CAPITAL INDIA
Rediscover Business

Ref. No.: CIFL/BSE/2022-23/35

Tuesday, August 30, 2022

To,
The Manager – Listing,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001

Sub.: **Submission of Notice of 28th (Twenty Eighth) Annual General Meeting and Annual Report of Capital India Finance Limited ("Company") for the financial year 2021-22 in compliance with Regulation 30, 34 and 52 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 28th (Twenty Eighth) Annual General Meeting of the Members of Company will be held on **Friday**, the **23rd** day of **September, 2022**, at **09:30 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, 34 and 52 of the Listing Regulations, we wish to submit the enclosed Notice of 28th (Twenty Eighth) Annual General Meeting of the Company (including e-voting instructions) ("**Notice**") and the Annual Report of the Company for the financial year 2021-22 ("**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 Limited (Registrar & Share Transfer Agent)/ Depositories.

The Notice along with the Annual Report are also available on the website of the Company at www.capitalindia.com under the Investors Section and the website of KFin Technologies Limited at www.kfintech.com.

Kindly take the above information on record and oblige.

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

CAPITAL INDIA FINANCE LIMITED

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

Encl: As above

CAPITAL INDIA FINANCE LIMITED

CIN: L74899DL1994PLC128577
Registered Office: 2nd Floor, DLF Centre, Sansad Marg, New Delhi - 110001
Tel.: 011-4954 6000, **Website**: www.capitalindia.com, **E-mail**: secretarial@capitalindia.com

NOTICE OF 28TH ANNUAL GENERAL MEETING

Notice is hereby given that the 28th (Twenty Eighth) Annual General Meeting ("**AGM**") of the members of Capital India Finance Limited ("**Company**") for the financial year ended on March 31, 2022, will be held on **Friday, September 23, 2022 at 09:30 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, 2022, comprising therein the Balance Sheet as at March 31, 2022, Statement of Profit & Loss for the year ended on that date, Cash Flow Statement and Statement of changes in Equity as at March 31, 2022, together with the explanatory notes annexed thereto, or forming part of any of the aforesaid documents ("**Financial Statements**") and the reports of the Board of the Directors and the Auditors thereon and in this regard, 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, 2022, together with the reports of the Board of Directors and Auditors thereon as circulated to the members with the notice of the 28th Annual General Meeting of the Company, be and are hereby considered and adopted."

   b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022, comprising therein the Balance Sheet as at March 31, 2022, Statement of Profit & Loss for the year ended on that date, Cash Flow Statement and Statement of changes in Equity as at March 31, 2022, together with the explanatory notes annexed thereto, or forming part of any of the aforesaid documents ("**Financial Statements**") and the report of the Auditors thereon and in this regard, 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, 2022, together with the report of the Auditors thereon as circulated to the members with the notice of the 28th Annual General Meeting of the Company, be and are hereby considered and adopted."

2. To consider and declare dividend on Equity Shares of the Company having nominal value of INR 10 (Indian Rupees Ten only) for the financial year ended March 31, 2022, and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** a dividend of INR 0.10 (Ten Paisa only) per Equity Share of nominal value of INR 10 (Indian Rupees Ten only) each, fully paid-up of the Company as recommended by the Board of Directors of the Company, be and is hereby declared for the financial year ended March 31, 2022, and the same be paid out of the profits of the Company."

3. To consider and re-appoint Mr. Keshav Porwal (DIN: 06706341) 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 the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013, read with the rules made thereunder, Mr. Keshav Porwal (DIN: 06706341), 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."

4. To consider and re-appoint Statutory Auditors of the Company 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 and other applicable provisions, if any, 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), Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) issued by Reserve Bank of India dated April 27, 2021 and pursuant to the recommendation made by the Board of Directors ("**Board**") and the Audit Committee of the Board, the consent of the members of the Company be and is hereby accorded to re-appoint M/s Singhi & Co., Chartered Accountants (Firm Registration No. 302049E), as Statutory Auditors of the Company.

   RESOLVED FURTHER THAT M/s Singhi & Co., Chartered Accountants be and are hereby re-appointed as Statutory Auditors of the Company for a period of 2 (Two) consecutive years and they shall hold the office of the Statutory Auditors from the conclusion of this Annual General Meeting until the conclusion of the 30th Annual General Meeting of the Company and that they shall conduct the Statutory Audit of the Company on a fees of INR 21,50,000 (Indian Rupees Twenty One Lakhs Fifty Thousand only) plus applicable taxes for the financial year 2022-23 and on such terms and conditions as may be decided by the Board in consultation with the Statutory Auditors.

   RESOLVED FURTHER THAT the Board (which term shall be deemed to include its committees thereof) or any officer(s) so authorised by the Board, be and are hereby authorised to do all such 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 including revision of fees for the financial year 2023-24 (if required) in accordance with the extant guidelines of Reserve Bank of India."

SPECIAL BUSINESS:

5. To consider and approve the re-appointment of Mr. Vinod Somani (DIN: 00327231) as an Independent Director of the Company for a second term of 5 (Five) consecutive years and in this connection, if thought fit, to pass the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("**Act**") read with Schedule IV of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014 and other applicable rules (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"), the rules, directives, circulars and guidelines issued by the Reserve Bank of India, and subject to the provisions of the Articles of Association of the Company and basis the recommendation of Nomination & Remuneration Committee and the Board of Directors, Mr. Vinod Somani (DIN: 00327231), Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director on the Board of the Company, not liable to retire by rotation, for a second term of 5 (Five) consecutive years commencing from December 20, 2022 till December 19, 2027.

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

6. To consider and approve the re-appointment of Mr. Keshav Porwal (DIN: 06706341) as Managing Director of the Company for a period of 3 (Three) years and in this connection, if thought fit, to pass the following resolution as a **Special Resolution**:

"**RESOLVED THAT** subject to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force), the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the Policy on Remuneration of the Directors, Key Managerial Personnel and other Employees of the Company as amended from time to time and the Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. Keshav Porwal (DIN: 06706341), as Managing Director of the Company, for a period of 3 (three) years, with effect from November 27, 2022, liable to retire by rotation, on the following terms and conditions including remuneration:

S. No.	Particulars	Remuneration per annum (INR)
A	**Remuneration**	
	Basic Salary	80,00,000
	Other allowances (Fixed)	1,13,33,333
	Leave Travel Allowance	6,66,667
	Gratuity	3,84,800
	Cost to Company	**2,03,84,800**
B	**Perquisites**	
	Company provided car with driver	Actuals
C	**Other benefits if any**	
	Medical Insurance	As per Company's Policy
	Life Insurance/ Personal Accident Insurance	As per Company's Policy
	Leaves	As per Company's Policy

RESOLVED FURTHER THAT the approval of the members be and is hereby accorded for ratifying the revision in the remuneration of Mr. Keshav Porwal as aforementioned with effect from April 1, 2022 till the expiry of his current term.

RESOLVED FURTHER THAT the Board of Directors ("**Board**") (which term shall include the Nomination & Remuneration Committee of the Board or such other Committee of the Board as authorised by Board) be and is hereby authorised to amend, alter or modify the terms and conditions including to vary the overall remuneration payable to him as the Managing Director of the Company from time to time, for an amount not exceeding 25% (Twenty Five Percent) from the remuneration of preceding year, during the currency of his extended tenure and to modify the type and amount of perquisites, bonus and other benefits payable to him, in such manner as may be considered appropriate and agreed between him and the Company.

RESOLVED FURTHER THAT Mr. Keshav Porwal, Managing Director of the Company shall have such roles, responsibilities and authorities as may be delegated to him by the Board, from time to time.

