288
Diluted earning per share (before and after extraordinary items) (Rs)	A/D	2.60	3.86
Face value of shares (Rs)		10.00	10.00

29 Auditors Remuneration

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Payment to auditors (net of GST credit availed)		
a) Statutory audit	17.70	19.13
b) Taxation matters (Tax audit fees)	1.64	1.59
c) Certification fees & Other services	1.64	7.40
	20.98	**28.12**

30 Expenditure in foreign currency:

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Legal & professional charges	-	-
	-	**-**

Note :

i) There are no reportable earnings in foreign currency during the year ended 31st March 2021. (31st March 2020: Nil)

31 Dividend distribution to equity shareholders

Dividend of Re.0.1 per share (31st March 2020: Re.0.1 per share) amounting to Rs. 77.73 Lakhs (31st March 2020: Rs. 77.73 Lakhs) is proposed on ordinary shares. The recommended dividend will be accounted for when approved by the shareholders in Annual General Meeting.

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2021

32 Disclosure pursuant to Ind AS 108 "Operating Segment"

Sr. No	Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
i	**Segment Revenue**		
	Lending Business	9,128.72	10,524.04
	Forex Services	26,330.92	-
	Unallocated	-	-
	Income from Operations	**35,459.64**	**10,524.04**
ii	**Segment Results**		
	Lending Business	3,735.29	4,124.39
	Forex Services	(809.36)	-
	Unallocated	-	-
	Profit before tax	**2,925.93**	**4,124.39**
	Income Tax expenses		
	Current Tax	759.30	1,440.49
	Deferred Tax Asset	121.04	(354)
	Net Profit	**2,045.59**	**3,038.26**
iii	**Segment assets**		
	Lending Business	78,246.87	67,226.65
	Forex Services	1,915.08	-
	Unallocated	994.51	-
	Total assets	**81,156.46**	**67,226.65**
iv	**Segment Liabilities**		
	Lending Business	24,667.31	13,268.87
	Forex Services	577.58	-
	Unallocated	-	-
	Total liabilities	**25,244.88**	**13,268.87**
	Net Segment assets and liabilities	**55,911.58**	**53,957.78**

a) Chief Operating Decision Maker

Operating segments are reported in a manner consistent with the internal reporting to the Chief Operating Decision Maker (CODM). The Board of Directors ('BOD') of the Company has been identified as the CODM as defined by Ind-AS 108 Operating Segments, who assesses the financial performance and position of the Company and makes strategic decisions.

b) Operating Segment

Primary Segment (Business Segment)

The Company is organised primarily into two operating segments, i.e. Lending business and Forex services. Lending business includes providing finance to Small medium enterprises, retail customers and real estate for a variety of purposes like purchase of commercial equipment, personal purposes, enterprise loans,etc. Revenue from lending business includes (i) interest income and (ii) fees income. Forex services comprises of overseas remittances,foreign currency prepaid travel card,import and export foreign currency notes.

Secondary Segment (Geographical Segment)

Since the business operations of the Company are primarily concentrated in India, the Company is considered to operate only in the domestic segment and therefore there is no reportable geographic segment.

c) Segment Revenue and Expense

Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on a reasonable basis have been disclosed as 'Unallocated'.

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2021

d) Segment Assets and Liabilities

Segment assets and segment liabilities represent assets and liabilities in respective segments. Tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as 'Unallocated'.

e) Accounting Policies

The accounting policies consistently used in the preparation of the financial statements are also applied to items of revenue and expenditure in individual segments.

f) Disclosure for other material non cash item

There are no other material non cash items which have not been disclosed in the above disclosure

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 41.20 Lacs (previous year Rs 13.10 Lacs).

The amount recognised as an expense in the Statement of Profit and Loss on CSR related activities is Rs 41.20 Lacs (previous year Rs 15.00 Lacs) (Refer note 27), which comprises of :

Particulars	2020-21			2019-20		
	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	41.20	-	41.20	15.00	-	15.00
Total	**41.20**	**-**	**41.20**	**15.00**	**-**	**15.00**

34 Contingent Liabilities and Commitments

Particulars	As at 31st March 2021	As at 31st March 2020
Contingent liabilities		
Claims against the Company not acknowledged as debt	-	-
Guarantees		
- Bank Guarantees	-	-
- Others (Issued on behalf of a subsidiary Company i.e. Capital India Home Loans Limited)	6,079.45	59.60
	6,079.45	59.60
Commitments		
Estimated amount of contracts(net of advances) remaining to be executed on capital account and not provided for	-	-
Undrawn committed sanctions to borrowers (refer note)	-	1,148.49
	-	1,148.49
	6,079.45	**1,208.09**

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.

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2021

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, 2021	Year ended March 31, 2020
Subsidiaries			
Capital India Home Loans Limited	India	100%	100%
Capital India Assets Management Private Limited	India	100%	100%
CIFL Holdings Private Limited	India	100%	100%
CIFL Investment Adviser Private Limited	India	100%	100%
Capital India Wealth Management Private Limited	India	100%	100%
Rapipay Fintech Holdings Private Limited*	India	0%	100%
Rapipay Fintech Private Limited	India	55.60%	63%

* Merged with Rapipay Fintech Private Limited (refer note 7)

36 Disclosure of Related party transactions pursuant to (Ind AS – 24) and Companies act 2013 "Related Party Disclosures"

(i) Names of related parties (with whom transactions were carried out during the year):

Name of the related party	**Nature of relationship**
Capital India Home Loans Limited	Subsidiary
Capital India Wealth Management Private Limited	Wholly owned subsidiary
CIFL Holdings Private Limited	Wholly owned subsidiary
Capital India Asset Management Private Limited	Wholly owned subsidiary
CIFL Investment Adviser Private Limited	Wholly owned subsidiary
Rapipay Fintech Holding Private Limited*	Wholly owned subsidiary
Rapipay Fintech Private Limited	Subsidiary Company
Capital India Corp LLP	Enterprise having significant influence and control
Atulya Foundation	Enterprise over which control is exercised by the Company
Dr. Harsh Kumar Bhanwala	Chairman
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. Malay Mukherjee	Independent Director
Mrs. Rachna Dikshit	Independent Director

* Merged with Rapipay Fintech Private Limited (refer note 7)

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2021

(Currency: Rs. In Lakhs)
(Amount in Rupees)

(ii) Details of transaction with related parties are as under:

Nature of the Transaction	Subsidiary Company										Enterprise having significant influence and control		Enterprise over which control is exercised by the Company		Relative of a person having joint control over the Company	
	Capital India Home Loans Limited		Capital India Wealth Management Private Limited		CIFL Holdings Private Limited		CIFL Investment Adviser Private Limited		Rapipay Fintech Private Limited		Capital India Corp LLP		Atulya Foundation		Mr. Deepak Vaswan	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Transactions during the period																
Reimbursement of expenses (refer note i)	90.33	26.26	-	-	-	-	-	-	2.48	-	6.01	-	-	-	-	-
Investment in equity shares	4,000.00	5,000.00	-	1.00	-	1.00	-	1.11		1,200.00	-	-	-	-	-	-
Remuneration paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	35.95	15.35
CSR Expenses	-	-	-	-	-	-	-	-	-	-	-	-	41.20	15.00	-	-
Closing balances																
Receivable/ (Payable)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Nature of the Transaction	Key Managerial Personnel																	
	Dr. Harsh Kumar Bhanwala		Mr. Keshav Porwal		Mr. Amit Sahai Kulshreshtha		Mr. Neeraj Toshniwal		Mr. Rachit Malhotra		Mr. Yogendra Pal Singh		Mr. Vinod Somani		Mr. Malay Mukherjee		Mrs. Rachna Dikshit	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Transactions during the period																		
Remuneration paid	75.78	-	100.08	190.73	120.17	199.6	65.09	100.79	37.62	46.88	-	-	-	-	-	-	-	-
Sitting fees paid	-	-	-	-	-	-	-	-	-	-	6.75	8.55	7.01	8.9	2.5	-	2.36	-
Closing balances																		
Receivable/ (Payable)	-	-	-	-	(130.00)	-	-	-	-	-	-	-	-	-	-	-	-	-

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2021

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 2021	For the year ended 31st March 2020
Employer's Contribution to Provident Fund	85.57	73.61

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 2021	As at 31st March 2020
I. Assumption		
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Interest / Discount Rate	6.86%	6.84%
Rate of increase in compensation	10.00%	Year 1 - 0% and Year 2 onwards -10%
Expected average remaining service	24	23
II. Reconciliation of net defined benefit (asset)/liability		
(a) Reconciliation of present value of defined benefit obligation		
Opening Defined Benefit Obligation	52.74	19.64
Interest Cost	3.61	1.53
Current Service Cost	40.81	41.03
Actuarial (Gains) / Losses	(26.75)	(9.46)
Closing Defined Benefit Obligation	**70.41**	**52.74**

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2021

Particulars	As at 31st March 2021	As at 31st March 2020
(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	70.41	52.74
Fair value of plan assets as at the end of year	-	-
Funded status	70.41	52.74
Recognised in Balance Sheet - (Asset) / Liability	**70.41**	**52.74**
III. Actuarial (Gain)/Loss on Obligation		
Due to Demographic Assumption	-	(1.55)
Due to Financial Assumption	3.21	1.73
Due to Experience	(29.96)	(9.64)
Net Actuarial (Gain)/ Loss on Obligation	**(26.75)**	**(9.46)**
IV. Actual Return on Plan Assets		
Actual Interest Income	-	-
Expected Interest Income	-	-
Return on Plan Assets excluding Interest Income	-	-
V. Net Interest		
Interest Expense	3.61	1.53
Interest Income	-	-
Net Interest Exp/(Income)	**3.61**	**1.53**
VI. Expenses Recognised in Profit and Loss account under		
Employee benefit expenses		
Current Service Cost	40.81	41.03
Net Interest Exp/(Income)	3.61	1.53
Past Service Cost (vested benefits)	-	-
Expenses recognised in Profit and Loss Account	**44.42**	**42.56**
VII. Remeasurements recognised in Other Comprehensive Income		
Net Actuarial (Gain)/ Loss on Obligation	(26.75)	(9.46)
Return on Plan Assets excluding Interest Income	-	-
Total Actuarial (Gain)/ Loss recognised in OCI	**(26.75)**	**(9.46)**
VIII. Others		
Weighted average duration of defined benefit Obligation	11.00	11.00

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 31.03.21 is as below :

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2021

Particulars	As at 31st March 2021	As at 31st March 2020
Change in rate of Discount Rate + 100 basis points	62.40	46.15
Change in rate of Discount Rate- 100 basis points	79.96	60.64
Change in rate of Salary Escalation Rate + 100 basis points	76.76	58.17
Change in rate of Salary Escalation Rate - 100 basis points	64.30	47.77
Change in rate of Attrition Rate + 100 basis points	67.71	50.37
Change in rate of Attrition Rate - 100 basis points	73.32	55.32

The Expected Payout as at 31st March 2021 are as under:

Particulars	As at 31st March 2021	As at 31st March 2020
Year 1	3.92	-
Year 2	2.56	-
Year 3	3.18	2.95
Year 4	4.18	3.45
Year 5	4.30	3.57
Year 6 to Year 10	25.21	19.86

Notes:

1 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.

2 The company has recognised Rs. 7.02 Lacs (31st March 2020: Rs. 22.92 Lacs) for compensated absence in Statement of Profit and Loss for current year. Total provision for compensated absences is Rs. 57.49 Lacs as at 31st March 2021 (31st March 2020: Rs. 50.47 Lacs).

3 The Code on Wages, 2019 and Code Social Security, 2020 ("the Codes") relating to employees compensation and post-employment benefits that received Presidential assent have not been notified. Further, the related rules for quantifying the financial impact have not been notified. The Company will assess the impact of the Codes when the rules are notified and will record any related impact in the period the Codes become effective.

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.

Movement in the options outstanding under the Employees Stock Option Plan for the year ended 31st March 2021

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2021

Particulars	Options (Numbers)	Weighted average exercise price per option (Rs.)
Option outstanding at the beginning of the year	20,50,000	72.00
Granted during the year	50,000	72.00
Vested during the year	-	72.00
Exercised during the year	-	-
Lapsed during the year	12,51,875	0.00
Options outstanding at the end of the year	8,48,125	72.00
Options available for grant	14,00,000	72.00

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	72.00
Granted during the year	4,15,000	72.00
Vested during the year	4,08,750	72.00
Exercised during the year	-	-
Lapsed during the year	-	-
Options outstanding at the end of the year	20,50,000	72.00
Options available for grant	14,50,000	72.00

Weighted average remaining contractual life for options outstanding as at 31st March 2021 is 1 year 10 months (Previous year 1 year 7 months).

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	As at 31st March 2021	As at 31st March 2020
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 2021, the company recorded an employee stock compensation net reversal of Rs. -34.07 Lacs (Previous year Rs. 67.83 Lacs) in the Statement of Profit and Loss.