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

7. To consider and approve raising of funds by way of issuance of debt securities and in this connection, if thought fit, to pass the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 42, 71, 179 and other applicable provisions, if any, of the Companies Act, 2013 ("**Act**"), the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014, the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, the Foreign Exchange Management Act, 1999 (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof for the time being in force), subject to the provisions of the Articles of Association of the Company, any other applicable rules / regulations/ guidelines, prescribed by the Securities and Exchange Board of India, the Reserve Bank of India and any other regulatory and/ or statutory authorities, institutions or bodies (hereinafter collectively referred to as the "**Competent Authorities**") and subject to the requisite approvals, consents, permissions and/or sanctions of the Competent Authorities and subject to such other conditions and modifications as may be prescribed or imposed by any of them while according such approvals, consents, permissions and/or sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "**Board**", which term shall deem to include any committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the power conferred on the Board), consent of the members of the Company be and is hereby accorded to offer, issue and allot, secured and unsecured, non-convertible debentures / bonds, medium term notes and other debt securities (hereinafter collectively referred to as the "**Debt Securities**"), denominated in Indian Rupees and/ or foreign currency, in domestic and /or overseas market, on a private placement basis or otherwise, in one or more tranches, up to an amount not exceeding INR 500,00,00,000 (Indian Rupees Five Hundred Crores only), ("**the Issue**") on such terms and conditions and at such times, at such prices, as may be decided by the Board, from time to time, to the eligible investors, including body corporates, statutory corporations, commercial banks, lending agencies, financial institutions, insurance companies, mutual funds, pension / provident funds, individuals, etc., as the Board may determine and consider beneficial in the interest of Company.

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

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

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

By order of the Board
For **Capital India Finance Limited**

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

Date: August 10, 2022

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 Notice is annexed hereto. The relevant details of Director seeking re-appointment 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 accordance with the Ministry of Corporate Affairs ("**MCA**") 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, Circular No. 19/2021 dated December 08, 2021, Circular No. 21/2021 dated December 14, 2021 and Circular No. 2/2022 dated May 5, 2022 ("**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 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 ("**SEBI Circulars**") have permitted companies to hold their AGM through VC/OAVM without physical presence of Members for the calendar year 2022 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 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 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 the RTA 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 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/e-voting during AGM, 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 6844".

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 23, 2022** in the 'Investors' 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 RTA, to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to RTA at KFin Technologies Limited, KFin Selenium, Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032.

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 Act, 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 2021-22 including therein the Audited Annual Financial Statements for Financial Year 2021-22, Auditor's Report and 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 Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of the Listing Regulations, the Company has availed e-voting services from 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 22, 2022,** to those members whose names appear as members in the Register of Members/ Beneficial Owners of the Company, as on **September 16, 2022 (Record Date).**

13. The cut-off date for eligibility for remote e-voting is **September 16, 2022.** 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 17, 2022 to September 23, 2022 (both days inclusive)** for the purpose of holding the 28th (Twenty Eighth) 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 the applicable provisions of the Act read with aforesaid MCA circulars, the AGM of the Company is being conducted only 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 Circulars and 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, 2022 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:

    a. Members are advised to receive the Notice convening the AGM and Annual Report for FY 2021-22 via e-mail, by updating their e-mail ID by accessing the link https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx. Alternatively, Notice of 28th AGM can be downloaded through https://evoting.kfintech.com/public/Downloads.aspx

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

    c. 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 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 given herein below.

    ii. However, pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-voting facility provided by listed entities", 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. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.

iv. The remote e-Voting period commences form September 20, 2022 (09:00 AM IST) and will end at September 22, 2022 (05:00 PM IST).

v. 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 16, 2022.

vi. Any person holding shares in physical form and non-individual shareholders, 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.

vii. In case of Individual Shareholders 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 shareholders holding securities in demat mode."

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

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

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

Step 3: Access to join virtual meetings(e-AGM) of the Company on KFintech system to participate in e-AGM and vote at the AGM.

Details on Step 1 are mentioned below:

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

Type of shareholders	Login Method
Individual Shareholders 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 or e-Voting service provider 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" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp III. Proceed with completing the required fields. IV. Follow steps given in points 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 'Shareholder/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 requested to select the name of the company and the e-Voting Service Provider name, i.e. KFintech. V. On successful selection, you will be redirected to KFintech e-Voting page for casting your vote during the remote e-Voting period.
Individual Shareholders 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. IV. After successful authentication, user will be provided links for the respective ESP, i.e **KFintech** where the e- Voting is in progress.
Individual Shareholder 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 Shareholders 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 shareholders other than Individual's shareholders holding securities in demat mode and shareholders 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://emeetings.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) 6844, 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. '6844- 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 arunc s.gupta@gmail.com with a copy marked to evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format "Capital India Finance Limited EVEN 6844."

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 copy of the request letter providing the email address, mobile number, self-attested PAN copy 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 the e-voting instructions.

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 shareholders, including Individual, other than Individual and Physical, 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 atleast 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. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name, demat account number / folio number, email id, mobile number at einward.ris@kfintech.com. Questions /queries received by the Company till **September 19, 2022** shall only be considered and responded during the AGM.

vi. 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.

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

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

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 opened from **September 19, 2022 at 9:00 A.M. to September 20, 2022 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 opened from **September 19, 2022 at 9:00 A.M. to September 20, 2022 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. N Shiva Kumar, 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 **September 16, 2022,** 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:
      2. MYEPWD <SPACE> IN12345612345678
      3. Example for CDSL:
      4. MYEPWD <SPACE> 1402345612345678
      5. Example for Physical:
      6. 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 Exchange after the AGM. The results along with the Scrutinizer's Report, shall also be placed on the website of the Company.

EXPLANATORY STATEMENT

Explanatory Statement is in terms of Regulation 36(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Item No. 4

The Members of the Company in the last Annual General Meeting ("**AGM**") of the Company held on September 28, 2021, had approved the appointment of 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 Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No.: 117366W/W-100018), to hold office of Statutory Auditors of the Company until the conclusion of 28th AGM of the Company and to conduct the Statutory Audit of the Company for the financial year ended March 31, 2022.

After evaluating and considering various factors such as industry experience, competency of the audit team, efficiency in conduct of audit, independence, etc., the Board of Directors of the Company have, based on the recommendation of the Audit Committee, at its meeting held on April 30, 2022, proposed the re-appointment of M/s Singhi & Co., Chartered Accountants (Firm Registration No. 302049E), as the Statutory Auditors of the Company, for a term of 2 (two) consecutive years from the conclusion of 28th AGM till the conclusion of 30th AGM of the Company, at a fees of INR 21,50,000 (Indian Rupees Twenty One Lakhs Fifty Thousand only) plus applicable taxes and reimbursement of out of pocket expenses at actuals for the financial year 2022-23.

M/s Singhi & Co. has consented to their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with the provisions of Section 139 read with Section 141 of the Companies Act, 2013.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives, are in any way concerned or interested (financially or otherwise), in the proposed Ordinary Resolution, as set out in Item No. 4 of the Notice.

Explanatory Statement under Section 102 of the Companies Act, 2013, setting out all material facts relating to the Special Business(es) mentioned in the Notice

Item No. 5

The Members of the Company, in their 24th Annual General Meeting held on June 02, 2018, approved the appointment of Mr. Vinod Somani (DIN: 00327231) as an Independent Director on the Board of the Company for a period of 5 (five) consecutive years from December 20, 2017, until December 19, 2022.