39 Disclosure Pursuant to Ind AS 116 "Leases"

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.
The following is the movement in lease liabilities during the year ended March 31, 2021 and March 31, 2020

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2021

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Opening balance	906.86	1,297.40
Additions during the year	1,204.19	-
Deletions during the year	-	-
Adjustment on Account of Lease Modification	-1.92	-
Finance cost accrued during the year	133.96	111.79
Payment of lease liabilities	-643.03	-502.33
Closing balance	1,600.06	906.86

Maturity analysis of Lease Liabilities (on an undiscounted basis):

Particulars	As at 31 March 2021	As at 31 March 2020
Not later than 1 year	767.17	479.44
Later than 1 year and not later than 5 years	929.77	533.94
Later than 5 years	224.83	-
Total	**1,921.77**	**1,013.38**

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 2021	For the year ended 31st March 2020
Current tax:		
In respect of current year	759.30	1,440.49
In respect of prior years	-	-
Deferred Tax:		
Deferred tax relating to origination and reversal of temporary differences	121.04	(354.36)
Total Income Tax recognised in profit or loss		
Current tax	759.30	1,440.49
Deferred tax	121.04	(354.36)
Total Income Tax recognised in profit or loss	**880.34**	**1,086.13**

(ii) Income Tax recognised in Other comprehensive income

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Deferred tax related to items recognised in Other comprehensive income during the year:		
Remeasurement of defined employee benefits	(6.73)	(2.38)
Total Income tax recognised in Other comprehensive income	**(6.73)**	**(2.38)**

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2021

(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 2021	For the year ended 31st March 2020
Profit before Tax	2,925.93	4,124.39
Enacted income tax rate (%)	25.17%	25.17%
Income tax expense calculated at applicable income tax rate	736.46	1,038.11
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Expenses that are not deductible for tax purposes	385.74	575.52
Dividend income exempt from income tax		-
Deductions available under income tax	(371.04)	(173.14)
Other Temporary differences	8.15	-
Income Tax expense recognised in profit and loss	759.30	1,440.49
Deferred Tax recognised in profit and loss	121.04	(354.36)
Tax recognised in profit and loss	**880.34**	**1,086.13**
Actual effective income tax rate (%)	**30.09%**	**26.33%**

(iv) Recognised deferred tax assets and liabilities

Particulars	As at 31st March 2021	As at 31st March 2020
Deferred Tax Asset :		
Loans & Advances (EIR Adjustment and ECL Provision)	410.82	436.38
Provisions - employee benefits	47.02	49.38
Unamortised processing fee	90.14	89.15
Property, Plant and Equipment & Intangible assets	84.86	50.89
Loan given to Staff at concessional rate	0.74	0.68
Amortization adjustment on Lease deposits	16.07	12.04
ROU and Lease liability	26.39	25.27
Deferred Tax Liability:		
Interest adjustments on Lease deposits	15.79	11.73
Property, Plant and Equipment & Intangible assets	-	-
Unamortised borrowings costs	157.21	21.25
Interest on Stage 3	-	-
Net Deferred Tax Asset/(Liability)	**503.04**	**630.81**

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2021

(v) **Movement in temporary differences**

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Credit / (Charge) in the Statement of Profit and Loss during the year		
Loans & Advances	(24.56)	275.08
Property, Plant and Equipment & Intangible assets	33.97	26.43
ROU and Lease liability	1.12	0.89
Borrowings	(135.98)	21.27
Provisions - employee benefits	4.37	30.70
Security deposits	(0.03)	(0.23)
Advances to staff	0.07	0.22
Total (a)	**(121.04)**	**354.36**
Credit / (Charge) in the other comprehensive income during the period		
Provisions - employee benefits	(6.73)	(2.38)
Total (b)	**(6.73)**	**(2.38)**
Net deferred income tax asset at the beginning (c)	630.81	278.83
Net deferred tax asset/(Liabilities) at the end of the period (d) = (a) + (b) + (c)	**503.04**	**630.81**

41 **Maturity Analysis of Assets & Liabilities**

	As at 31st March 2021			As at 31st March 2020		
	Within 12 Months	After 12 months	Total	Within 12 Months	After 12 months	Total
Assets						
Financial Assets						
Cash & cash equivalents	5,364.14	-	5,364.14	3,259.29	-	3,259.29
Bank balances other than Cash & cash equivalents	1,163.29	-	1,163.29	1.53	-	1.53
Receivables						-
- Trade Receivables	-	-	-	-	-	-
- Other Receivables	21.29	-	21.29	19.23	-	19.23
Loans	30,940.94	23,897.35	54,838.29	25,260.99	24,148.07	49,409.06
Investments	-	15,150.51	15,150.51	-	11,150.51	11,150.51
Other financial assets	176.91	185.96	362.87	7.51	254.94	262.45
Non-financial Assets						
Current tax assets(net)		491.48	491.48		163.46	163.46
Deferred tax asset (net)	-	503.04	503.04	-	630.81	630.81
Property, plant and equipment	-	995.60	995.60	-	1,079.72	1,079.72
Capital work in progress	-	168.57	168.57	-	42.16	42.16
Intangible assets	-	175.08	175.08	-	172.30	172.30
Right of use assets	611.71	893.36	1,505.07	383.61	386.19	769.80
Other non-financial assets	410.73	6.50	417.23	243.36	22.97	266.33
Total Assets	**38,689.01**	**42,467.44**	**81,156.45**	**29,175.52**	**38,051.13**	**67,226.65**
LIABILITIES						
Financial Liabilities						
Payables						
(i)Trade Payables	122.36	-	122.36	75.02	-	75.02
(ii)Other Payables	-	-	-	-	-	-
Debt Securities	-	11,500.00	11,500.00		4,000.00	4,000.00
Borrowings	7,994.36	2,450.58	10,444.94	4,975.79	2,585.35	7,561.13
Other financial liabilities	1,639.16	964.20	2,603.35	585.65	497.94	1,083.59
Non-Financial Liabilities						
Current tax liabilities (net)	-	-	-	383.34	-	383.34
Provisions	480.53	27.37	507.90	30.87	72.34	103.21
Other non-financial liabilities	66.32	-	66.32	45.08	17.49	62.57
Total Liabilities	**10,302.73**	**14,942.15**	**25,244.87**	**6,095.74**	**7,173.11**	**13,268.86**
Net Assets	28,386.29	27,525.29	55,911.58	23,079.78	30,878.02	53,957.80

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2021

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 March 31, 2021	As at March 31, 2020
i. CRAR (%)	63.68%	80.35%
ii. CRAR - Tier I capital (%)	62.54%	79.13%
ii. CRAR - Tier II capital (%)	1.14%	1.22%

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 commute 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 instuments is restricted to their respecve carrying amount.

Credit Risk is monitored through stringent credit appraisal, counter party 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.

Company primarily offers loans secured by Real estate. In order to mitigate credit risk, company also seeks collateral appropriate to the product segment. Other means of mitigating credit risk that the company uses are guarantees. The most common types of collateral the company receives, measured by collateral value, are mortgages on financial assets in the form of real estate.

a) Maximum exposure to the Credit risk

This table belows shows the Company's maximum exposure to the credir risk.

Particulars	Mar-21	Mar-20
Financial Assets at amortised cost - Loans & Advances (Gross)	56,828.60	51,505.76
Less : Impairment loss allowances	1,632.18	1,733.71
Financial Assets at amortised cost - Loans & Advances (Net)	55,196.41	49,772.05
Trade receivables	21.29	19.23
Total	**55,217.70**	**49,791.28**

Credit risk on Cash and Cash equivalents is considered to be Nil as these are generally held with leading banks.

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2021

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.

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.

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)

Calculation of expected credit losses

Expected credit losses (ECLs) are calculated using three main parameters i.e. a probability of default (PD), a loss given default (LGD) and an exposure at default (EAD). The default study published by one of the recognised rating agency is used for estimating PD and LGD. EAD represents the expected exposure in the event of a default.

The following table sets out information about the credit quality of financial assets measured at amortised cost.

(Rs in lakhs)

	Particulars	As at March 31, 2021	As at March 31, 2020
Stage 1	**Gross Stage 1 (DPD< 30 days)**	54,485.47	42,434.32
	Less : Impairment loss allowance	740.05	757.59
	Net Stage 1 Assets	53,745.42	41,676.73
	ECL Prov. Coverage	1.36%	1.79%
Stage 2	**Gross Stage 2 (30>DPD< 90 days)**	2,343.12	9,071.44
	Less : Impairment loss allowance	892.14	976.12
	Net Stage 2 Assets	1,450.98	8,095.32
	ECL Prov. Coverage	38.07%	10.76%
Stage 3	**Gross Stage 3 (DPD>90)**	-	-
	Less : Impairment loss allowance	-	-
	Net Stage 3 Assets	-	-
	ECL Prov. Coverage	-	-
	Total Loans & Advances	56,828.60	51,505.76
	Less : Impairment loss allowance	1,632.18	1,733.71
	Net Loans & Advances	55,196.42	49,772.05
	ECL Provision Coverage	2.87%	3.37%

Credit impairment charge to the income statement

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
New and increased provisions (incl. write off)	(101.53)	1,338.98
Write-backs of specific provisions	-	-
Recoveries of specific provisions	-	-
Total charge /(credit) to the income statement	(101.53)	1,338.98

Write-offs still under enforcement activity

The contractual amount outstanding on loans and advances that were written off during the year ended March 2021, and are still subject to enforcement acvity 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.

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2021

	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 March 31, 2019	**56,392.64**	**191.63**	**-**	**56,584.27**	**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	21,096.33	3,805.27		24,901.60	516.78	932.67	-	1,449.45
Decrease due to loans derecognised on full payment	(29,788.48)	(191.63)	-	(29,980.11)	(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	**41,871.59**	**9,634.17**	**-**	**51,505.76**	**757.59**	**976.12**	**-**	**1,733.71**
Changes due to financial assets recognised in opening balance that have:								
- Transferred to 12 month ECL	5,361.09	(5,361.09)	-	-	132.11	(132.11)	-	-
- Transferred to lifetime ECL -significant increase in credit risk	(2,329.80)	2,329.80	-	-	(824.30)	824.30	-	-
- Transferred to lifetime ECL credit – impaired	-	-	-	-	-	-	-	-
Increase due to financial assets originated	41,096.01	755.06	-	41,851.07	1,232.82	86.34	-	1,319.16
Decrease due to loans derecognised on full payment	(31,513.42)	(5,014.81)	-	(36,528.23)	(558.18)	(862.51)	-	(1,420.69)
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, 2021	**54,485.47**	**2,343.12**	**-**	**56,828.60**	**740.04**	**892.13**	**-**	**1,632.18**

d) **Collateral and other credit enhancements**

Company would generally have its credit exposures backed by securities, either primary or collateral. Lending Policy of the Companty 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 2020-2021

Company does not have any Credit impaired assets as on March 2021 (March 20 Nil)

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2021

e) **Credit Concentration**

The Company has substantial exposure on real estate, as detailed below.

Particulars	As at March 31, 2021	As at March 31, 2020
Real Estate	36.21%	62.60%
Others	63.79%	37.40%

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 selected 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 behavioral 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, **undrawn cash credit** & 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 March 31, 2021	Contractual cash flows				
	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Borrowings (Includes Interest accrued but not due)	11,144.25	8,309.97	2,818.39	15.89	-
Debt Securities (Includes Interest accrued but not due)	12,191.26	691.26	11,500.00		
Trade and Other Payables	122.36	122.36	-	-	-
Other Financial Liabilities	1,837.39	873.19	964.20	-	
	25,295.27	**9,996.79**	**15,282.58**	**15.89**	**-**

As at March 31, 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	**5,697.88**	**7,082.70**	**23.57**	**-**

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.

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2021

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 2021	31st March 2020	31st March 2021	31st March 2020
Borrowings that are re-priced	0.25%	0.25%	(27.67)	(19.11)
Loans that are re-priced	0.25%	0.25%	82.17	98.52

Interest rate risk is managed primarily by monitoring the sensivity 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.

v) Foreign Exchange Rate Risk:

The company entered into foreign currency transactions in the Foreign currency business. The currency risk arising out of foreign currency transactions in the foreign currency business is monitored by a central dealing room, which then hedges the positions transactions entered into at individual locations across the country, through deals in the interbank market, thereby ensuring that they are minimal open positions.

(a) Foreign currency risk exposure

The company's exposue to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

Particulars	31st March 2021				31st March 2020			
	EUR	GBP	USD	Others	EUR	GBP	USD	Others
Foreign currencies in hand	3.92	7.15	11.65	17.25	-	-	-	-
Net exposure	**3.92**	**7.15**	**11.65**	**17.25**	**-**	**-**	**-**	**-**

(b) Sensitivity:

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and from foreign forward exchange contracts.

Particulars	Impact on Profit after tax				Impact on Other components of Equity			
	31st March 2021		31st March 2020		31st March 2021		31st March 2020	
	Strength-ening	Weakening	Strength-ening	Weakening	Strength-ening	Weakening	Strength-ening	Weakening
Effect in INR								
0.75% movement*								
EUR	0.03	(0.03)	-	-	-	-	-	-
GBP	0.05	(0.05)	-	-	-	-	-	-
USD	0.09	(0.09)	-	-	-	-	-	-
Others	0.13	(0.13)	-	-	-	-	-	-

*Holding all other variables constant

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2021

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 2021	Carrying Amount			Fair value hierarchy			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets							
Cash and cash equivalents	-	5,364.14	5,364.14	-	-	-	-
Bank balances other than Cash & cash equivalents	-	1,163.29	1,163.29	-	-	-	-
Other receivables	-	21.29	21.29	-	-	-	-
Loans & advances	-	54,838.29	54,838.29	-	-	56,456.74	56,456.74
Others financial assets	-	362.87	362.87	-	-	-	-
Total	**-**	**61,749.88**	**61,749.88**	**-**	**-**	**56,456.74**	**56,456.74**
Financial liabilities							
Trade and other payables	-	122.36	122.36	-	-	-	-
Debt Securities		11,500.00	11,500.00				
Borrowings	-	10,444.94	10,444.94	-	-	-	-
Other financial liabilities	-	2,603.35	2,603.35	-	-	-	-
Total	**-**	**24,670.65**	**24,670.65**	**-**	**-**	**-**	**-**

As at 31st March 2020	Carrying Amount			Fair value hierarchy			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 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	-	-	-	-
Trade receivables	-	19.23	19.23	-	-	-	-
Loans & advances	-	49,409.06	49,409.06	-	-	49,561.51	49,561.51
Others financial assets	-	262.45	262.45	-	-	p	-
Total	-	**52,951.56**	**52,951.56**	-	-	49,561.51	49,561.51
Financial liabilities							
Trade and other payables	-	75.02	75.02	-	-	-	-
Debt Securities		4,000.00	4,000.00	-	-	-	-
Borrowings	-	7,561.13	7,561.13	-	-	-	-
Other financial liabilities	-	1,083.59	1,083.59	-	-	-	-
Total	-	**12,719.74**	**12,719.74**	-	-	-	-

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2021

45 Disclosure Pursuant to RBI Notification no RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20

As on 31 March 2021						
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	54,485.48	740.04	53,745.44	215.78	524.26
	Stage 2	2,343.12	892.13	1,450.99	203.85	688.29
Subtotal		**56,828.60**	**1,632.18**	**55,196.43**	**419.63**	1,212.55
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**	54,485.48	740.04	53,745.44	215.78	524.27
	Stage 2	2,343.12	892.13	1,450.99	203.85	688.29
	Stage 3	-	-	-	-	-
	Total	56,828.61	1,632.19	55,196.43	419.63	1,212.55

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2021

As on 31 March 2020						
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	41,871.59	757.59	41,113.99	164.99	592.60
	Stage 2	9,634.17	976.12	8,658.05	109.37	866.75
Subtotal		**51,505.76**	**1,733.71**	**49,772.05**	**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**	41,871.59	757.59	41,113.99	164.99	592.60
	Stage 2	9,634.17	976.12	8,658.05	109.37	866.75
	Stage 3	-	-	-	-	-
	Total	51,505.76	1,733.72	49,772.05	274.36	1,459.35

46 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:

a. **Capital funds, risk assets/ exposure and risk asset ratio (CRAR)** (Amount in Rs. crore)

S.No	Item	31st March 2021	31st March 2020
1	CRAR (%)	**63.68%**	**80.35%**
2	CRAR - Tier I capital (%)	62.54%	79.13%
3	CRAR - Tier II Capital (%)	1.14%	1.22%
4	Amount of subordinated debt raised as Tier-II capital	-	-
5	Amount raised by issued of Perpetual Debt Instruments	-	-

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2021

b. **Investments** (Amount in Rs. crore)

S.No	Particulars	31st March 2021	31st March 2020
1	Value of investments		
	(i) Gross value of investments		
	(a) in India	151.51	111.51
	(a) outside India	-	-
	(ii) Provision for depreciation		
	(a) in India	-	-
	(a) outside India	-	-
	(iii) Net value of investments		
	(a) in India	151.51	111.51
	(a) outside India	-	-
2	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.