Considering the rich knowledge, experience and expertise of Mr. Somani and the contribution made by him during his association with the Company, the Board of Directors of the Company in its meeting held on August 10, 2022, on the basis of the recommendation of the Nomination & Remuneration Committee, has, pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013 ("**Act**"), approved the re-appointment of Mr. Somani as an Independent Director of the Company for a second term of 5 (Five) consecutive years w.e.f. December 20, 2022, subject to the approval of the members of the Company.

The Company has received a Notice in writing under the provisions of Section 160 of the Act, from Mr. Somani proposing his candidature for the office of Independent Director, to be re-appointed as such under the provisions of Section 149 of the Act and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**").

Mr. Somani has provided:

(a) his consent to act as the Independent Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014;

(b) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under Section 164(2) of the Act;

(c) a declaration to the effect that he meets the criteria of independence as prescribed under Section 149(6) of the Act and applicable regulations of the Listing Regulations; and

(d) a declaration that he is not debarred from holding the office of Director by virtue of any SEBI Order or any other such authority.

Mr. Somani meets the fit and proper criteria for re-appointment as director as prescribed under Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

Accordingly, it is proposed to re-appoint Mr. Somani as an Independent Director on the Board of the Company, as per the applicable provisions of the Act and the Listing Regulations and the Special Resolution set out in Item No. 5 of the Notice seeking approval of the Members of the Company on the same.

A copy of the draft letter of appointment setting out the terms and conditions of Independent Director, will be available for inspection to the Members through electronic mode. Members may write to the Company at secretarial@capitalindia.com in this regard, by mentioning "Request for Inspection" in the subject of the e-mail.

Other than Mr. Somani and his relatives, none of the Directors and/or Key Managerial Personnel of the Company and/or their relatives, are in any way concerned or interested (financially or otherwise), in the proposed Special Resolution, as set out in Item No. 5. The Board is of the opinion Mr. Vinod Somani fulfils the conditions specified in the Companies Act, 2013 and the rules made thereunder and that he is independent of the management of the Company and therefore recommends the re-appointment of Mr. Somani as an Independent Director of the Company, for approval of the Members.

Item No. 6

The Board of Directors of the Company on the basis of the recommendation of Nomination and Remuneration Committee, appointed Mr. Keshav Porwal (DIN: 06706341) as Managing Director of the Company for a period of 5 (five) years w.e.f. November 27, 2017. The aforesaid appointment was approved by the Members of the Company in their 24th Annual General Meeting held on June 02, 2018.

Mr. Keshav is responsible for formulating the organization's overall growth strategy and guiding its evolution into a reputed financial services institution. His association with the Company is beneficial and fruitful and considering his performance, the Board of Directors ("**Board**") on the basis of the recommendation of the Nomination & Remuneration Committee of the Board has approved his re-appointment as Managing Director of the Company for a further period of 3 (Three) years w.e.f. November 27, 2022, subject to the approval of the members of the Company on the terms and conditions including remuneration as mentioned in the resolution set out at Item No. 6 of this Notice.

A Notice in writing under the provisions of Section 160 of the Companies Act, 2013 ("**Act**"), from Mr. Porwal proposing his candidature for the office of Managing Director, to be re-appointed as such under the applicable provisions of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") has been received by the Company.

The Company has received from Mr. Keshav:

(a) the consent in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014;

(b) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under Section 164(2) of the Act;

(c) a consent to act as Managing Director of the Company and confirmation that he fulfils the conditions for appointment as a Managing Director as specified in the Act read with Schedule V to the Act; and

(d) a declaration that he is not debarred from holding the office of Director by virtue of any SEBI Order or any other such authority.

Mr. Keshav meets the fit and proper criteria for re-appointment as director as prescribed under Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

Accordingly, it is proposed to re-appoint Mr. Keshav as Managing Director of the Company, as per the applicable provisions of the Act and the Listing Regulations and the Special Resolution set out in Item No. 6 of the Notice seeking approval of the Members of the Company on the same.

Other than Mr. Keshav and his relatives, none of the Directors and/or Key Managerial Personnel of the Company and/or their relatives, are in any way concerned or interested (financially or otherwise), in the proposed Special Resolution, as set out in Item No. 6. The Board recommends the re-appointment of Mr. Keshav Porwal as Managing Director of the Company, for approval of the Members.

Item No. 7

Pursuant to the provisions of Section 42 of the Companies Act, 2013 ("**Act**") read with Rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014 and other applicable provisions of the Act, a Company offering or making an invitation to subscribe to non-convertible debentures, bonds, MTNs and other debt securities (hereinafter collectively referred to as the "**Debt Securities**") on a private placement basis, is required to obtain the prior approval of the members of the Company by way of a Special Resolution. Such an approval by way of Special Resolution can be obtained once a year for all the offers and invitations proposed to be made for such Debt Securities during the year.

The Board of Directors of the Company in its meeting held on April 30, 2022, has, considering the requirements of the business, accorded its approval for raising an amount of upto INR 500,00,00,000 (Indian Rupees Five Hundred Crores only) by way of issue of Debt Securities during the period of 1 (One) year from the date of passing of the proposed special resolution by the Members of the Company. The proceeds from the issue of the Debt Securities are proposed to be utilised inter alia for the business and operational requirements of the Company. Further, to maintain the regulatory capital adequacy requirements, the Company would issue Debt Securities in the form of subordinated debt and perpetual debt instruments from time to time.

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

None of the Directors of the Company and/or the Key Managerial Personnel and/or their relatives, are deemed to be concerned or interested, financially or otherwise in the said resolution, except to the extent of their shareholding, if any, in the Company.

Your Directors recommend passing of the resolution as set out in Item No. 7 of the Notice as Special Resolution for approval by the Members.

By order of the Board
For **Capital India Finance Limited**

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

Date: August 10, 2022

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 to the Companies Act, 2013 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India.

Brief Profile of Directors being re-appointed:

Particulars / Name	Mr. Vinod Somani	Mr. Keshav Porwal
DIN	00327231	06706341
Age	69 years	46 years
Brief Resume	Mr. Vinod Somani is a senior partner with M/s KG Somani & Co., Chartered Accountants since 1986. He has been auditing the accounts of Nationalised Banks, Insurance Companies, Government and Public Sector Companies. He has a sound knowledge of Finance, Companies Act and Tax Laws. Since M/s KG Somani & Co. was registered under the SEBI Merchant Banker Category IV, he is well-versed with Merchant Banking activities. He was a member of the MOU Task Force and Expert panel of the Task Force on the Memorandum of Understanding of Central Public Sector Enterprises.	Mr. Keshav Porwal is an industry veteran with an almost two decades of experience in the finance and real estate sector. He has successfully closed large, complex real estate transactions involving leading developers across the country as well as PE investments. He has worked across all aspects of real estate financing ranging from risk management to new product launches. Keshav has also been involved in the restructuring and re-engineering of medium-sized enterprises in the auto and hospitality sectors.
Date of first appointment on the Board	December 20, 2017	November 27, 2017
Qualification(s)	Chartered Accountant	Chartered Accountant, B.Sc.
Terms and conditions of appointment	As mentioned in the Resolution	As mentioned in the Resolution
Experience, background and expertise in specific functional areas	Experience of over three decades in banking and financial services	Experience of more than two decades in real estate and financial service sector
Recognition or awards	Nil	Nil
Job Profile and suitability	Based on his experience, background and useful insights on the Company and business performance, he is suitable for re-appointment to the Board of Directors as Independent Director.	Based on his experience, background and contribution towards the growth of the Company, he is suitable for the position of Managing Director.
Remuneration sought to be paid	Nil, except sitting fee	INR 2,03,84,800
Remuneration last drawn by such person, if applicable	Nil, except sitting fee	INR 1,25,40,000
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	NA	Taking into consideration the size of the Company, the profile, knowledge, skills and responsibilities of Mr. Keshav Porwal, the remuneration proposed to be paid is commensurate with the remuneration packages paid to his similar counterparts in other companies.
Directorships (other than alternate directorships) held in other companies (excluding foreign companies and section 8 companies)	• Capital India Home Loans Limited • Rapipay Fintech Private Limited • NTB International Private Limited • K. G. Somani Management Consultants Private Limited • K.G. Somani Insolvency Professionals Private Limited • Council for Redressal and Development of Industries in India • ICMAI Registered Valuers Organization • KGS Fintech Private Limited	• Capital India Home Loans Limited • Rapipay Fintech Private Limited • Capital India Corp Private Limited • Capital India Asset Management Private Limited • Capital India Wealth Management Private Limited • CIFL Holdings Private Limited • Kuants Wealth Private Limited • SBKP Consultancy Private Limited • Head Stone Advisors India Private Limited
Memberships/ Chairmanships of committees of other Listed/ Public companies (includes only Audit Committee and Stakeholders' Relationship Committee)	Capital India Home Loans Limited – Chairman of Audit Committee	Capital India Home Loans Limited – Member of Audit Committee
Shareholding in the Company	Nil	Nil