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	Category	31st March 2021	31st March 2020
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	1.65	2.35
(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;	204.08	299.40
(iii)	**Investments in Mortgage Backed Securities (MBS) and other securitised exposures -**		
1	Residential,	-	-
2	Commercial Real Estate.	-	-
	Total Exposure to Real Estate Sector	**205.73**	**301.75**

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2021

ii. Exposure to Capital Market

(Amount in Rs. crore)

Particulars		31st March 2021	31st March 2020
(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	**-**	**-**

*Investment in susidiaries are not considered in (i) above.

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 invested 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)

S.No.	Particulars	31st March 2021	31st March 2020
(i)	Provision made towards income tax	7.59	14.40
(ii)	Provision for impairment of financial assets	(1.02)	2.66

o. **Draw Down from Reserves**

There has been no draw down from reserves during the current year.

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2021

p. **Concentration of Advances, Exposures and NPAs**

i) Concentration of Advances (Amount in Rs. crore)

Particulars	31st March 2021	31st March 2020
Total Advances to twenty largest borrowers	320.34	438.23
Percentage of Advances to twenty largest borrowers to Total Advances	57.14%	87.09%

ii) Concentration of Exposures (Amount in Rs. crore)

Particulars	31st March 2021	31st March 2020
Total Exposures to twenty largest borrowers / customers	326.59	449.71
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure on borrowers / customers	57.47%	87.38%

iii) Concentration of NPAs (Amount in Rs. crore)

Particulars	31st March 2021	31st March 2020
Total of Exposures to top four NPA accounts*	-	-

* there are no account classified as NPA as on 31st March 2021 and 31st March 2020

iv) Sector-wise NPAs (% of NPA to Total Advances in that sector) (Amount in Rs. crore)

Particulars	31st March 2021	31st March 2020
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 2021	31st March 2020
(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**	**-**	**-**

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2021

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 2021	As on 31st March 2020
1	Long Term Instruments	Acuite Ratings & Research Limited	ACUITE A- (Stable)	ACUITE A- (Stable)

Migration :- There have been no migration in ratings during financial year 20-21.

u. **Statement on Asset Liability Management**

Maturity pattern of certain items of assets and liabilities as at 31st March 2021 (Amount in Rs. crores)

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	57.24	30.00	34.89	80.72	123.50	161.97	53.07	26.89	**568.29**
3	Investments	-	-	-	-	-	-	-	151.51	**151.51**
4	Debt securities	-	-	-	-	-	115.00	-	-	**115.00**
5	Borrowings	2.54	17.80	8.37	26.21	27.43	28.18	0.16	-	**110.70**
6	Foreign Currency assets	-	-	-	-	-	-	-	-	**-**
7	Foreign Currency liabilities	-	-	-	-	-	-	-	-	**-**

Maturity pattern of certain items of assets and liabilities as at 31st March 2020 (Amount in Rs. crores)

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	-	-	-	-	-	-	-	-	**-**

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2021

v. **Restructured advances**

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).

Sr. No.	Type of Restructuring						Others
	Asset Classification		**Standard**	**Sub-standard**	**Doubtful**	**Loss**	**Total**
1	Restructured Accounts as on 1st April of the FY (opening figures)	No. of borrowers	-	-	-	-	-
		Amounts outstanding	-	-	-	-	-
		Provision thereon	-	-	-	-	-
2	Fresh restructuring during the year	No. of borrowers	1.00	-	-	-	1.00
		Amounts outstanding	1,833.59	-	-	-	1,833.59
		Provision thereon	748.84	-	-	-	748.84
3	Upgradations to restructured standard category during the FY	No. of borrowers	-	-	-	-	-
		Amounts outstanding	-	-	-	-	-
		Provision thereon	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at the end of the FY and hence need not be shown in restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-
		Amounts outstanding	-	-	-	-	-
		Provision thereon	-	-	-	-	-
5	Down-gradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-
		Amounts outstanding	-	-	-	-	-
		Provision thereon	-	-	-	-	-
6	Write offs of restructured accounts during FY	No. of borrowers	-	-	-	-	-
		Amounts outstanding	-	-	-	-	-
		Provision thereon	-	-	-	-	-
7	Restructured Accounts as on March 31 of the FY (closing figures)	No. of borrowers	1.00	-	-	-	1.00
		Amounts outstanding	1,945.30	-	-	-	1,945.30
		Provision thereon	879.61	-	-	-	879.61

Note

1 There were no accounts which were restructured during the Financial Year 2019-20.

w. **Fraud Reporting**

As required by the Chapter II paragraph 5 for Monitoring of frauds in NBFCs (RBI guidelines), there are no frauds reported during the financial year 20-21 and financial year 19-20.

x. **Public disclosure on liquidity risk of Capital India Finance Limited ('CIFL') as on March 31, 2021 in accordance with RBI circular No. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies (NBFCs) including Core Investment Companies.**

i. Funding Concentration based on significant counterparty (both deposits and borrowings)

Number of Significant Counterparties	Amount in lakhs	% of Total Deposits	% of Total Liabilities
8	22,205.68	Not Applicable	87.96%

ii. Top 20 Large Deposits

Not applicable. The Company is registered with Reserve Bank of India and has been classified as a Systemically Important Non-Deposit Accepting or Holding Non-Banking Financial Company.

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2021

iii. Top 20 Borrowings

Amount	% of Total Borrowings
22,417.00	100.00%

iv. Funding Concentration based on significant Instrument/ Product

Name of instrument/ product	Amount in lakhs	% of Total Liabilities
Non convertible debentures	11,500.00	45.55%
Term loans from banks	10,917.00	43.24%
Total Borrowings	**22,417.00**	**88.80%**
Total Liabilities	**25,244.88**	

v. Stock Ratios

Particulars	As a % of total public funds	As a % of total liabilities	As a % of total assets
Commercial papers	-	-	-
Non-convertible debentures (original maturity of less than one year)	-	-	-
Other short-term liabilities	8.03%	7.18%	2.23%

vi. Institutional set-up for liquidity risk management

The Board of Directors of the Company has instituted the Asset Liability Management Committee to monitor and manage liquidity risk inter-alia by way of monitoring the asset liability composition, reviewing the liquidity and borrowing program of the Company, setting-up and monitoring prudential limits on negative mismatches w.r.t. liquidity and interest rate.

The Company's liquidity and funding approach documented through its various plans and policies including the Asset Liability Management Policy, Resources Planning Policy, Investment and Deployment Policy, is to ensure that funding is available to meet all market related stress situations. We endeavour to maintain a conservative Asset Liability Management approach which is focused on maintaining long term funding stability.

The Company also has a Risk Management Committee which reports to the Board and is responsible for evaluating the overall risks faced by the Company including liquidity risks.

The Company's liquidity management set-up is assessed periodically to align the same with any regulatory changes in the economic landscape or business needs. The ALCO meetings are held once in a quarter and committee submit its report to board on quarterly basis.

Notes:

1. Significant counterparty is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies Significant instrument/product is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.
2. Total Liabilities has been computed as sum of all liabilities (Balance Sheet figure) less Equity Share Capital and Other Equity.
3. Public funds is as defined in Master Direction - Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
4. The amount stated in this disclosure is based on the audited standalone financial statements for the year ended March 31, 2021.

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2021

47 [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]

1 LIABILITIES SIDE

Rupees in Lakhs

	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	11,500.00	-
	- Unsecured	-	-
b.	Deferred Credits	-	-
c.	Term Loans	11,069.55	-
d.	Inter-corporate loans and borrowings	-	-
e.	Commercial Paper	-	-
f.	Public Deposits (Refer note 1 below)	-	-
g.	Other Loans	-	-

2 ASSET SIDE

Break up of Loans and Advances including bills receivables [other than those included in(4) below]:		**Amount Outstanding**
a.	Secured	53,435.16
b.	Unsecured	3,393.44

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 2021

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	-

	Rupees in Lakhs
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	15,150.51
- Preference	-
ii. Debentures and Bonds	-
iii. Units of mutual funds	-
iv. Government Securities	-
v. Others	-

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2021

5 **Borrower group-wise classification of all leased assets, stock on hire and loans and advances (Refer note 2 below):**

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	53,435.16	3,393.44	56,828.60
	Total	**53,435.16**	**3,393.44**	**56,828.60**

6 **Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): (Refer note 3 below)**

Category		**Market Value/ Break up of fair value or NAV**	**Book Value (Net of Provisions)**
1	Related Parties**		
	a. Subsidiaries	15,695.69	15,150.51
	b. Companies in the same group	-	-
	c. Other related parties	-	-
2	Other than related parties	-	-
	Total	**15,695.69**	**15,150.51**

** As per Accounting Standard issued by the Institute of Chartered Accountants of India ('ICAI').

7 **Other information**

	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.

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2021

48 The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. Consequent to the outbreak of the COVID-19 pandemic, the Indian government announced a lockdown in March 2020. Subsequently, the national lockdown was lifted by the government, but regional lockdowns continue to be implemented in areas with a significant number of COVID-19 cases.Given the uncertainty over the potential macro-economic impact and external regulatory developments, the Management has considered internal and external information up to the date of approval of these financial statements, and has estimated overlays and made certain judgements in accordance with the policy of the Company for the purpose of determination of the provision for impairment of financial assets carried at amortised cost and in relation to revenue recognition.

The impairment provision as on March 31, 2021 aggregates Rs. 1,632.18 lakh (as on March 31, 2020 - Rs. 1,733.71 lakh) which includes potential impact on account of the pandemic of Rs. 1,012.20 lakh (as on March 31, 2020 - Rs. 1,355.09 lakh). . Based on the current indicators of future economic conditions, the Company considers these provisions to be adequate.

The extent to which the pandemic including the current "second wave" that has significantly increased the number of cases in India , will continue to impact the results of the Company will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Company. Given the uncertainty over the potential macro-economic condition the impact of the COVID-19 pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions, which will be given effect to in the respective future period.

49 **Disclosures pursuant to RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 Dated April 17, 2020.**

S.No.	Particulars	As at March 31, 2021	As at March 31, 2020
(i)	Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3;	23,522.01	44,337.25
(ii)	Respective amount where asset classification benefits is extended.	-	-
(iii)	Provisions made during the Q4FY2020 and Q1FY2021 in terms of paragraph 5;	-	-
(iv)	Provisions adjusted during the respective accounting periods against slippages and the residual provisions in terms of paragraph 6.	-	-

50 There have been no events after the reporting date that require disclosure in these financial statements.

51 The Financial Statements have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 26th May, 2021.

52 **Previous year's figures**

To provide more reliable and relevant information about the effect of certain items in the Balance Sheet and Statement of Profit and Loss, the Company has changed the classification of certain items. Previous year figures have been re-grouped or reclassified, to confirm to such current year's grouping / classifications. There is no impact on Equity or Net Profit due to these regrouping / reclassifications.

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 Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2021, 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, 2021 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 48 to the Consolidated Financial Statement, which describes that the potential impact of the COVID-19 Pandemic on the Group's financial statements and particularly the impairment provisions are dependent on future developments, which are highly uncertain.

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 Group's policy** (Refer Note 2.5, 6 and 47 to the consolidated financial statements) The Group has loans carried at amortised cost amounting to Rs. 70,644.04 net of provision for ECL Rs. 1,776.18 as at March 31, 2021. Identification of and provisioning for ECL on loans in accordance with the Group'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. • Determining the probability of defaults and estimation of loss given defaults based on the 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, the loans form a major portion of the Group's assets, and due to the significance of the judgments used in classifying loans into various stages as stipulated in Indian Accounting Standard (IND AS) 109 and determining related impairment provision requirements and related disclosures, this is considered to be the area that had a greater focus of our overall Group audit and a key audit matter.	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 Group policy. In particular: • we have evaluated the Group's internal control system in adhering to the Group'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 controls pertaining to identification, classification and staging of loans in correct maturity 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; • assessed disclosures included in the Ind AS financial statements in respect of expected credit losses; • obtained written representations from management and those charged with governance whether they believe significant assumptions used in calculation of expected credit losses are reasonable.

Information Other than the Financial Statements and Auditors' Report Thereon

- The Parent'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 Parent'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 Parent, 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 Parent 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 Parent 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 five subsidiaries, whose financial statements reflect total assets of Rs. 18,845.76 lakhs as at March 31, 2021, total revenues of Rs. 20,980.18 lakhs and net cash inflows amounting to Rs. 2,743.54 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 Parent as on March 31, 2021 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, 2021 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 Parent 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 Parent 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) There are no pending litigations which would impact 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 Parent and its subsidiary companies incorporated in India.

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

Pallavi A. Gorakshakar
(Partner)
(Membership No. 105035)
UDIN: 21105035AAAAFB5351

Place: Mumbai
Date: 26 May 2021

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 Parent") as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of the Parent 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 Parent 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 Parent 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 Parent 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 Parent 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, 2021, 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 six 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)

Pallavi A. Gorakshakar
(Partner)
(Membership No. 105035)
UDIN: 21105035AAAAFB5351

Place: Mumbai
Date: 26 May 2021

Consolidated Balance sheet as at March 31, 2021

(Currency: Rs. In Lakhs)

	Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
	ASSETS			
1	**Financial Assets**			
(a)	Cash & cash equivalents	3	14,204.29	6,791.07
(b)	Bank balances other than Cash & cash equivalents	4	8,596.37	124.09
(c)	Receivables			
	(i) Trade Receivables	5	656.58	66.19
	(ii) Other Receivables		24.57	19.23
(d)	Loans	6	68,474.98	56,457.58
(e)	Investments	7	-	863.41
(f)	Other financial assets	8	4,231.16	603.42
2	**Non-financial Assets**			
(a)	Inventories	8A	261.68	11.56
(b)	Current tax assets(net)	9	547.98	387.04
(c)	Deferred tax asset (net)	10	583.59	700.45
(d)	Property, plant and equipment	11	1,616.12	1,731.11
(e)	Capital work in progress		348.86	42.16
(f)	Intangible Assets Under Development		159.34	89.80
(g)	Goodwill on consolidation		552.26	552.26
(h)	Other intangible assets	11A	669.02	469.23
(i)	Right of use assets	11B	2,803.83	1,900.83
(j)	Other non-financial assets	12	623.69	453.19
	Total Assets		**104,354.32**	**71,262.63**
	LIABILITIES AND EQUITY			
	LIABILITIES			
1	**Financial Liabilities**			
(a)	Payables	13		
	(i)Trade Payables			
	total outstanding dues of micro enterprises and small enterprises		31.58	0.16
	total outstanding dues of creditors other than micro enterprises and small enterprises		313.73	133.26
	(ii)Other Payables		-	
	total outstanding dues of micro enterprises and small enterprises		-	-
	total outstanding dues of creditors other than micro enterprises and small enterprises		68.29	32.07
(b)	Debt Securities	14	11,500.00	4,000.00
(c)	Borrowings	14A	17,409.44	8,099.26
(d)	Other financial liabilities	15	13,789.23	5,248.63

	Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
2	**Non-Financial Liabilities**			
(a)	Current tax liabilities (net)	16	-	383.34
(b)	Provisions	17A	803.71	318.84
(c)	Other non-financial liabilities	17	782.17	385.22
	EQUITY		-	
(a)	Equity share capital	18	7,773.43	7,773.43
(b)	Other equity	19	48,514.88	44,376.31
	Equity attributable to owners of the Company		56,288.30	52,149.73
(c)	Equity attributable to Non-Controlling Interests		3,367.86	512.11
	Total Liabilities and Equity		**104,354.32**	**71,262.63**

Notes 1 to 49 forms part of the Consolidated Financial Statements
In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Pallavi A. Gorakshakar
Partner

Place: Mumbai
Date: 26th May 2021

For and on behalf of the board
Capital India Finance Limited

Dr. Harsh Kumar Bhanwala
Executive Chairman
DIN : 06417704
Place: Mumbai
Date: 26th May 2021

Keshav Porwal
Managing Director
DIN : 06706341
Place: Mumbai
Date: 26th May 2021

Neeraj Toshniwal
Chief Financial Officer
Place: Mumbai
Date: 26th May 2021

Rachit Malhotra
Company Secretary
Place: New Delhi
Date: 26th May 2021

Consolidated Profit and Loss for the period ended March 31, 2021

(Currency: Rs. In Lakhs)

	Particulars	Note	For the period ended March 31, 2021	For the year ended March 31, 2020
	Revenue from operations:			
(i)	Interest income	20	10,577.03	10,742.06
(ii)	Fees and commission income		12,910.09	6,700.51
(iii)	Income from Forex Services		26,269.34	195.00
(iv)	Sale of devices		7,636.77	29.87
(v)	Net gain on fair value changes	21	128.12	225.33
(vi)	Other operating income		428.09	32.30
(I)	**Total revenue from operations**		**57,949.44**	**17,925.07**
(II)	Other income	22	1.21	2.17
(III)	**Total income (I+II)**		**57,950.65**	**17,927.24**
	Expenses :			
(i)	Finance costs	23	2,425.20	1,669.51
(ii)	Impairment of financial instruments	24A	3.47	1,394.60
(iii)	Loss on derecognition of financial assets	24B	-	130.00
(iv)	Fees and commission expense		11,387.50	6,027.76
(v)	Cost of materials consumed	25	26,845.94	27.08
(vi)	Employee benefits expenses	26	5,539.56	3,824.51
(vii)	Depreciation and amortization	11,11A&11B	1,465.00	1,151.97
(viii)	Others expenses	27	8,808.54	1,267.56
(IV)	**Total expenses (IV)**		**56,475.21**	**15,492.99**
(V)	Profit before exceptional items and tax (III-IV)		1,475.44	2,434.25
(VI)	Exceptional items		-	-
(VII)	Profit before tax (V -VI)		1,475.44	2,434.25
(VIII)	**Tax Expense:**			
	Current Tax		759.30	1,440.49
	Deferred Tax		107.65	(392.31)
(IX)	**Profit for the year**		**608.49**	**1,386.07**
(X)	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to profit or loss		36.61	16.36
	(ii) Income Tax relating to items that will not be reclassified to profit or loss		(9.21)	(4.15)
	Subtotal (A)		**27.40**	**12.22**
	(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)		**-**	**-**

	Particulars	Note	For the period ended March 31, 2021	For the year ended March 31, 2020
	Other Comprehensive Income (A + B)		**27.40**	**12.22**
(XI)	**Total Comprehensive Income for the year**		**635.89**	**1,398.29**
	Profit for the year attributable to :			
	Owners of the parent		960.35	1,723.09
	Non-controlling interests		(351.86)	(337.02)
	Other Comprehensive Income for the year attributable to :			
	Owners of the parent		27.44	11.59
	Non-controlling interests		(0.05)	0.63
	Total Comprehensive Income for the year attributable to :			
	Owners of the parent		987.80	1,734.68
	Non-controlling interests		(351.91)	(336.39)
(XII)	**Earnings per equity share (Face value of Rs 10 each)**	28		
	Basic (Rs.)		1.24	2.22
	Diluted (Rs.)		1.22	2.19

Notes 1 to 49 forms part of the Consolidated Financial Statements
In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Pallavi A. Gorakshakar
Partner

Place: Mumbai
Date: 26th May 2021

For and on behalf of the board
Capital India Finance Limited

Dr. Harsh Kumar Bhanwala
Executive Chairman
DIN : 06417704
Place: Mumbai
Date: 26th May 2021

Keshav Porwal
Managing Director
DIN : 06706341
Place: Mumbai
Date: 26th May 2021

Neeraj Toshniwal
Chief Financial Officer
Place: Mumbai
Date: 26th May 2021

Rachit Malhotra
Company Secretary
Place: New Delhi
Date: 26th May 2021

Consolidated Cash Flow Statement for the year ended 31st March 2021

(Currency: Rs. In Lakhs)

	PARTICULARS	For the year ended 31st March 2021	For the year ended 31st March 2020
A)	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Profit before exceptional items and taxes	1,475.44	2,434.24
	Adjustments to reconcile profit before tax to net cash flows:		
	Add : Non-cash expenses		
	Depreciation and amortisation expenses	1,465.00	1,151.97
	Provision for employee benefits	484.73	(118.14)
	Share based payments to employees	70.92	92.87
	Interest on Lease liability	244.54	229.01
	Interest income on Fixed deposits	(142.66)	(39.41)
	Impairment on financial instruments	3.47	1,381.48
	Less : Income/expense considered separately		
	Interest on OCD		(35.51)
	Operating profit before working capital changes	**3,601.45**	**5,096.51**
	Changes in -		
	(Increase) in loans and advances	(12,020.88)	(1,258.95)
	(Increase) / Decrease in trade and other receivables	(595.73)	(20.66)
	(Increase) in other financial assets	(3,485.84)	(126.53)
	(Increase) / Decrease in other non-financial assets	(2,121.49)	89.62
	(Decrease) / Increase in trade payables	248.11	(118.29)
	Increase / (Decrease) in other financial liabilities	8,296.20	1,038.36
	Increase / (Decrease) in other non-financial liabilities	396.95	(416.78)
	Cash generated from/ (used in) operations	**(5,681.23)**	**4,283.27**
	Income tax paid	(1,266.97)	(1,291.19)
	Net Cash generated from/ (used in) operating activities (A)	**(6,948.20)**	**2,992.08**
B)	**CASH FROM INVESTING ACTIVITIES:**		
	Purchase of property, plant and equipment and Intangible assets	(1,149.63)	(546.04)
	Proceeds from sale of property, plant and equipment	21.48	7.88
	Purchase of non current investments at amortized cost	-	(376.00)
	Investments in Mutual fund	(17,694.29)	987.12
	Redemption of Mutual funds	18,557.70	-
	(Investment)/Maturity in bank deposits	(8,471.53)	468.77
	Net Cash generated from/ (used in) investing activities (B)	**(8,736.27)**	**541.73**
C)	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Proceeds from issue of equity shares at premium	3,298.46	452.50
	Payment of dividend and dividend distribution tax thereon	(77.73)	(374.92)
	Payment of Lease rent	-	(690.80)
	Share alloted to Non controlling Interest on account of merger	3,066.80	-
	Proceeds from borrowings	28,730.76	4,600.00
	Repayment of borrowings	(11,920.58)	(5,642.95)
	Net cash (used in)/ generated from financing activities (C)	**23,097.70**	**(1,656.17)**
D)	**Net increase in cash and cash equivalents (A+B+C)**	**7,413.23**	**1,877.63**
E)	**Cash and cash equivalents as at the beginning of the year**	6,791.07	2,945.96
F)	**Cash received on acquisition of Subsidiary : Rapipay Fintech Private Limited**	-	1,967.47
G)	**Cash and cash equivalents as at the end of the year**	**14,204.29**	**6,791.07**

Consolidated Cash Flow Statement for the year ended 31st March 2021

(Currency: Rs. In Lakhs)

Cash and cash equivalents comprises:

Particulars	As at	As at
	31st March 2021	31st March 2020
Cash in hand	4.80	0.51
Balances with banks		
- in current accounts	6,707.42	5,210.28
- in deposit accounts	5,229.51	675.00
Currencies in hand	**39.97**	
Other balance with bank		
- Balance with non schedule bank	2,222.59	905.28
	14,204.29	**6,791.07**

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

Pallavi A. Gorakshakar
Partner

Place: Mumbai
Date: 26th May 2021

For and on behalf of the board
Capital India Finance Limited

Dr. Harsh Kumar Bhanwala
Executive Chairman
DIN : 06417704
Place: Mumbai
Date: 26th May 2021

Keshav Porwal
Managing Director
DIN : 06706341
Place: Mumbai
Date: 26th May 2021

Neeraj Toshniwal
Chief Financial Officer
Place: Mumbai
Date: 26th May 2021

Rachit Malhotra
Company Secretary
Place: New Delhi
Date: 26th May 2021

Consolidated Statement of changes in equity for the year ended 31st March 2021

(Currency: Rs. In Lakhs)

A. Equity share capital

	Amount
Balance at March 31, 2019	**7,773.43**
Changes in equity share capital during the year	-
Balance at March 31, 2020	**7,773.43**
Changes in equity share capital during the year	**-**
Balance at March 31, 2021	**7,773.43**

B. Other equity

	Employee stock option outstanding	Reserves and Surplus							
		Statutory reserve	Securities Premium	General Reserves	Retained Earnings	Other comprehensive income	Total attributable to owners of the parent	Non Controlling Interest	Total Other Equity
Balance as at March 31, 2019	**46.14**	**279.71**	**42,119.40**	**1.76**	**498.86**	**(5.31)**	**42,940.56**	**(389.00)**	**42,551.56**
Amalgamation of RFHPL (Refer Note No 36)					(16.89)		**(16.89)**	**-**	**(16.89)**
Dividend paid including dividend distribution tax	**-**	-	**-**	**-**	(374.92)		**(374.92)**	**-**	**(374.92)**
Transfer to/from retained earnings	-	**607.65**	-	**-**	(607.65)		**-**	**-**	**-**
Transfer to securities premium	**(0.08)**	**-**	**0.08**	**-**	-		**-**	**-**	**-**
Other Additions/ Deductions during the year	**92.87**	**-**	**-**	**-**	-		**92.87**	**-**	**92.87**
Profit (loss) for the period after income tax	**-**	**-**	**-**	**-**	1,723.09		**1,723.09**	**(337.02)**	**1,386.07**
Other Comprehensive Income for the period before income tax	**-**	**-**	**-**	**-**	-	14.90	**14.90**	**0.63**	**15.53**
Less: Income Tax on Other Comprehensive Income						**(3.31)**	**(3.31)**	**-**	**(3.31)**
Balance as at March 31, 2020	**138.94**	**887.36**	**42,119.48**	**1.76**	1,222.49	6.28	**44,376.31**	**512.11**	**44,888.41**
Dividend paid including dividend distribution tax	**-**	-	**-**	**-**	(77.73)	-	**(77.73)**	**-**	**(77.73)**
Transfer to/from retained earnings	-	**409.12**	**-**	**-**	**(409.12)**	-	**-**	**-**	**-**
Transfer to securities premium	**(0.08)**	**-**	**0.08**	**-**	-	-	**-**	**-**	**-**
Transfer to/from NCI	**-**	**-**	**-**	**-**	(90.43)	-	**(90.43)**	**90.43**	**-**
Other Additions/ Deductions during the year	**20.38**	**-**	**-**	**-**	-	-	**20.38**	**50.55**	**70.92**
Share alloted by subsidiary company	**-**	**-**	**3,298.46**	**-**	**-**	**-**	**3,298.46**	**3,066.80**	**6,365.26**
Profit (loss) for the period after income tax	**-**	**-**	**-**	**-**	**960.35**	**-**	**960.35**	**(351.86)**	**608.49**

	Employee stock option outstanding	Reserves and Surplus							
		Statutory reserve	Securities Premium	General Reserves	Retained Earnings	Other comprehensive income	Total attributable to owners of the parent	Non Controlling Interest	Total Other Equity
Other Comprehensive Income for the period before income tax	-	-	-	-	-	36.80	36.80	(0.16)	36.64
Less: Income Tax on Other Comprehensive Income	-	-	-	-	-	(9.25)	(9.25)	-	(9.25)
Balance as at March 31, 2021	**159.24**	**1,296.48**	**45,418.01**	**1.76**	**1,605.56**	**33.83**	**48,514.88**	**3,367.86**	**51,882.74**

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Pallavi A. Gorakshakar
Partner

Place: Mumbai
Date: 26th May 2021

For and on behalf of the board
Capital India Finance Limited

Dr. Harsh Kumar Bhanwala
Executive Chairman
DIN : 06417704
Place: Mumbai
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Place: Mumbai
Date: 26th May 2021

Neeraj Toshniwal
Chief Financial Officer
Place: Mumbai
Date: 26th May 2021

Rachit Malhotra
Company Secretary
Place: New Delhi
Date: 26th May 2021

Notes to Consolidated Ind AS Financial Statements for the year ended 31st March 2021

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, forex and fintech 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.

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.