Relationship with the Company, any Director(s), Manager and other Key Managerial Personnel of the Company	Nil	Nil
Number of meetings of Board attended during the financial year 2021-22	5 (Five)	5 (Five)
Justification for choosing the appointee for appointment as Independent Director and in case of re-appointment of Independent Director, performance evaluation report of such Director or summary	Mr. Vinod Somani has been auditing the accounts of Nationalised Banks, Insurance Companies, Government and Public Sector Companies. He has a sound knowledge of Finance, Companies Act and Tax Laws. Since M/s KG Somani & Co. was registered under the SEBI Merchant Banker Category IV, he is well-versed with Merchant Banking activities. Having experience of over three decades in banking and financial services he has been providing useful insights on the Company and business performance during his first term of office as Independent Director on the Board of the Company. A summary of the performance evaluation of Mr. Somani is enclosed to this notice as **Annexure A**.	NA

General Information	
Nature of industry	Non-Banking Financial Company
Date or expected date of commencement of commercial production	Date of Incorporation – 16/11/1994
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable
Financial Performance	(see table below)
Foreign investments or collaborations, if any	The Company has not made any Foreign Investments and neither entered into any collaborations during the last year.

Particulars	**FY 2021-22 (In INR Lakhs)**
Total Income	12566.12
Total Expenditure	11071.14
Profit/(Loss) before tax	1494.98
Provision for tax (including Deferred Tax)	328.97
Other comprehensive income	43.48
Profit/(Loss) after tax	**1209.49**

Other information	
Reasons of loss or inadequate profits	The Company is in the growing stage of its operations, wherein the fixed costs is higher than the revenue.
Steps taken or proposed to be taken for improvement	The Company has embarked on a series of strategic and operational measures that is expected to result in the improvement in the present position. The inherent strengths of the Company, especially its reputation as a premium service provider and powerful brand is also expected to enable the Company to position itself during adversities. The Company has also strategically planned to increase profits and has put in place measures to reduce cost and improve the bottom-line.
Expected increase in productivity and profits in measurable terms	The Company has taken various initiatives to maintain its leadership, improve market share and financial performance. It has been aggressively pursuing and implementing its strategies to improve financial performance.

Annexure A

Summary of Performance evaluation of Mr. Vinod Somani, Independent Director

Sl. No.	Evaluation Criteria	Average Rating (on a scale of 1-5, as explained below)
1.	Attendance and constructive participation in the decision-making process	5.00
2.	Knowledge of key areas and professional skills	5.00
3.	Brings his/her experience and credibility to bear on the critical areas of performance of the organization	5.00
4.	Diligence and preparedness for the meetings	5.00
5.	Effective interaction with other members of the Board	4.80
6.	Concern for stakeholders	5.00
7.	Concern for working of the internal controls	5.00
8.	Leadership initiatives in terms of new ideas, planning for the Company and undertaking additional responsibilities	4.80
9.	Conducts himself/herself in a manner that is ethical and consistent with the ethical standards	5.00
10.	Team work attributes	5.00
11.	Safeguarding confidential information	5.00
12.	Rendering independent and unbiased opinions	5.00
13.	Reporting of frauds, concerns, violations, if any	4.80
14.	Does not hesitate to challenge the management and is able to convey his/her points without being confrontational or obstructionist	4.80
15.	The Director keeps himself / herself updated on the current areas and issues that are likely to be discussed at the Board level	5.00
16.	The Director invests time in understanding the company and its unique requirements	5.00
17.	The Director brings in external knowledge and perspective to the table for discussion	5.00
18.	The Director expresses her/his views on issues discussed at the Board	5.00
19.	The Director keep himself / herself updated on areas and issues that are likely to be discussed at the Board level	5.00
	Average	**4.96**

Rating Scale

1	2	3	4	5
Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree

CAPITAL INDIA

Rediscover Business

CAPITAL INDIA FINANCE LIMITED

ANNUAL REPORT 2021-22

28th ANNUAL REPORT

CAPITAL INDIA

Rediscover Business

LEVERAGING INTEGRITY, TRUST AND RELATIONSHIPS

to create a large Indian financial institution

UNLOCKING THE POTENTIAL OF SMEs

with accessible finding

PARTNERING INDIAN SMEs

promoting inclusive growth

PIONEERING CRESS BORDER REMITTANCE

via a combination of online and offline solutions

REMITX

FOREX + REMITTANCE TOGETHER

CAPITAL INDIA

Rediscover Business

SIMPLIFYING EDUCATION LOANS

IN PATNERSHIP WITH

CREDENC

Supporting Education

BUILDING THE PAYMENTS PLATFORM OF TOMORROW

through distribution network, operational excellence and superior technology

RapiPay

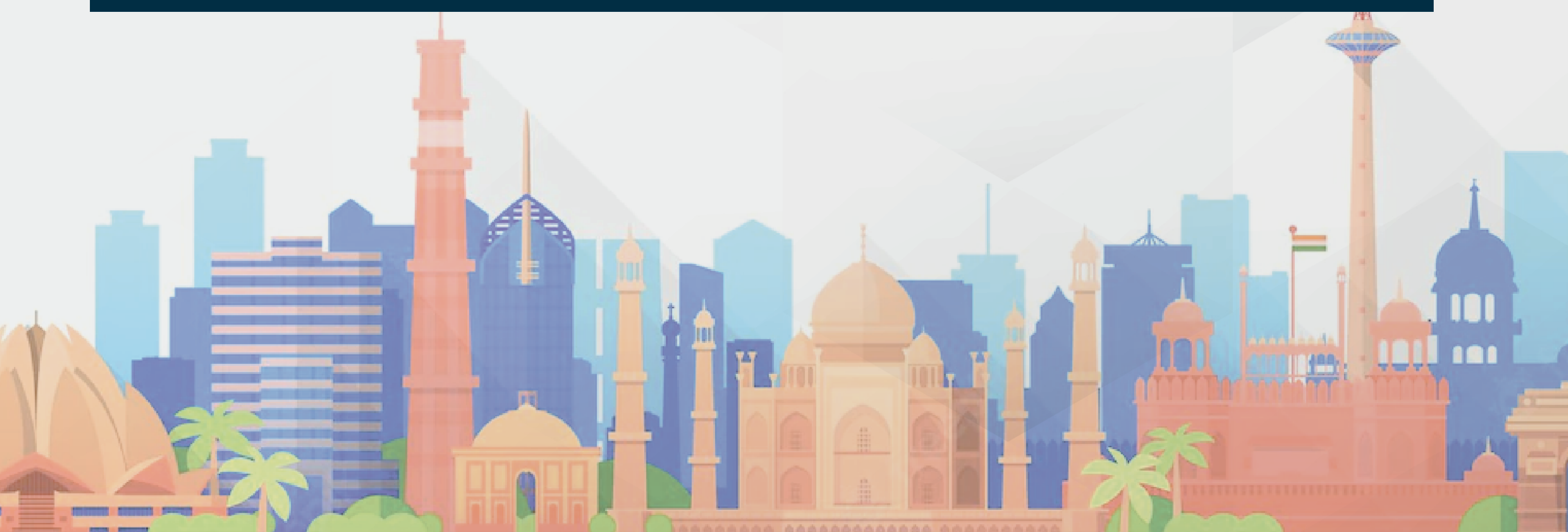
Simple hai!

CAPITAL INDIA

Home Loans

ENABLING HOME OWNERSHIP

through transparent flexible and fair credit



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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
Mrs. Rachna Dikshit	Independent Woman 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 Singhi & Co.,
Chartered Accountants
B2 402B Marathon Innova, Off Ganpatrao Kadam Marg
Opp. Peninsula Corporate Park, Lower Parel, Mumbai - 400013

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 AGENT
KFin Technologies Limited,
Selenium Tower B, Plot Nos. 31 & 32, Gachibowli,
Financial District, Nanakramguda, Hyderabad – 500032

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

CORPORATE OFFICE
Level - 20, Birla Aurora, Dr. Annie Besant Road
Worli, Mumbai - 400030

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

BOARD OF DIRECTORS

Dr. Harsh Kumar Bhanwala
Executive Chairman

Dr. Harsh Kumar Bhanwala is the Executive Chairman of the Company. An industry veteran, Dr. Bhanwala brings rich expertise in financial inclusion, microfinance, and cooperative credit institutions.

In the past, Dr. Bhanwala has served NABARD as the Chairman. He has held leadership positions and steered the growth of various organizations, like Delhi State Cooperative Bank Ltd (DSCB) and India Infrastructure Finance Company Ltd (IIFCL). In addition, Dr. Bhanwala has held several honorary Board-level positions, including Deposit Insurance & Credit Guarantee Corporation (DICGC), Institute of Rural Management – Anand, National Institute of Bank Management (NIBM) – Pune, Indian Institute of Management – Rohtak and Financial Inclusion Fund (FIF).

He is a Post-Graduate from Indian Institute of Management, Ahmedabad and Doctor of Philosophy.

Mr. Keshav Porwal
Managing Director

Keshav Porwal is the Managing Director of the Company. He is responsible for formulating the organization's overall growth strategy and guiding its evolution into a reputed financial services institution.

With almost two decades of experience in the finance and real estate sector, Keshav is an industry veteran. He has successfully closed large, complex real estate transactions involving leading developers across the country as well as PE investments. He has worked across all aspects of real estate financing ranging from risk management to new product launches. Keshav has also been involved in the restructuring and re-engineering of medium-sized enterprises in the auto and hospitality sectors.

He is a Chartered Accountant from the Institute of Chartered Accountants of India (ICAI), B.SC. from Kanpur University, Uttar Pradesh.

Mr. Vinod Somani
Independent Director

Vinod Somani, is a fellow member of the Institute of Chartered Accountants of India. He is a senior partner with M/s KG Somani & Co., chartered accountants since 1986. He has been auditing the accounts of Nationalised Banks, Insurance Companies, Government and Public Sector Companies. He has a sound knowledge of Finance, Companies Act and Tax Laws. Since M/s KG Somani & Co was registered under the SEBI Merchant Banker Category IV, he is well-versed with Merchant Banking activities. He was a member of the MOU Task Force and Expert panel of the Task Force on the Memorandum of Understanding of Central Public Sector Enterprises.

BOARD OF DIRECTORS

Mr. Yogendra Pal Singh
Independent Director

Yogendra Pal Singh had joined the Indian Police Service in 1981. He held several positions in the police force in Uttar Pradesh in executive policing, vigilance, police training and armed police. He served at the Central Bureau of Investigation in the fields of Special Crime and Anti-Corruption, for nine years, as DIG (Special Crime) and Joint Director (Mumbai and Delhi Anti-Corruption zone) respectively. He has served at the International Cricket Council, Dubai in the capacity of General Manager and Head of Anti-Corruption from June 2011 to March 2017.

Mrs. Rachna Dikshit
Independent Woman Director

Rachna Dikshit served Reserve Bank of India for over a period of 33 years in various capacities including Regional Director, Punjab, Haryana and UT Chandigarh, General Manager, Financial Inclusion & Development Department, Chandigarh and New Delhi, General Manager, Department of Banking Regulation, Mumbai Central Office and so on.

During her tenure as the Regional Director, she was responsible for all supervisory/ operational functions of inter alia banks, NBFCs, and cooperative banks and Chaired the Empowered Committee for MSME and Co-chaired State level Meetings including the SLBC, SLSC and SLCC.

As the General Manager, Financial Institutions & Development Department, Chandigarh and New Delhi, she performed the role of spearheading financial literacy and addressed various seminars including those of CII and the PHD Chambers and as the General Manager, Department of Banking Regulation, Mumbai Central Office, she was also responsible for the Financial Institutions Division and the Credit Information Division.

She has completed CAIIB, Masters in Political Science from Allahabad University and Graduation from Lucknow University.

Mr. Subhash Chander Kalia
Independent Director

Subhash Chander Kalia has an extensive experience of over 38 years in the Public Sector Banking Industry both in India and Overseas. He has held senior positions with major Banks namely Union Bank of India, Vijaya Bank, Bank of Baroda. Currently, he is serving on the Board of PNC Infratech Limited. He has done an M.A. in Political Science and he is also a Certified Associate of the Indian Institute of Bankers.

BOARD'S REPORT

To,

The Members,

CAPITAL INDIA FINANCE LIMITED ("**Company**")

Your Board of Directors ("**Board**") take pride in presenting their 28th Annual Report together with the Audited Financial Statements (both standalone and consolidated) ("**Financial Statements**") for the Financial Year ended on March 31, 2022 ("**FY 2021-22**" 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, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
Total Income	53,208.89	31,840.50	12,566.12	9,349.51
Less: Total Expenditure	54,944.22	30,365.07	11,071.14	6,423.58
Profit/(Loss) before tax	(1,756.64)	1,475.43	1,494.98	2,925.93
Less: Tax Expense	312.62	866.94	328.97	880.34
Profit/(Loss) for the year (Owners of the Company)	(276.83)	960.35	1,166.01	2,045.59
Other Comprehensive Income	46.60	27.39	43.48	20.02
Total Comprehensive Income for the year (Owners of the Company)	(223.84)	987.79	1,209.49	2,065.61
Add: Balance brought forward from previous year	1,639.39	1,228.77	4,661.62	3,082.86
Less: Appropriations:				
Transfer to Special Reserve under Section 45-IC of the RBI Act, 1934	245.14	409.12	233.20	409.12
Dividend on equity shares	77.73	71.93	77.73	71.93
Tax on Dividend	-	5.80	-	5.80
Other Deductions during the year	-	90.43	-	-
Surplus in the Statement of Profit/(Loss)	1,092.68	1,639.39	5,560.18	4,661.62

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 ("**RBI**") dated August 13, 2017 under Section 45-IA of the Reserve Bank of India Act, 1934 ("**RBI Act**") and has been granted Authorised Dealer Category – II License to carry out foreign exchange services, which has been renewed on November 24, 2021.