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 Consolidated Financial Statements for the year ended March 31, 2021

3 Cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Cash on hand	4.80	0.51
Balances with banks		-
- in current accounts	6,707.42	5,210.28
- in fixed deposits with original maturity less than 3 months	5,229.51	675.00
Other balances with bank		-
- Balance with non scheduled bank	2,222.59	905.28
Currencies in hand	39.97	-
	14,204.29	**6,791.07**

4 Bank Balances other than cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed deposit with bank (Maturity less than 12 months)*	8,578.13	116.00
Earmarked balance with bank**	15.95	6.56
Unclaimed dividend	2.29	1.53
	8,596.37	**124.09**

*Fixed deposits with bank with original maturity of more than 3 months includes Rs.400 Lakhs lien marked to Bank for providing Bank Guarantee (March 31, 2020 - Nil).

** 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.

5 Receivables

Particulars	As at 31st March 2021	As at 31st March 2021
Trade receivables		
i) Secured considered good	-	-
ii) Unsecured considered good	656.58	66.19
iii) Doubtful	-	13.12
Subtotal (i+ii+iii)	656.58	79.31
Less: Allowance for bad and doubtful debts		13.12
Net Receivables (a)	**656.58**	**66.19**
Other receivables		
i) Secured considered good	-	-
ii) Unsecured considered good	24.57	19.23
iii) Doubtful	-	-
Subtotal (i+ii+iii)	24.57	**19.23**
Less: Allowance for bad and doubtful debts		
Net Receivables (b)	**24.57**	**19.23**
Total (a)+(b)	**681.15**	**85.42**

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 Consolidated Financial Statements for the year ended March 31, 2021

(Currency: Rs. In Lakhs)

6 Loans

Particulars		As at 31st March 2021	As at 31st March 2020
(A)	**Advances - at amortised cost**		
	Vendor financing (Unsecured)	2,148.34	991.16
	Gross	**2,148.34**	**991.16**
	Less: Impairment loss allowance	**10.06**	**4.97**
		2,138.28	**986.19**
(B)	**Term Loans in India - at amortised cost**		
	Secured (Secured by tangible assets)	66,427.01	52,646.38
	Unsecured	2,068.69	4,972.94
	Gross	**68,495.70**	**57,619.33**
	Less: Impairment loss allowance	1,766.12	1,767.88
	Total (Net)	**66,729.58**	**55,851.45**
(C)	**(I) Loans and Advances In India**		
	(i) Public Sectors	-	-
	(ii)Others	70,644.04	58,610.50
	Total Gross	**70,644.04**	**58,610.50**
	Less: Impairment loss allowance	1,776.18	1,772.85
	Total Net	**68,867.86**	**56,837.64**
	(II) Loans and advances Outside India (Net)	**-**	**-**
	Total (Net)	**68,867.86**	**56,837.64**
	Less: Unamortised interest income	20.72	8.81
	Less: Unamortised processing fee Income	372.16	371.26
	Loans (Net)	**68,474.98**	**56,457.58**

Note 1 : There is no loan assets measured at FVOCI or FVTPL or designated at FVTPL.

Note 2 : In line with the judgment pronounced by the Hon'ble Supreme Court of India in the matter of Small Scale Industrial Manufacturers Association v/s. UOI & Others and other connected matters on March 23, 2021, the Reserve Bank of India (RBI) vide their Circular no. RBI/2021-22/17 DOR.STR.REC.4/21.04.048/2021-22 dated April 7, 2021 has mandated all lending institutions to put in place a Board-approved policy to refund/adjust the 'interest on interest' charged to the borrowers during the moratorium period, i.e. March 1, 2020 to August 31, 2020 in conformity with the above judgement. In order to ensure that the above judgement is implemented uniformly in letter and spirit by all lending institutions, the RBI also suggested that the methodology for calculation of the amount to be refunded/adjusted for different facilities shall be as finalised by the Indian Banks Association (IBA) in consultation with other industry participants/bodies, which shall be adopted by all lending institutions.

The IBA Managing Committee at their meeting held on March 25, 2021 and April 16, 2021 has clarified that interest on interest/penal interest/compound interest, if charged during the moratorium on borrowing accounts, should be refunded or adjusted in the next instalment of the loan account.

Accordingly, Group will refund/adjust Rs.209.92 Lakhs from the subsequent installments.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

(Currency: Rs. In Lakhs)

7 Investments

Particulars	As at March 31, 2021	As at March 31, 2020
In India		
Investment in Liquid mutual fund units	-	863.41
	-	**863.41**

Note:

(i) The Company has invested Rs. 4,000 lakhs in equity shares of its subsidiary Capital India Home Loans Limited ('CIHL') during the year ended March 31, 2021.

(ii) The Board of Directors of Rapipay Fintech Private Limited (RFPL) ("the Company/the Transferee Company") being our subsidiary in their meeting held on January 27, 2020, approved the Scheme of Amalgamation between the Company and Rapipay Fintech Holding Private Limited (RFHPL) ("the Transferor Company") and their respective Shareholders and Creditors ("the Scheme") under section 230 to 232 of Companies Act, 2013 and other applicable provisions of the Companies Act 2013 for Amalgamation of the businesses from the Transferor Company, inter alia, consisting of entire undertaking, business, activities and operations pertaining to the business and its transfer as a going concern to the Transferee Company as per Ind AS 103. In terms of the Scheme the amalgamation has been accounted for in accordance with the Pooling of Interest Method laid down in Appendix C of Ind AS 103 "Business Combinations of entities under common control". The Transferee Company has issued and alloted to each of the shareholders of the Transferor Company, 9446 equity shares of face value of Rs. 10/- each, of the Transferee Company for every 10,000 equity shares of face value of Rs. 10/- each held by the shareholder of the Transferor Company pursuant to this Scheme. Hence, on March 31, 2021, 88,46,273 equity shares have been issued to Capital India Finance Limited (CIFL) the shareholders of RFHPL at face value of Rs. 10 each.

8 Other financial assets

(Currency: Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured considered good		
Interest accrued but not due on FD	142.66	**2.16**
Security deposits	487.00	**362.68**
Advance Paid to Staff	8.88	**13.82**
Advance to related parties	-	**-**
Other advances	3.64	**15.89**
Advance to service providers	55.65	**25.79**
Ex. Gratia	8.80	**-**
Other receivables	3,508.52	**165.06**
Other financial assets	16.01	**18.02**
	4,231.16	**603.42**

8A Inventory

(Currency: Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening stock	11.56	5.61
Add: Purchase	985.93	**41.70**
Cost of Goods Sold	(735.81)	**(35.75)**
Stock-in-trade of goods acquired for trading	261.68	**11.56**
Total Inventories	**261.68**	**11.56**

Notes to Consolidated Financial Statements for the year ended March 31, 2021

9 Current tax assets (Net)

(Currency: Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2019
Advance tax and tax deducted at source	11.56	5.61
(Net of provision for tax of Rs. 3,131.73 Lakhs (PY Rs. 916.46 Lakhs)	547.98	**387.04**
	547.98	**387.04**

10 Deferred tax assets (Net)

(Currency: Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred Tax Asset/(Liabilities) Net		
Deferred Tax Asset		
Impairment on financial instruments	448.58	490.01
Provision for employee benefits	87.70	72.06
Unamortised processing fee	90.14	89.15
Depreciation	84.86	50.89
Loan given to Staff at concessional rate	0.74	0.68
Amortization adjustment on Lease deposits	22.15	15.61
Preliminary expenses & Accumulated losses	2.24	1.49
Ind AS 116 Adjustment	43.82	38.86
Deferred Tax Liabilities		-
Interest adjustments on Lease deposits	(21.59)	(14.97)
Depreciation	(28.90)	(31.16)
Unamortised borrowing cost	(157.21)	(21.25)
Unrealised gain on MF	-	(2.00)
Deferred Tax Asset/(Liabilities) Net	**572.53**	**689.39**
Movement in Net deferred tax Asset during the year	(116.86)	388.17
Mat credit entitlement	**11.06**	11.06
	583.59	**700.45**

Note:
The Group has recognised Deferred Tax Assets arising from deductible temporay diferrences to the extent there is an evidence of future taxable profit.

Break up of movement in net deferred tax assets		
Routed through Profit & Loss	107.65	(392.31)
Routed through other comprehensive income	9.21	4.15
	116.86	**(388.16)**

Notes to Consolidated Financial Statements for the year ended March 31, 2021

11 Property, Plant and Equipment

(Currency: Rs. In Lakhs)

Particulars	As at March 31, 2021					
	Furniture & Fixtures	Vehicles	Office Equipments	Leasehold improvements	Computer & printers	Total
At cost at the beginning of the year	791.09	316.40	268.93	965.15	183.27	2,524.84
Additions	45.96	67.30	49.55	126.44	109.32	398.57
Disposals	1.03	27.54	-	-	6.64	35.21
At cost at the end of the year	**836.02**	**356.16**	**318.48**	**1,091.59**	**285.95**	**2,888.20**
Accumulated depreciation as at the beginning of the year	152.83	106.04	86.30	381.56	67.01	793.74
Depreciation for the year	84.90	69.38	63.35	207.34	67.10	492.07
Disposals	-	10.68	-	-	3.04	13.72
Accumulated depreciation as at the end of the year	**237.73**	**164.74**	**149.65**	**588.90**	**131.07**	**1,272.08**
Net carrying amount as at the end of the year	**598.29**	**191.42**	**168.83**	**502.69**	**154.88**	**1,616.12**

Particulars	As at March 31, 2020					
	Furniture & Fixtures	Vehicles	Office Equipments	Leasehold improvements	Computer & printers	Total
At cost at the beginning of the year	665.19	324.40	165.93	635.47	87.43	1,878.41
Additions	125.90	-	103.47	329.65	97.93	656.95
Disposals	-	8.00	0.44	-	2.08	10.52
At cost at the end of the year	**791.08**	**316.40**	**268.96**	**965.11**	**183.27**	**2,524.83**
Accumulated depreciation as at the beginning of the year	75.24	43.55	32.88	169.48	25.90	347.07
Depreciation for the year	77.59	64.59	53.44	212.08	41.59	449.29
Disposals	-	2.10	0.03	-	0.50	2.64
Accumulated depreciation as at the end of the year	**152.84**	**106.04**	**86.30**	**381.56**	**66.99**	**793.72**
Net carrying amount as at the end of the year	**638.24**	**210.37**	**182.67**	**583.55**	**116.28**	**1,731.11**

11A Other intangible assets (other than internally generated)

(Currency: Rs. In Lakhs)

Particulars	As at March 31, 2021	
	Computer softwares	Total
At cost, beginning of the year	548.00	548.00
Additions	374.83	374.83
Total cost	**922.83**	**922.83**
Accumulated amortization:		
At beginning of the year	78.76	78.76
Amortization	175.05	175.05
Total amortization	**253.81**	**253.81**
Net carrying amount	**669.02**	**669.02**

Notes to Consolidated Financial Statements for the year ended March 31, 2021

(Currency: Rs. In Lakhs)

Particulars	As at March 31, 2020	
	Computer softwares	Total
At cost, beginning of the year	256.68	256.68
Additions	291.31	291.31
Total cost	**548.00**	**548.00**
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**

11B Right of Use assets

(Currency: Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Premises		
Gross Carrying value	3,242.75	2,141.11
Additions	1,255.26	1,101.64
Adjustment for Lease modification	445.62	
Total Gross carrying value	4,943.63	3,242.75
Accumulated amortization :		
At beginning of the year	1,341.92	669.54
Amortization	797.88	672.39
Total amortization	2,139.80	1,341.93
Net carrying amount	**2,803.83**	**1,900.83**

12 Other non-financial assets

(Currency: Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Prepaid Expenses A/c	161.26	99.88
Advance Paid to Suppliers	13.16	12.29
Capital advances	10.72	7.70
GST Input Credit	438.55	333.32
	623.69	**453.19**

13 Payables

(Currency: Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	31.58	0.16
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	313.73	133.26
		-
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	68.29	32.07
	413.60	**165.49**

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 March 31, 2021	As at March 31, 2020
The Principal amount remaining unpaid at the end of the year	31.58	0.16
The Interest amount remaining unpaid at the end of the year	-	-
Balance of MSME parties at the end of the year	31.58	0.16

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 Consolidated Financial Statements for the year ended March 31, 2021

14 Debt Securities

(Currency: Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
At Amortised Cost		
Secured		
(a) Non convertible debentures (750 debentures @ Rs 10 Lakhs each)	11,500.00	
Unsecured		
(b) Non convertible debentures (40 debentures @ Rs 100 Lakhs each)	-	4,000.00
Total	**11,500.00**	**4,000.00**
Debts in India	11,500.00	4,000.00
Debts outside India	-	-
Total	**11,500.00**	**4,000.00**

Sr. No	ISIN No.	Date of Redemption	As at 31st March 2021	As at 31st March 2020	Rate of Interest
1	INE345H07039	Friday, May 6, 2022	3,000.00	-	9.50%
2	INE345H07047	Thursday, June 30, 2022	1,000.00	-	9.50%
3	INE345H07013	Saturday, June 24, 2023	5,000.00	-	10.00%
4	INE345H07021	Sunday, July 30, 2023	2,500.00	-	10.05%
5	Unsecured	Tuesday, July 13, 2021	-	4,000.00	9.00%
	Total		**11,500.00**	**4,000.00**	

Terms of repayment

Particulars	Interest Range	Tenure
Non convertible debentures - Secured	9.5% - 10.05%	Payable after 14 to 28 months
Non convertible debentures - Unsecured	9%	Payable after 18 months

i) Security details
- Non convertible debentures is secured against pari passu charge on standard asset portfolio of book debts.

14A Borrowings

Particulars	As at March 31, 2021	As at March 31, 2020
At Amortised Cost		
Secured		
(a) Term loans		
(i) from banks	12,979.50	7,500.00
(ii) from SIDBI	250.00	-
(iii) from other parties	2,350.15	541.20
(iv) from other NHB	1,950.75	-
(v) Vehicle loans from Banks	152.55	145.54
(b) Other loans - Book Overdraft	380.57	-
Total	**18,063.52**	**8,186.74**
Borrowings in India	18,063.52	8,186.74
Borrowings outside India	-	-
Total	**18,063.52**	**8,186.74**
Less: Unamortised Borrowings costs	(654.087)	(87.477)
Net Borrowings	**17,409.44**	**8,099.26**

Notes to Consolidated Financial Statements for the year ended March 31, 2021

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 & receivables and Corporate Guarantee given by Parent Company.
- Term loan from Other parties is secured against pari passu charge on standard asset portfolio of book debts & receivables and Corporate Guarantee given by Parent Company.
- Term loan from NHB is secured against pari passu charge on standard asset portfolio of book debts & receivables and Corporate Guarantee given by Parent Company.
- Term loan from SIDBI is secured against pari passu charge on standard asset portfolio of book debts.
- Vehicle loans is secured by way of hypothecation on vehicles.