During the FY 2021-22, the Company has also been granted an authorisation by RBI to undertake inward cross border money transfer activities in India, through tie-up arrangement with Western Union Financial Services Inc. (Overseas Principal) under Money Transfer Service Scheme.

During the period under review, on standalone basis, the Company's total income was INR 12,566.12 Lakhs as compared to INR 9,349.51 Lakhs during the previous financial year and the Company has earned a Profit before Tax of INR 1,494.98 Lakhs as compared to INR 2,925.93 Lakhs during the previous financial year.

On consolidated basis, the Company's total income was INR 53,208.89 Lakhs as compared to INR 31,840.50 Lakhs during the previous financial year and the Company has incured a Loss before Tax of INR 1,756.64 Lakhs as compared to the Profit before Tax of INR 1,475.43 Lakhs earned 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 on March 31, 2022, an amount of INR 233.20 Lakhs was transferred to Special Reserve Account in terms of Section 45-IC of the RBI Act.

The Company has made a provision of INR 40.98 Lakhs for Employee Stock Options and a provision of INR 183.05 Lakhs for Expected Credit Losses ('**ECL**') during the period under review. Total provisions for ECL of the Company as at the end of FY 2021-22 is INR 1,815.23 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. As at March 31, 2022, the Capital structure stands as follows:

Particulars	Details
Authorised Share Capital	INR 21,400 Lakhs divided into 20,40,00,000 (Twenty Crore Forty Lakhs) Equity Shares having face value of INR 10 (Indian Rupees Ten only) each and INR 1,00,00,000 (One Crore) Preference Shares having face value of INR 10 (Indian Rupees Ten only) each
Paid-up Share Capital	INR 7,773.43 Lakhs divided into 7,77,34,260 (Seven Crore Seventy-Seven Lakhs Thirty-Four Thousand Two Hundred Sixty) fully paid-up Equity Shares having face value of INR 10 (Indian Rupees Ten only) each

5. NON-CONVERTIBLE DEBENTURES

During the period under review, the Company has not issued/allotted any new debentures.

The Company has the following Non-Convertible Debentures ("**NCDs**") outstanding as on March 31, 2022:

S. No.	Name of Debenture Holder	No. of NCDs allotted*	Face Value (in INR)	Amount (INR 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 ARTICLES OF ASSOCIATION OF THE COMPANY

During the period under review, the shareholders vide special resolution(s) passed by way of Postal Ballot on July 2, 2021 had accorded their consent for:

a. amendment in the provisions of the Memorandum of Association of the Company by incorporating a sub-clause under the Object Clause of the Company to carry on the business of money changers in foreign exchange currency; and

b. amendment in the Articles of Association by deleting clause 139 therein.

Further, the shareholders vide special resolution dated September 28, 2021 passed in the 27th Annual General Meeting of the Company, approved insertion of a new clause in the Object Clause of the Memorandum of Association of the Company to carry on the business of all kinds of travel agency.

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

- **Holding Company**

  During the period under review, Capital India Corp LLP, a limited liability partnership and promoter entity of your Company holding 73.04% of the paid-up share capital of the Company, has been converted into a private limited company by complying with the provisions of the Companies Act, 2013 (hereinafter referred to as "**Act**") and the rules made thereunder and has been issued a fresh certificate of incorporation dated March 14, 2022 under the name, Capital India Corp Private Limited, by the Ministry of Corporate Affairs. Apart from this, there is no other change in the promoter or its shareholding in the Company.

  Accordingly, Capital India Corp Private Limited is the holding company of your Company.

- **Subsidiary Company**

  a. As on March 31, 2022, the Company has the following subsidiaries:

S. No.	Name of Subsidiary	Percentage (%) of Shareholding
1.	Capital India Home Loans Limited	99.89
2.	Rapipay Fintech Private Limited	52.50
3.	Capital India Asset Management Private Limited	100.00

  b. During the period under review, your Company has divested its entire shareholding in Capital India Wealth Management Private Limited, CIFL Holdings Private Limited and Kuants Wealth Private Limited (formerly CIFL Investment Adviser Private Limited), to Capital India Corp Private Limited, consequent to which these companies ceased to be our wholly-owned subsidiary companies with effect from December 2, 2021.

- **Joint Venture / Associate Company**

  The Company does not have any associate or joint venture during the period under review. However, in accordance with the applicable provisions of the Indian Accounting Standards, Credenc Web Technologies Private Limited, an associate of Capital India Home Loans Limited, a subsidiary of the Company, is an associate of the Company as on March 31, 2022.

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 Subsidiary 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(ies) 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 subsidiary of the Company are available on the Company's website 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 & Compliance Officer 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 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 INR 0.10 (Indian Rupee Ten Paisa only) per Equity Share having face value of INR 10 (Indian Rupees Ten only) each, for the FY 2021-22 payable to shareholders of the Company whose names appear in the Register of Member as on the Record Date i.e. Friday, September 16, 2022. 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 ("**AGM**"), would entail an outflow of INR 77,73,426 (Indian Rupees Seventy Seven Lakh 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 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 Act and the 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 Directors to maintain the effectiveness of Board and separate its functions of governance and management. As on March 31, 2022, the Board of the Company consists of following 6 (Six) directors:

S. No.	Name	DIN	Designation
1.	Dr. Harsh Kumar Bhanwala	06417704	Executive Chairman
2.	Mr. Keshav Porwal	06706341	Managing Director
3.	Mr. Vinod Somani	00327231	Independent Director
4.	Mr. Yogendra Pal Singh	08347484	Independent Director
5.	Mrs. Rachna Dikshit	08759332	Independent Woman Director
6.	Mr. Subhash Chander Kalia	00075644	Independent Director

ii. **Fit and Proper Criteria**

On the basis of declarations received from the Directors of the Company as on March 31, 2022 and taken on record by the Board of Directors, none of the Director is disqualified as on March 31, 2022 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 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 and has given their declaration for the same.

None of the Directors of the Company are disqualified as per the provisions of Section 164 of the Act and the Directors of the Company have made necessary disclosures under Section 184 and other relevant provisions of the Act.

Brief resume and other details of the Director(s) being appointed/re-appointed at the ensuing AGM as stipulated under Secretarial Standard-2 issued by the Institute of Company Secretaries of India and Regulation 36 of the Listing Regulations, are separately disclosed in the Notice of ensuing AGM.

iii. **Changes in Directors**

During the period under review, Mr. Malay Mukherjee (DIN: 02272425) resigned from the position of Non-Executive Independent Director of the Company with effect from October 8, 2021, on account of his pre-occupation with various professional and social commitments & Mr. Subhash Chander Kalia was appointed as Non-Executive Independent Director with effect from May 26, 2022.

Except the changes mentioned above, there has been no changes in the composition of the Board of Directors of the Company during the period under review.

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 16 of the Listing Regulations, as amended from time to time. The Company has also received declaration of compliance of Rule 6 (1) & (2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, from all the Independent Directors, regarding online registration with the Indian Institute of Corporate Affairs, for inclusion/ renewal of name in the databank of Independent Directors.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and they hold highest standards of integrity and that they are independent to the Management of the Company.