Terms of repayment:

Term loan from banks	**As at 31st March 2021**	**As at 31st March 2020**	**Rate of interest**
0-1 Year	8,718.58	6,250.00	9.40% - 12.75%
1-3 years	4,198.42	1,250.00	
3-5 years	62.50	0	
Total	**12,979.50**	**7,500.00**	

Term loan from SIDBI	**As at 31st March 2021**	**As at 31st March 2020**	**Rate of interest**
0-1 Year	250.00	-	6.32%

Term loan from other parties	**As at 31st March 2021**	**As at 31st March 2020**	**Rate of interest**
0-1 Year	733.36	296.49	12.50 to 12.75%
1-3 years	1,062.18	244.71	
3-5 years	554.61	-	
Total	**2,350.15**	**541.20**	

Term loan from other NHB	**As at 31st March 2021**	**As at 31st March 2020**	**Rate of interest**
0-1 Year	514.00	-	5.4% to 5.80 %
1-3 years	600.00	-	
3-5 years	600.00	-	
More than 5 years	236.75	-	
Total	**1,950.75**	**-**	

Vehicle loans	**As at 31st March 2021**	**As at 31st March 2020**	**Rate of interest**
0-1 Year	49.27	37.22	8.5% - 8.71%
1-3 years	87.39	84.76	
3-5 years	15.89	23.56	
Total	**152.55**	**145.54**	

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 Consolidated Financial Statements for the year ended March 31, 2021

15 Other financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Interest accrued but not due on borrowings	88.39	62.63
Interest accrued but not due on debt securities	691.26	77.70
Advances deposits from customer	92.04	39.18
Advances from channel partner	8,073.50	2,514.41
Unclaimed dividends	-	1.53
Creditors for capital goods	-	1.06
Lease Liability	3,033.46	2,093.65
Dividend Payable	2.29	-
Salary payable	165.92	12.74
Others (refer note)	1,642.37	445.73
	13,789.23	**5,248.63**

Note : Others include amounts received from our direct business outlet yet to be credited to them.

16 Current Tax Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for tax (Net of advance tax of Rs. 1,057.16 Lakhs (PY Rs. 656.90 Lakhs)	-	383.34
	-	**383.34**

17A Provisions

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits		
Provision for gratuity	103.87	73.91
Provision for compensated absence	97.44	76.59
Provision for Other Expenses	80.40	90.48
Provision for performance bonus	516.00	72.00
Impairment loss allowance on Sanctioned but undisbursed & Guarantee	6.00	5.86
	803.71	**318.84**

17 Other non financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Revenue received in advance	0.53	0.03
Statutory dues payable	500.52	266.50
Advance received from customer	281.12	118.69
	782.17	**385.22**

18 Equity share capital

(Currency: Rs. In Lakhs)

Particulars	As at 31st March 2021		As at 31st March 2020	
	Number	Amount	Number	Amount
Authorized share capital				
Equity shares of Rs. 10 each	204,000,000	20,400.00	204,000,000	20,400.00
Preference shares of Rs. 10 each	10,000,000	1,000.00	10,000,000	1,000.00
	214,000,000	**21,400.00**	**214,000,000**	**21,400.00**
Issued, subscribed and fully paid up				
Equity shares of Rs. 10 each	77,734,260	7,773.43	77,734,260	7,773.43
Total issued, subscribed and fully paid up share capital	**77,734,260**	**7,773.43**	**77,734,260**	**7,773.43**

Notes to Consolidated Financial Statements for the year ended March 31, 2021

a. Reconciliation of the shares and amount outstanding at the beginning and at the end of the reporting period:

(Currency: Rs. In Lakhs)

Particulars	As at 31st March 2021		As at 31st March 2020	
	Number	Amount	Number	Amount
At the beginning of the year	77,734,260	7,773.43	3,502,700	350.27
Add : Allotment during the year	-	-	74,231,560	7,423.16
Outstanding at the end of the year	**77,734,260**	**7,773.43**	**77,734,260**	**7,773.43**

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 2021		As at 31st March 2020	
	Number	%	Number	%
Equity shares of Rs. 10 each				
Capital India Corp LLP	56,775,720	73.04%	56,775,720	73.04%
Dharampal Satyapal Limited	6,197,800	7.97%	4,897,800	7.97%
DS Chewing Products LLP	4,316,800	5.50%	5,616,800	5.50%
	67,290,320	**86.51%**	**67,290,320**	**86.51%**

19 Other Equity

Particulars	As at 31st March 2021	As at 31st March 2020
Statutory Reserve under Section 45-IC of the RBI Act, 1934	1,296.48	887.36
Securities premium	45,418.01	42,119.48
Employee stock option outstanding account	159.24	138.94
General reserve	1.76	1.76
Retained earnings	1,605.56	1,222.49
Other comprehensive income	33.83	6.28
	48,514.88	**44,376.31**

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.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

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.

20 Interest income

(Currency: Rs. In Lakhs)

Particulars	For the period ended March 31, 2021	For the year ended March 31, 2020
Interest on Loans	10,099.40	10,589.82
Interest income on OCD	-	35.51
Interest income on Vendor financing	97.47	16.75
Interest on deposits with Banks	346.35	60.72
Other interest income	33.81	39.25
	10,577.03	**10,742.06**

Note : Interest income is on financial instruments classified under amortised cost

21 Net gain/ (loss) on fair value changes

Particulars	For the period ended March 31, 2021	For the year ended March 31, 2020
Net gain/ (loss) on financial instruments at fair value through profit and loss account :-		
Mutual fund units	128.12	207.33
Debentures	-	18.00
Total Net gain/(loss) on fair value changes	**128.12**	**225.33**
Fair Value changes*		
Realised	44.33	217.40
Unrealised	**83.79**	**7.93**

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

22 Other income

Particulars	For the period ended March 31, 2021	For the year ended March 31, 2020
Misc. income	0.71	0.13
Interest on income tax refund	0.50	1.83
Cheque bouncing charges	-	0.19
	1.21	**2.17**

23 Finance cost

Particulars	For the period ended March 31, 2021	For the year ended March 31, 2020
Interest on borrowings	1,101.34	1,100.11
Interest on NCD-Unsecured	168.81	77.70
Interest on NCD -Secured	756.37	-
Interest on Inter corporate deposits	-	26.88
Bank charges	146.02	234.89
Interest on Lease Liability	244.54	227.77
Other finance costs	8.12	2.16
	2,425.20	**1,669.51**

Notes to Consolidated Financial Statements for the year ended March 31, 2021

24A Impairment losses on financial instruments

(Currency: Rs. In Lakhs)

Particulars	For the period ended March 31, 2021	For the year ended March 31, 2020
On Loans	3.47	1,381.48
On Trade receivables	-	13.12
	3.47	**1,394.60**

24B Loss on derecognition on financial assets

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2020
On Receivables	-	130.00
	-	**130.00**

25 Cost of materials consumed

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2020
Opening stock	11.56	15.21
Add: Purchases	27,136.03	23.43
	27,147.59	**38.64**
Less: Closing stock	301.65	11.56
Total	**26,845.94**	**27.08**

26 Employee benefits

Particulars	For the period ended March 31, 2021	For the year ended March 31, 2020
Salaries and wages including bonus	5,195.24	3,523.00
Contribution to provident and other funds	217.96	161.47
Share Based Payments to employees	79.77	92.87
Staff welfare expenses	46.16	46.04
Others:	-	-
- Cost for giving loan to employees at concessional rate	0.43	1.12
	5,539.56	**3,824.51**

27 Other expenses

Particulars	For the period ended March 31, 2021	For the year ended March 31, 2020
Rent	51.58	15.19
Rate, fee & taxes	71.77	65.94
Repairs & maintenance - others	146.46	116.45
Office expenses	134.00	100.71
Electricity charges	44.43	37.47
Communication expenses	77.53	40.84
Printing & stationery	22.29	18.37
Insurance	29.65	9.06

Notes to Consolidated Financial Statements for the year ended March 31, 2021

Particulars	For the period ended March 31, 2021	For the year ended March 31, 2020
Membership & subscription	24.00	54.50
Travelling & conveyance	213.13	201.20
Advertisement, marketing & business promotion exp	322.83	52.13
Commission & brokerage expenses	141.30	48.26
Auditor's remuneration	38.17	48.32
Legal & professional charges	773.35	277.93
Rating fee	14.16	6.62
Listing fee	3.86	5.23
Directors sitting fees	43.40	26.47
Donation	2.40	-
CSR expense	41.20	15.00
Facilitation Fees	70.46	4.44
Server Maintenance	110.24	36.42
SMS service charges	51.16	11.71
License fees	-	1.95
Loss on Sale of fixed assets	4.43	-
Settlement charges	16.71	-
Trusteeship fees	6.40	-
Transation loss	18.98	18.35
Service Charges	6,177.58	-
Integration Charges	16.19	-
Advances written off	11.80	-
Miscellaneous expenses	129.10	55.01
	8,808.54	**1,267.57**

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, 2021	For the year ended March 31, 2020
Basic			
Profit after tax (Rs. In Lakhs)	A	960.35	1,723.09
Weighted average number of equity shares outstanding	B	77,734,260.00	77,734,260.00
Basic earning per share (Rs)	A/B	1.24	2.22
Diluted			
Profit after tax (Rs. In Lakhs)	A	960.35	1,723.09
Weighted average number of equity shares outstanding	B	77,734,260.00	77,734,260.00
Add: Weighted average number of potential equity shares on account of employee stock options	C	890,028.34	1,034,027.75
Weighted average number of shares outstanding for diluted EPS	D=B+C	78,618,414.87	78,768,287.75
Diluted earning per share (before and after extraordinary items) (Rs)	A/D	1.22	2.19
Face value of shares (Rs)		10	10

Notes to Consolidated Financial Statements for the year ended March 31, 2021

29 Auditors Remuneration

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Payment to auditors (net of GST credit availed)		
a) Statutory audit	28.80	31.73
b) Taxation matters (Tax audit fees)	3.64	3.59
c) Certification fees & Other services	5.73	13.00
	38.17	**48.32**

29A Expenditure in foreign currency

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Tour & travelling expenses	-	0.60
Service charge on purchase of forex currency	-	0.03
Purchase of device	908.49	0.37
Purchase of software	8.20	0.96
	916.69	**1.96**

There are no reportable earnings in foreign currency during the year ended 31st March 2021. (31st March 2020: Nil)
The Company does not have any exposures in foreign currency as at the Balance Sheet date other than foreign currency in hand of Rs 39.97 lakhs

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,Prepaid payment instrument business and Forex business as three 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. The detailed segmental information is as under :

S. No	Particulars	Year Ended 31-Mar-21	Year Ended 31-Mar-20
1	**Segment Revenue**		
	Lending business	10,645.65	11,226.73
	Prepaid Payment Instrument business	20,974.07	6,700.51
	Forex Business	26,330.92	-
	Total Segment Revenue	**57,950.65**	**17,927.24**
2	**Segment Results (Profit before Tax)**		
	Lending business	3,322.02	3,313.83
	Prepaid Payment Instrument business	(1,034.70)	(909.82)
	Forex Business	(809.36)	-
	Others	(2.52)	30.24
	Total Segment Results	**1,475.44**	**2,434.25**

Notes to Consolidated Financial Statements for the year ended March 31, 2021

S. No	Particulars	Year Ended 31-Mar-21	Year Ended 31-Mar-20
3	**Segment Assets**		
	Lending business	83,221.23	65,282.27
	Prepaid Payment Instrument business	18,081.85	4,885.89
	Forex Business	1,915.08	-
	Unallocated	1,131.57	1,087.49
	Others	4.59	6.97
	Total Segment Assets	**104,354.32**	**71,262.63**
4	**Segment Liabilities**		
	Lending business	32,886.42	14,957.19
	Prepaid Payment Instrument business	11,232.68	3,642.27
	Forex Business	577.58	-
	Others	1.47	1.32
	Total Segment Liabilities	**44,698.15**	**18,600.79**

31 Dividend distribution to equity shareholders

Dividend of Re.0.1 per share (31st March 2020: Re.0.1 per share) amounting to Rs. 77.73 Lakhs (31st March 2020: Rs. 77.73 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 41.20 Lakhs (previous year Rs 13.10 Lakhs)

The amount recognised as an expense in the Statement of Profit and Loss on CSR related activities is Rs 41.20 Lakhs (Previous year Rs 15.00 Lakhs) (Refer Note 27), which comprises of :

Particulars	2020-21			2019-20		
	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	41.20	-	41.20	15.00	-	15.00
Total	**41.20**	**-**	**41.20**	**15.00**	**-**	**15.00**

33 Contingent Liabilities and Commitments

Particulars	31-Mar-21	31-Mar-20
Contingent liabilities		
Claims against the Group not acknowledged as debt		
- Income Tax matters	-	268.55
Guarantees		
- Bank Guarantees	-	-
- FLDG guarantee given (net of provision)	20.28	21.99
- Others - guarantee on behalf of subsidiary	6,079.45	59.60
Total (a)	6,099.73	350.14
Commitments		
Estimated amount of contracts(net of advances) remaining to be executed on capital account and not provided for	52.99	1.08
Undrawn committed sanctions to borrowers	510.90	1,829.94
Total (b)	563.89	1,831.02
Total (c=a+b)	**6,663.62**	**2,181.16**

Notes to Consolidated Financial Statements for the year ended March 31, 2021

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.

34 The following subsidiary companies have 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, 2021	March 31, 2020
Capital India Home Loans Limited	**Subsidiary**	**India**	**Capital India Finance Limited**	**99.96%**	**99.97%**
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 adviser 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	Subsidiary	India	Capital India Finance Limited	-	100%
Rapipay Fintech Private Limited	Subsidiary	India	Capital India Finance Limited	55.60%	62.80%

The Board of Directors of Rapipay Fintech Private Limited (RFPL) ("the Company/the Transferee Company") being our subsidiary in their meeting held on January 27, 2020, approved the Scheme of Amalgamation between the Company and Rapipay Fintech Holding Private Limited (RFHPL) ("the Transferor Company") and their respective Shareholders and Creditors ("the Scheme") under section 230 to 232 of Companies Act, 2013 and other applicable provisions of the Companies Act 2013 for Amalgamation of the businesses from the Transferor Company, inter alia, consisting of entire undertaking, business, activities and operations pertaining to the business and its transfer as a going concern to the Transferee Company as per Ind AS 103. In terms of the Scheme the amalgamation has been accounted for in accordance with the Pooling of Interest Method laid down in Appendix C of Ind AS 103 "Business Combinations of entities under common control". The Transferee Company has issued and alloted to each of the shareholders of the Transferor Company, 9446 equity shares of face value of Rs. 10/- each, of the Transferee Company for every 10,000 equity shares of face value of Rs. 10/- each held by the shareholder of the Transferor Company pursuant to this Scheme. Hence, on March 31, 2021, 88,46,273 equity shares have been issued to Capital India Finance Limited (CIFL) the shareholders of RFHPL at face value of Rs. 10 each.

35 Additional information pursuant to Schedule III to the Companies Act, 2013 for the year ended March 31, 2021 & March 31, 2020

Details of entities considered in the consolidated financial statements for the year ended March 31, 2021.

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 OCI	Amount (Rs in lakhs)	% of consolidated TCI	Amount (Rs in lakhs)
Capital India Finance Limited -Parent	99.33%	55,911.58	336.17%	2,045.58	73.07%	20.02	324.84%	2,065.60
Subsidiaries - Indian								
Capital India Home Loans Limited	20.37%	11,466.92	-60.53%	(368.30)	27.33%	7.49	-56.74%	(360.81)
Capital India assets management private Limited	0.00%	2.06	-0.09%	(0.57)	0.00%	-	-0.09%	(0.57)
CIFL Holdings Private Limited	0.00%	0.39	-0.10%	(0.61)	0.00%	-	-0.10%	(0.61)
CIFL Investment adviser Private Limited	0.00%	0.28	-0.12%	(0.73)	0.00%	-	-0.11%	(0.73)
Capital India wealth management private Limited	0.00%	0.39	-0.10%	(0.61)	0.00%	-	-0.10%	(0.61)
Rapipay fintech holdings private limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Rapipay fintech private limited	13.52%	7,608.46	-72.40%	(440.56)	-0.23%	(0.06)	-69.29%	(440.63)
Subsidiaries - Foreign	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Non-controlling Interests in subsidiaries	-5.98%	(3,367.86)	-57.83%	(351.86)	-0.18%	(0.05)	-55.34%	(351.91)
CFS adjustment and elimination	-27.24%	(15,333.92)	-45.00%	(273.84)	0.00%	-	-43.06%	(273.84)
Total	**100.00%**	**56,288.30**	**100.00%**	**608.49**	**100.00%**	**27.40**	**100.00%**	**635.89**

Details of entities considered in the consolidated financial statements for the year ended March 31, 2020.

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 OCI	Amount (Rs in lakhs)	% of consolidated TCI	Amount (Rs in lakhs)
Capital India Finance Limited -Parent	103.47%	53,957.78	219.20%	3,038.24	57.97%	7.08	217.79%	3,045.32
Subsidiaries - Indian								
Capital India Home Loans Limited	15.02%	7,834.08	-53.29%	(738.59)	28.21%	3.45	-52.57%	(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 adviser 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	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Rapipay fintech private limited	3.69%	1,924.39	-41.41%	(573.99)	8.68%	1.06	-40.97%	(572.93)
Subsidiaries - Foreign	0.00%		0.00%		0.00%		0.00%	-
Non-controlling Interests in subsidiaries	-0.98%	-512.11	-24.31%	(337.02)	5.14%	0.63	-24.06%	(336.39)
CFS adjustment and elimination	-21.21%	-11,060.06	0.00%	-	0.00%	-	0.00%	-
Total	**100.00%**	**52,149.73**	**100.00%**	**1,386.07**	**100.00%**	**12.22**	**100.00%**	**1,398.29**

Notes to Consolidated Financial Statements for the year ended March 31, 2021

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
Capital India Corp LLP	Enterprise having significant influence and control
Dr. Harsh kumar Bhanwala	Executive Chairman & Director of Parent Company
Mr. Keshav Porwal	Managing Director of Parent Company
Mr. Neeraj Toshniwal	Chief Financial Officer
Mr. Rachit Malhotra	Company Secretary
Mr. Amit Sahai Kulshreshtha	Executive Director & CEO of Parent Company (Resigned wef. 16th Feb 2021)
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. Malay Mukherjee	Independent Director
Mrs. Rachna Dikshit	Independent Director

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, 2021	March 31, 2020
Atulya Foundation	CSR Expenses	41.20	15.00
Sahyog Homes Limited	Reimbursement of expenses	-	-
Capital India Corp LLP	Royalty charges for use of Trademark	8.76	-
	Issue of equity share	-	992.50
Dr. Harsh kumar Bhanwala	Remuneration paid	75.78	
Mr. Deepak Vaswan	Remuneration paid	35.95	15.35
Mr. Keshav Porwal	Remuneration paid	100.08	190.73
Mr. Amit Sahai Kulshreshtha	Remuneration paid	120.17	199.60
Mr. Vineet Kumar Saxena	Remuneration paid	134.07	167.64
Mr. Neeraj Toshniwal	Remuneration paid	65.09	100.79
Mr. Rachit Malhotra	Remuneration paid	37.62	46.88
Mr. Yogendra Pal Singh	Sitting fees paid	10.70	12.05
Mr. Vinod Somani	Sitting fees paid	7.01	12.40
Mr. Malay Mukherjee	Sitting fees paid	2.50	-
Mr. Vinod Somani	Sitting fees paid	10.69	-
Mrs. Rachna Dikshit	Sitting fees paid	2.36	-
Ms. Rashmi Fauzdar	Sitting fees paid	1.09	-
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 Consolidated Financial Statements for the year ended March 31, 2021

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 2020-21	FY 2019-20
Employer's Contribution to Provident Fund	149.54	101.35

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, 2021	As at March 31, 2020
I. Assumption		
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Interest / Discount Rate	5.5% to 6.86%	6% to 6.87%
Rate of increase in compensation	0.0% [NEXT YEAR], 5% to 10.0% [THEREAFTER]	0.0% to 5% [NEXT YEAR], 10.0% [THEREAFTER]
Expected average remaining service	24 to 28 Years	23 to 28 Years
II. Reconciliation of net defined benefit (asset)/liability		
(a) Reconciliation of present value of defined benefit obligation		
Opening Defined Benefit Obligation	73.92	30.84
Interest Cost	4.93	2.34
Current Service Cost	61.63	57.10
Transfer in of liability		-
Actuarial (Gains) / Losses	(36.61)	(16.36)
Benefits Paid		-
Closing Defined Benefit Obligation	**103.87**	**73.92**

Notes to Consolidated Financial Statements for the year ended March 31, 2021

Particulars	As at March 31, 2021	As at March 31, 2020
(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	103.87	73.92
Fair value of plan assets as at the end of year	-	-
Funded status	103.87	73.92
Recognised in Balance Sheet - (Asset) / Liability	**103.87**	**73.92**
III. Actuarial (Gain)/Loss on Obligation		
Due to Demographic Assumption	(1.63)	(1.94)
Due to Financial Assumption	2.63	(0.46)
Due to Experience	(37.60)	(13.96)
Net Actuarial (Gain)/ Loss on obligation	**(36.61)**	**(16.36)**
IV. Actual Return on Plan Assets		
Actual Interest Income		-
Expected Interest Income		-
Return on Plan Assets excluding Interest Income	**-**	**-**
V. Net Interest		
Interest Expense	4.58	2.11
Interest Income	0.35	0.23
Net Interest Exp/(Income)	**4.93**	**2.34**
VI. Expenses Recognised in Profit and Loss account under Employee benefit expenses		
Current Service Cost	61.64	57.10
Net Interest Exp/(Income)	4.93	2.34
Past Service Cost (vested benefits)	-	-
Expenses recognised in Profit and Loss Account	**66.57**	**59.44**
VII. Remeasurements recognised in Other Comprehensive Income		
Net Actuarial (Gain)/ Loss on obligation	(36.61)	(16.36)
Return on Plan Assets excluding Interest Income	-	-
Total Actuarial (Gain)/ Loss recognised in OCI	**(36.61)**	**(16.36)**
VIII. Others		
Weighted average duration of defined benefit obligation	11 to 24 years	11 to 24 years

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 :

Notes to Consolidated Financial Statements for the year ended March 31, 2021

Particulars	As at March 31, 2021	As at March 31, 2020
Change in rate of Discount Rate + 100 basis points	94.16	65.58
Change in rate of Discount Rate- 100 basis points	115.33	83.84
Change in rate of Salary Escalation Rate + 100 basis points	112.00	81.24
Change in rate of Salary Escalation Rate - 100 basis points	96.14	67.27
Change in rate of Attrition Rate + 100 basis points	67.71	50.37
Change in rate of Attrition Rate - 100 basis points	73.32	55.32

The Expected Payout as at 31st March 2021 are as under:

Particulars	As at March 31, 2021	As at March 31, 2020
Year 1	5.87	0.05
Year 2	4.61	0.05
Year 3	6.01	3.83
Year 4	7.32	4.71
Year 5	7.19	4.96
Year 6 to year 10	44.15	33.08

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. 21.24 (31st March 2020: Rs. 32.13) for compensated absences in Statement of Profit and Loss for current year. Total provision for compensated absences is Rs. 97.44 as at 31st March 2021 (31st March 2020: Rs. 76.59).

The Code on Wages, 2019 and Code Social Security, 2020 ("the Codes") relating to employees compensation and post-employment benefits that received Presidential assent have not been notified. Further, the related rules for quantifying the financial impact have not been notified. The Company will assess the impact of the Codes when the rules are notified and will record any related impact in the period the Codes become effective.

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.

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 2021 and 31 March 2020

Particulars	Year ended March 2021		Year ended March 2020	
	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	2,050,000	72	1,635,000	72
Granted during the year	50,000	72	415,000	72
Vested during the year		72	408,750	72
Exercised during the year		-	-	-

Notes to Consolidated Financial Statements for the year ended March 31, 2021

Particulars	Year ended March 2021		Year ended March 2020	
	Options (Numbers)	Weighted average exercise price per option (Rs.)	Options (Numbers)	Weighted average exercise price per option (Rs.)
Lapsed during the year	1,251,875	-	-	-
Options outstanding at the end of the year	848,125	72	2,050,000	72
Options available for grant	1,400,000	72	1,450,000	72

Weighted average remaining contractual life for options outstanding as at 31st March 2021 is 2 years 4 months (Previous year 1 year 7 months).

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 2021 and 31 March 2020.

Particulars	Year ended March 2021		Year ended March 2020	
	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	8,280,000	10	8,255,000	10
Granted during the year	1,425,000	10	50,000	10
Vested during the year	2,480,000	10	3,302,000	10
Exercised during the year	25,000	10	25,000	10
Lapsed during the year	3,580,000	10	-	-
Options outstanding at the end of the year	6,100,000	10	8,280,000	10
Options available for grant	6,350,000	10	4,195,000	10

Weighted average remaining contractual life for options outstanding as at 31 March 2021 is 1 year 22 months.

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 2021	As at 31st March 2020	As at 31st March 2021	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 2021, the Group recorded an employee stock compensation net reversal of Rs. -42.92 Lakhs (Previous year Rs. 92.87 Lakhs) in the Statement of Profit and Loss.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

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

The following is the movement in lease liabilities during the year ended March 31, 2021 and March 31, 2020

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Opening balance	2,093.65	1,650.36
Additions during the year	1,646.32	1,001.87
Deletions during the year	-	-
Adjustment on Account of Lease Modification	(4.75)	-
Finance cost accrued during the year	244.54	233.23
Payment of lease liabilities	(946.30)	(791.81)
Closing balance	3,033.47	2,093.65

Particulars	As at 31 March 2021	As at 31 March 2020
Not later than 1 year	1,184.66	792.41
Later than 1 year and not later than 5 years	2,158.29	1,697.61
Later than 5 years	302.15	-
Total	**3,645.10**	**2,490.02**

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 2021	For the year ended 31st March 2020
Current tax:		
In respect of current year	759.30	1,440.49
In respect of prior years	-	-
Deferred Tax:		
Deferred tax relating to origination and reversal of temporary differences	107.65	(392.31)
Total Income Tax recognised in profit or loss		
Current tax	759.30	1,440.49
Deferred tax	107.65	(392.31)
Total	**866.95**	**1,048.18**

Notes to Consolidated Financial Statements for the year ended March 31, 2021

(ii) Income Tax recognised in Other comprehensive income

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Deferred tax related to items recognised in Other comprehensive income during the year:		
Remeasurement of defined employee benefits	(9.21)	(4.15)
Total Income tax recognised in Other comprehensive income	**(9.21)**	**(4.15)**

(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 2021	For the year ended 31st March 2020
Profit before Tax	1,475.44	2,434.25
Enacted income tax rate (%)	25.17%	25.17%
Income tax expense calculated at applicable income tax rate	371.37	612.70
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Expenses that are not deductible for tax purposes	428.42	1,000.91
Deductions available under income tax	(39.88)	(173.12)
Other Temporary differences	-0.60	-
Income Tax expense recognised in profit and loss	759.30	1,440.49
Deferred Tax recognised in profit and loss	107.65	(392.31)
Tax recognised in profit and loss	**866.95**	**1,048.18**
Actual effective income tax rate (%)	**58.76%**	**43.06%**

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, 2021

(iv) Recognised deferred tax assets and liabilities

Particulars	As at 31st March 2021	As at 31st March 2020
Deferred Tax Asset/(Liabilities) Net		
Deferred Tax Asset		
Impairment on financial instruments	448.58	490.01
Provision for employee benefits	87.70	72.06
Unamortised processing fee	90.14	89.15
Depreciation	84.86	50.89
Loan given to Staff at concessional rate	0.74	0.68
Amortization adjustment on Lease deposits	22.15	15.61
Preliminary expenses & Accumulated losses	2.24	1.49
Ind AS 116 Adjustment	43.82	38.86
Deferred Tax Liabilities		
Interest adjustments on Lease deposits	(21.59)	(14.97)
Depreciation	(28.90)	(31.16)
Unamortised borrowing cost	(157.21)	(21.25)
Unrealised gain on MF	-	(2.00)
Deferred Tax Asset/(Liabilities) Net	**572.53**	**689.39**
Movement in Net deferred tax Asset during the year	(116.86)	388.17
Mat credit entitlement	**11.06**	11.06
	583.59	**700.45**