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 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 proficiency) of the Independent Directors appointed during the year**

With regard to the integrity, expertise and experience (including proficiency) of the Independent Director(s) appointed during the FY 2021-22, the Board of Directors have taken on record the declarations and confirmations submitted by the Independent Director(s) 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 Board of the Company.

vii. **Retirement by Rotation**

In accordance with the provisions of the Act and the rules made thereunder and the Articles of Association of the Company, Mr. Keshav Porwal, Managing Director of the Company, is liable to retire by rotation at the ensuing AGM and has offered his candidature for re-appointment as a Director of the Company at the ensuing AGM.

viii. **Key Managerial Personnel (KMP)**

As on the date of this Report, the Company has the following KMPs in accordance with the provisions of the Act and the 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, Mr. Vineet Kumar Saxena was appointed as Chief Executive Officer of the Company with effect from May 26, 2021. No other change occurred in the KMP of the Company.

ix. **Board Meetings**

During the period under review, 5 (Five) Board meetings were held. The details of composition of the Board and its meetings held during the year under review and the attendance of Directors at those meetings is provided in the Corporate Governance Report which forms part of this Annual Report. The intervening gap between the meetings was within the period prescribed under the Act and the rules made thereunder.

x. **Committees of the Board**

The following are the Committees constituted by the Board in pursuance of the applicable provisions of the Act, Listing Regulations and RBI:

i. Audit Committee;

ii. Nomination & Remuneration Committee;

iii. Stakeholders Relationship Committee;

iv. Risk Management Committee;

v. Investment Committee;

vi. Asset-Liability Committee;

vii. IT Strategy Committee; and

viii. Corporate Social Responsibility Committee.

The details of composition of the Committees of the Board and their meetings held during the year under review and the attendance of the Members at those meetings are provided in the Corporate Governance Report which forms part of this Annual Report. The intervening gap between the meetings was within the period prescribed under the Act and the rules made thereunder, and other applicable laws.

Below are the other committees constituted by the Board whose composition as on March 31, 2022 is as under:

i. Credit Committee;
ii. Securities Issuance Committee; and
iii. Management Committee.

S. No.	Name of Committee	Composition of Committee
1	Credit Committee	Mr. Vinod Somani (Chairman)
		Mr. Keshav Porwal (Member)
		Mr. Ashish Arya (Member)
		Mr. Avinash Kumar (Member)
2	Securities Issuance Committee	Mr. Vinod Somani (Chairman)
		Mr. Keshav Porwal (Member)
		Mr. Vineet Kumar Saxena (Member)
3	Management Committee	Dr. Harsh Kumar Bhanwala (Chairman)
		Mr. Keshav Porwal (Member)
		Mr. Vineet Kumar Saxena (Member)

xi. **Separate Meeting of Independent Directors**

In compliance with the provisions of Schedule IV to the Act read with Regulation 25 of the Listing Regulations, the Independent Directors met once during the FY 2021-22 on May 24, 2021, without the presence of Non-Independent Directors and members of the management team and inter-alia reviewed:

a) The performance of Non-Independent Directors and the Board as a whole;

b) The performance of the Chairman of the Company, taking into account the views of Executive and Non-Executive Directors; and

c) The quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

In addition to formal meeting, frequent interactions also took place between the Chairman and Independent Directors.

13. POLICIES GOVERNING THE APPOINTMENT AND REMUNERATION OF THE DIRECTORS, KEY MANAGERIAL PERSONNEL 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 the Act 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 which 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 stakeholders 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 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 meet the criteria laid down in the Fit and Proper Criteria Policy and the applicable provisions of the Master Directions issued by RBI in this regard.

14. REMUNERATION OF THE DIRECTORS AND EMPLOYEES

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

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 Act 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 Act in preparation of the Financial Statements for the financial year ended on March 31, 2022 and state:

a. that in the preparation of Annual Accounts for the Financial Year ended as at March 31, 2022, 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, 2022 and of the profit and loss of the Company for the Financial Year ended on March 31, 2022;

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 auditors, statutory auditors, 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 period under review. Therefore, the disclosures as required under the Act and the rules made thereunder, and Master Directions issued by RBI 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 Act forms part of the Notes to the Financial Statements provided in this Annual Report.

21. AUDITORS

a) STATUTORY AUDITORS

Pursuant to circular issued by RBI vide No. RBI/2021-22/25 Ref. No. DoS. CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021, M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Regn. No.: 117366W/W100018), considering various factors including relative size of the NBFC, balance tenure of appointment, the RBI Circular, commercial considerations, etc. had resigned as the Statutory Auditors of the Company with effect from August 13, 2021.

The members had in their 27th AGM held on September 28, 2021, appointed 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 and to hold the office of the Statutory Auditors from the conclusion of 27th AGM until the conclusion of the 28th AGM of the Company.

M/s Singhi & Co. has conducted the Statutory Audit for the period ended March 31, 2022.

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

b) **SECRETARIAL AUDITORS**

In terms of the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the Listing Regulations, 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 2021-22. The Secretarial Auditors have submitted their report in 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 and Rapipay Fintech Private Limited, the material subsidiaries of the Company, for the financial year 2021-22 forms part of this Annual Report.

c) **INTERNAL AUDITORS**

The Board had appointed M/s Aneja Associates, Chartered Accountants, as the Internal Auditors to undertake internal audit of the Company for the financial year 2021-22 in terms of the provisions of Section 138 of the Act and the rules made thereunder.

22. COST RECORDS

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

23. ANNUAL RETURN

Pursuant to Section 92(3) and Section 134 of the Act read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company as on March 31, 2022 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 to the Listing Regulations and Master Directions is presented in a 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 Act are not required to be disclosed.

All the 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 the 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 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 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 Act read with the rules made thereunder and pursuant to the provision of the Listing Regulations and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("**PIT 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 to promote responsible and secure whistle blowing and protect employees who are 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 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 the PIT Regulations, 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 do not involve in any manufacturing activity. The Information as applicable and required to be provided under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, 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) -

(a) the details of technology imported; : Not Applicable

(b) the year of import; : Not Applicable

(c) whether the technology has been fully absorbed; and : Not Applicable

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

(e) Expenditure incurred on Research and Development : Not Applicable

c) FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company is into the business of foreign exchange and the earnings and outgo in foreign currencies are as under:

(INR In Lakhs)

Particulars	**For the year ended**	
	31.03.2022	**31.03.2021**
Earnings in foreign currency		
Export of foreign currencies	30,160.16	NIL
Commission received	8.66	NIL
Outgo in foreign currency		
Professional fees	1.82	NIL
Printing & Stationery	0.15	NIL

31. FRAUD REPORTING

There was no fraud reported by the Statutory Auditors of the Company, under Section 143(12) of the Act and the 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 Corporate Social Responsibility (CSR) Committee. The Board of Directors laid down the CSR Policy, covering the objectives, focus areas, governance structure and monitoring & reporting framework among others.

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 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 (Rating Agency) for raising Long term debt of upto INR 775 Crore and Non-Convertible Debentures of INR 150 Crore. The Rating Agency has during the period under review, improved the rating outlook from negative to stable on the Long-Term rating. Further the Company has been rated 'A2+' for raising Short-Term debt of INR 25 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 ("**Ind AS**") and Listing Regulations. As required under the Ind AS, notified under Section 133 of the Act and applicable provisions of the Listing Regulations, the Audited Consolidated Financial Statements of the Company reflecting the Consolidation of the Accounts of the Company with its Subsidiaries 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 https://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 place 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

The Equity Shares and the Debt Securities of the Company are listed on BSE Limited. The Annual Listing Fee for the Financial Year 2021-22 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**"). NRC monitors the CIFL ESOP Plan. The CIFL ESOP Plan is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("**SEBI SBEBSE Regulations**") including any amendment thereto. Relevant disclosures pursuant to SEBI SBEBSE Regulations, as on March 31, 2022 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 SBEBSE Regulations would be presented before the members in the ensuing AGM of the Company and a copy of the same shall be available for inspection at the registered office and the corporate office of the Company during the working hours.