Notes to Consolidated Financial Statements for the year ended March 31, 2021

(v) **Movement in temporary differences**

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Credit / (Charge) in the Statement of Profit and Loss during the year		
Impairment on financial instruments	(41.43)	374.41
Provision for employee benefits	24.86	45.51
Unamortised processing fee	0.99	(46.35)
Depreciation	36.21	(4.13)
Loan given to Staff at concessional rate	0.07	0.22
Amortization adjustment on Lease deposits	6.54	7.71
Preliminary expenses & Accumulated losses	0.75	(0.82)
Ind AS 116 Adjustment	4.96	13.02
Interest adjustments on Lease deposits	(6.62)	(7.68)
Unamortised borrowing cost	(135.97)	21.27
Unrealised gain on MF	2.00	3.71
Net deferred tax asset at on acquisition of RFPL	-	(14.56)
Total (a)	**(107.65)**	**392.31**
Credit / (Charge) in the other comprehensive income during the period		
Provisions - employee benefits (b)	(9.21)	(4.15)
Total (a)+(b)	**(116.86)**	**388.16**

41 **Maturity Analysis of Assets & Liabilities**

	As at March 31, 2021			As at March 31, 2020		
	Within 12 Months	After 12 months	Total	Within 12 Months	After 12 months	Total
Assets						
Financial Assets						
Cash & cash equivalents	14,204.29	-	14,204.29	6,791.07	-	6,791.07
Bank balances other than Cash & cash equivalents	8,071.37	525.00	8,596.37	124.09	-	124.09
Receivables						
- Trade Receivables	656.58	-	656.58	66.19	-	66.19
- Other Receivables	24.57	-	24.57	19.23	-	19.23
Loans	32,502.60	35,972.38	68,474.98	26,181.14	30,276.43	56,457.58
Investments	-	-	-	338.41	525.00	863.41
Other financial assets	3,939.09	292.07	4,231.16	153.58	449.84	603.42
Non-financial Assets						
Inventories	261.68	-	261.68	11.56	-	11.56
Current tax assets(net)	547.98	-	547.98	387.04		387.04
Deferred tax asset (net)	-	583.59	583.59	-	700.45	700.45
Property, plant and equipment	-	1,616.12	1,616.12	-	1,731.11	1,731.11
Capital work in progress	-	348.86	348.86	-	42.16	42.16
Intangible assets under development	-	159.34	159.34	-	-	-
Goodwill	-	552.26	552.26	-	-	-
Other intangible assets	-	669.02	669.02	-	469.23	469.23
Right of use assets	750.20	2,053.63	2,803.83	781.70	1,119.13	1,900.83
Other non-financial assets	240.00	383.69	623.69	368.77	84.41	453.19
Total Assets	**61,198.36**	**43,155.96**	**104,354.32**	**35,222.78**	**35,397.76**	**70,620.54**

Notes to Consolidated Financial Statements for the year ended March 31, 2021

	As at March 31, 2021			As at March 31, 2020		
	Within 12 Months	After 12 months	Total	Within 12 Months	After 12 months	Total
LIABILITIES						
Financial Liabilities						
Payables						
(i)Trade Payables	345.31	-	345.31	133.42	-	133.42
(ii)Other Payables	68.29	-	68.29	32.07	-	32.07
Debt Securities	-	11,500.00	11,500.00	-	-	-
Borrowings	10,404.88	7,004.56	17,409.44	453.72	7,645.54	8,099.26
Deposits	-	-	-	-	-	-
Other financial liabilities	13,789.23	-	13,789.23	3,993.77	1,254.86	5,248.63
Non-Financial Liabilities						
Current tax liabilities (net)	-	-	-	383.34	-	383.34
Provisions	522.00	281.71	803.71	282.81	36.04	318.84
Other non-financial liabilities	782.17	-	782.17	164.15	221.07	385.22
Total Liabilities	**25,911.88**	**18,786.27**	**44,698.15**	**5,443.27**	**9,157.51**	**14,600.78**
Net	35,286.48	24,369.69	59,656.17	29,779.50	26,240.25	56,019.76
Other undrawn commitments						
Total commitments	**510.90**	**-**	**510.90**	**1,829.94**	**-**	**1,829.94**

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 Company 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, counter party 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

a) Maximum exposure to the Credit risk

This table below shows the Group's maximum exposure to the credit risk.

Particulars	Mar-21	Mar-20
Financial Assets at amortised cost - Loans & Advances (Gross)	70,644.04	58,610.50
Less : Impairment loss allowances	1,776.18	1,772.85
Financial Assets at amortised cost - Loans & Advances (Net)	68,867.86	56,837.64
Financial Assets measured at FVTPL - Mutual funds	-	863.41
Receivables	681.15	85.42
Total	**69,549.00**	**57,786.48**

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 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.

The following table sets out information about the credit quality of financial assets measured at amortised cost.

Particulars	As at March 31, 2021	As at March 31, 2020
Gross Stage 1 (DPD< 30 days) Performing asset and 12 month ECL	67,605.49	49,539.06
Less : Impairment loss allowance	813.55	796.73
Net Stage 1 Assets	66,791.94	48,742.33
ECL Prov. Coverage	1.20%	1.61%
Gross Stage 2 (30>DPD< 90 days) Under performing assets increase in credit risk and Lifetime ECL	3,004.27	9,071.44
Less : Impairment loss allowance	945.14	976.12
Net Stage 2 Assets	2,059.13	8,095.32
ECL Prov. Coverage	31.46%	10.76%

Notes to Consolidated Financial Statements for the year ended March 31, 2021

Particulars	As at March 31, 2021	As at March 31, 2020
Gross Stage 3 (DPD>90) Non-performing assets credit impaired and lifetime ECL	34.28	-
Less : Impairment loss allowance	17.50	-
Net Stage 3 Assets	16.78	-
ECL Prov. Coverage	51.04%	-
Total Loans & Adv	70,644.04	58,610.50
Less : Impairment loss allowance	1,776.18	1,772.85
Net Loans & Advances	68,867.86	56,837.65
ECL Prov. Coverage	2.51%	3.02%

Credit impairment charge to the income statement

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
New and increased provisions (incl. write off)	3.47	1,381.48
Total charge to the income statement	3.47	1,381.48

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.

	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, 2019	56,838.12	191.63	-	57,029.75	395.47	1.75	-	397.22
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	27,755.59	3,805.27	-	31,560.86	553.42	932.67	-	1,486.09
Decrease due to loans derecognised on full payment	(29,788.48)	(191.63)	-	(29,980.11)	(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	**48,976.33**	**9,634.17**	**-**	**58,610.50**	**796.73**	**976.12**	**-**	**1,772.85**

Notes to Consolidated Financial Statements for the year ended March 31, 2021

	Movement in Gross Exposure to Loans & Adv.				Movement in ECL			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Changes due to financial assets recognised in opening balance that have:	-	-	-	-	-	-	-	-
- Transferred to 12 month ECL	5,361.09	(5,361.09)	-	-	132.11	(132.11)	-	-
- Transferred to lifetime ECL -significant increase in credit risk	(2,598.37)	2,598.37	-	-	(837.30)	837.30	-	-
- Transferred to lifetime ECL credit – impaired	(34.28)	-	34.28	-	(17.50)	-	17.50	-
Increase due to financial assets originated	50,107.58	1,147.62	-	51,255.21	1,306.32	126.34	-	1,432.66
Decrease due to loans derecognised on full payment	(34,206.84)	(5,014.81)	-	(39,221.66)	(566.82)	(862.51)	-	(1,429.33)
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, 2021	**67,605.49**	**3,004.27**	**34.28**	**70,644.04**	**813.54**	**945.13**	**17.50**	**1,776.18**

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 2020-2021

Group has Credit impaired assets of Rs 17.50 Lakhs as on 31 March 2021 (31 March 20 Nil).

e) Credit Concentration

The Group's loan portfolio is primarily concentrated on real estate, as detailed below.

Particulars	As at 31st March 2021	As at 31st March 2020
Real Estate	30.90%	54.91%
Others	69.10%	45.09%

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.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

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 2021	Contractual cash flows				
	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Borrowings (Includes Interest accrued but not due)	18,151.92	10,734.18	5,947.99	1,233.00	236.75
Debt securities (Includes Interest accrued but not due)	12,191.26	691.26	11,500.00	-	-
Trade and Other Payables	413.60	413.60	-	-	-
Other Financial Liabilities	13,009.57	10,910.71	2,098.87	-	-
	43,766.35	**22,749.75**	**19,546.86**	**1,233.00**	**236.75**

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	165.49	165.49	-	-	-
Other Financial Liabilities	5,108.30	3,627.43	1,480.87		-
	17,600.87	**9,207.13**	**8,370.17**	**23.57**	**-**

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 2021	31st March 2020	31st March 2021	31st March 2020
Borrowings that are re-priced	0.25%	0.25%	(45.15)	(20.46)
Loans that are re-priced	0.25%	0.25%	116.71	116.28

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.

v) Foreign Exchange Rate Risk:

The company entered into foreign currency transactions in the Foreign currency business. The currency risk arising out of foreign currency transactions in the foreign currency business is monitored by a central dealing room, which then hedges the positions transactions entered into at individual locations across the country, through deals in the interbank market, thereby ensuring that they are minimal open positions.

(a) Foreign currency risk exposure

The company's exposue to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

Particulars	31st March 2021				31st March 2020			
	EUR	GBP	USD	Others	EUR	GBP	USD	Others
Foreign currencies in hand	3.92	7.15	11.65	17.25	-	-	-	-
Net exposure	3.92	7.15	11.65	17.25	-	-	-	-

Notes to Consolidated Financial Statements for the year ended March 31, 2021

(b) Sensitivity:

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and from foreign forward exchange contracts.

Particulars	Impact on Profit after tax				Impact on Other components of Equity			
	31st March 2021		31st March 2020		31st March 2021		31st March 2020	
	Strengthening	Weakening	Strengthening	Weakening	Strengthening	Weakening	Strengthening	Weakening
Effect in INR								
0.75% movement*								
EUR	0.03	(0.03)	-	-	-	-	-	-
GBP	0.05	(0.05)	-	-	-	-	-	-
USD	0.09	(0.09)	-	-	-	-	-	-
Others	0.13	(0.13)	-	-	-	-	-	-

*Holding all other variables constant

44 Impairment of Goodwill

The Group tests goodwill for impairment annually on March 31. During the year ended March 31, 2021, 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.

As at March 31, 2021	Carrying Amount			Fair value hierarchy			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets							
Cash and cash equivalents	-	14,204.29	14,204.29	-	-	-	-
Other Bank Balances	-	8,596.37	8,596.37	-	-	-	-
Trade and other receivables	-	681.15	681.15	-	-	-	-
Loans & Advances	-	68,474.98	68,474.98	-	-	56,456.74	56,456.74
Others financial assets	-	4,231.16	4,231.16	-	-	-	-
Total	**-**	**96,187.95**	**96,187.95**	**-**	**-**	**56,456.74**	**56,456.74**
Financial liabilities							
Trade and Other Payables	-	413.60	413.60	-	-	-	-
Debt Securities	-	11,500.00	11,500.00	-	-	-	-
Borrowings	-	17,409.44	17,409.44	-	-	-	-
Other Financial Liabilities	-	13,789.23	13,789.23	-	-	-	-
Total	**-**	**43,112.27**	**43,112.27**	**-**	**-**	**-**	**-**

Notes to Consolidated Financial Statements for the year ended March 31, 2021

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	863.41	-	-	863.41
Cash and cash equivalents	-	6,791.07	6,791.07	-	-	-	-
Other Bank Balances	-	124.09	124.09	-	-	-	-
Trade receivables	-	85.42	85.42	-	-	-	-
Loans & Advances	-	56,457.58	56,457.58	-	-	49,561.51	49,561.51
Others financial assets	-	603.42	603.42	-	-	-	-
Total	**863.41**	**64,061.58**	**64,924.99**	**863.41**	**-**	**49,561.51**	**50,424.92**
Financial liabilities							
Trade and Other Payables	-	165.49	165.49	-	-	-	-
Debt Securities	-	4,000.00	4,000.00	-	-	-	-
Borrowings	-	8,099.26	8,099.26	-	-	-	-
Other Financial Liabilities	-	5,248.63	5,248.63	-	-	-	-
Total	**-**	**17,513.38**	**17,513.38**	**-**	**-**	**-**	**-**

46 COVID Impact

The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. Consequent to the outbreak of the COVID-19 pandemic, the Indian government announced a lockdown in March 2020. Subsequently, the national lockdown was lifted by the government, but regional lockdowns continue to be implemented in areas with a significant number of COVID-19 cases.Given the uncertainty over the potential macro-economic impact and external regulatory developments, the Management has considered internal and external information up to the date of approval of these financial statements, and has estimated overlays and made certain judgements in accordance with the policy of the Group for the purpose of determination of the provision for impairment of financial assets carried at amortised cost and in relation to revenue recognition.

The impairment provision as on March 31, 2021 aggregates Rs. 1,782.18 lakh (as on March 31, 2020 - Rs. 1,778.71 lakh) which includes potential impact on account of the pandemic of Rs. 1,072.20 lakh (as on March 31, 2020 - Rs. 1,367.09 lakh). Based on the current indicators of future economic conditions, the Group considers these provisions to be adequate.

The extent to which the pandemic including the current "second wave" that has significantly increased the number of cases in India , will continue to impact the financial statements of the Group will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Group. Given the uncertainty over the potential macro-economic condition the impact of the COVID-19 pandemic may be different from that estimated as at the date of approval of these financial statements and the Group will continue to closely monitor any material changes to future economic conditions, which will be given effect to in the respective future period.

47 The Financial Statements have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 26 May, 2021.

48 There have been no events after the balance sheet date that require disclosure in these financial statements.

49 Previous year figures have been regrouped/reclassified to make them comparable with those of current year.

For and on behalf of the board
Capital India Finance Limited

Dr. Harsh Kumar Bhanwala
Executive Chairman
DIN : 06417704
Place: Mumbai
Date: 26th May 2021

Keshav Porwal
Managing Director
DIN : 06706341
Place: Mumbai
Date: 26th May 2021

Neeraj Toshniwal
Chief Financial Officer
Place: Mumbai
Date: 26th May 2021

Rachit Malhotra
Company Secretary
Place: New Delhi
Date: 26th May 2021

ANNUAL REPORT 2020-21

CAPITAL INDIA FINANCE LIMITED

CIN: L74899DL1994PLC128577
(Incorporated under the Companies Act, 1956)
Registerd Office: 2nd Floor, DLF Centre, Sansad Marg, New Delhi – 110001