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

42. BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report ("**BRR**") of your Company for the year 2021-22 forms part of this Annual Report as required under Regulation 34(2) (f) of the Listing Regulations and is appended as "**Annexure IV**".

43. CORPORATE OFFICE

During the period under review, your Company has shifted its Corporate Office from A-1402, One BKC, 14th Floor, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai-400051 to Level - 20, Birla Aurora, Dr. Annie Besant Road, Worli, Mumbai – 400030, in order to accommodate growing manpower of the Company. The new Corporate Office is also located in Mumbai which is the economical hub of India and has better access to financial market, thus enabling the Company in continuous expansion of its business.

The Corporate Office has been shifted with effect from October 21, 2021.

44. 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 shares;

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 Act; and

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

45. 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.

46. 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
Place : **New Delhi**

Keshav Porwal
Managing Director
DIN: 06706341
Place : **Mumbai**

Date : **April 30, 2022**

Annexure I

Form AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 of the Act 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, 2022

Part-A: Subsidiaries

(INR In Lakhs)

S. No.	Particulars	Name of Subsidiary companies		
		Capital India Home Loans Limited	Capital India Asset Management Private Limited	Rapipay Fintech Private Limited
1	The date since when the subsidiary was acquired	August 11, 2017	September 12, 2017	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
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
4	Authorised Share Capital	14,516	5	3,970.72
5	Reserves & surplus	(1,453.78)	(3.56)	11,404.19
6	Total Assets	26,222.19	1.92	31,357.88
7	Total Liabilities	26,222.19	1.92	31,357.88
8	Investments	999.59	NIL	NIL
9	Turnover	3,360.12	-	37,413.80
10	Profit before tax	62.09	(0.62)	(3,281.81)
11	Provision for tax	2.41	-	716.91
12	Profit after tax	59.69	(0.62)	(3,998.72)
13	Proposed dividend	-	-	-
14	% of shareholding	99.89%	100%	52.50%

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:
   a) Capital India Wealth Management Private Limited
   b) CIFL Holdings Private Limited
   c) Kuants Wealth Private Limited (formerly CIFL Investment Advisor Private Limited)

Part B: Associates & Joint Ventures

The Company does not have any associate or joint venture during the period under review. However, in accordance with the applicable provisions of the Indian Accounting Standards, Credenc Web Technologies Private Limited, an associate of Capital India Home Loans Limited, a subsidiary of the Company, is an associate of the Company as on March 31, 2022.

Sr. No.	Particulars	Credenc Web Technologies Private Limited (Associate) Rs in Lakhs
1	The date since when the associate was acquired	January 12, 2022
2	Reporting period for the associate concerned, if different from the holding company's reporting period	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
4	Authorised Share Capital	1,000
5	Reserves & surplus	94.49
6	Total Assets	2,398.46
7	Total Liabilities	2,398.46
8	Investments	NIL
9	Turnover	306.59
10	Profit before tax	(1,491.81)
11	Provision for tax	(19.73)
12	Profit after tax	(1,472.09)
13	Proposed dividend	-
14	% of shareholding	27.35%

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, 2022 as required under Section 197 of the Companies Act, 2013 read with Rule 5 of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014

<table>
<tr><td rowspan="3">The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year</td><td>Name of the Director [1]</td><td>Ratio to the median</td></tr>
<tr><td>Dr. Harsh Kumar Bhanwala [2]</td><td>58.67</td></tr>
<tr><td>Keshav Porwal</td><td>38.46</td></tr>
<tr><td rowspan="6">The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year</td><td>Name of Director/CEO/CS/CFO</td><td>% increase</td></tr>
<tr><td>Dr. Harsh Kumar Bhanwala [2]</td><td>64.60</td></tr>
<tr><td>Keshav Porwal</td><td>25.30</td></tr>
<tr><td>Vineet Kumar Saxena [3]</td><td>-</td></tr>
<tr><td>Rachit Malhotra</td><td>58.90</td></tr>
<tr><td>Neeraj Toshniwal</td><td>106.20</td></tr>
<tr><td>The percentage increase in the median remuneration of employees in the financial year</td><td colspan="2">There is decrease in the median remuneration of employees in the financial year.</td></tr>
<tr><td>The number of permanent employees on the rolls of Company</td><td colspan="2">278 as on March 31, 2022</td></tr>
<tr><td>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</td><td colspan="2">Percentage increase in the salaries of employees other than KMPs: 7.60%

Percentage increase in managerial remuneration: 60.1%</td></tr>
<tr><td>Affirmation that the remuneration is as per the remuneration policy of the company</td><td colspan="2">Yes, the remuneration paid is as per the remuneration policy of the Company.</td></tr>
</table>

1. 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.
2. 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, percentage increase in remuneration is calculated proportionately.
3. Vineet Kumar Saxena was appointed as CEO with effect from May 26, 2021. Since his term was for a part of the year, percentage increase in remuneration is not comparable and hence not stated.

Annexure III

Annual Report on CSR Activities of the Company

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 from time to time, which outlines the 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- Education, Livelihood, Rural development, Health & Hygiene, Sustainable Environment and Disaster Response.

2. **Composition of CSR Committee:**

S. 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	1	1
2.	Mr. Keshav Porwal	Member	1	1
3.	Mrs. Rachna Dikshit*	Member	NA	NA

**added as a member of the Committee w.e.f. November 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:**

The details related to CSR Policy, approved Projects and the current composition of CSR Committee are available on the Company's website as per below:

a. CSR Policy: https://www.capitalindia.com/uploads/CorporateGovernance/Policy/Policy-on-Corporate-Social Responsibility.pdf

b. CSR Projects approved: https://www.capitalindia.com/uploads/CorporateGovernance/Policy/CSR_Action_Plan.pdf

c. Current Composition of CSR Committee: https://www.capitalindia.com/investor-corporate-governance

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 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:**

No amount was available for set off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 during the period under review.

6. **Average Net Profit of the Company as per Section 135(5):** INR 2,880.51 Lakhs

7. (a) **Two percent of average Net Profit of the Company as per Section 135(5):** INR 57.61 Lakhs

(b) **Surplus arising out of the CSR Projects or Programs or activities of the previous Financial Years:** NIL

(c) **Amount required to be set off for the Financial Year:** NIL

(d) **Total CSR obligation for the Financial Year (7a+7b-7c):** INR 57.61 Lakhs

8.(a) **CSR amount spent or unspent for the Financial Year:**

Total Amount Spent for the Financial Year (in INR)	Amount Unspent (in INR)				
	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
65,00,000	Nil				

(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 INR)	Amount spent in the current financial year (in INR)	Amount transferred to Unspent CSR account for the project as per Section 135(6) (in INR)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1	Rural Infrastructure Development	(x) Rural Development Projects	No	Uttar Pradesh, District Bulandshahr		2 Years	38 Lakhs	37,42,653	NIL	No	Atulya Foundation	CSR00002180
	Total							**37,42,653**				

(c) Details of CSR amount spent against other than ongoing projects for the Financial Year:

(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 INR)	Mode of Implementation -Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
				State	District			Name	CSR Registration Number
1.	Health & Hygiene	(i) Eradicating hunger, poverty, and malnutrition, promoting health care including preventive health care and sanitation	NO	Uttar Pradesh	Bulandshahr	25,00,000	No	Atulya Foundation	CSR00002180
				Haryana	Gurugram				
2.	Environment (Agro forestry & Tree plantation)	(iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, etc.	NO	Haryana	Charkhi Dadri	2,57,347	No		
				Maharashtra	Badlapur				
				Uttar Pradesh	Noida				
	Total					**27,57,347**			

(d) Amount spent in Administrative Overheads: NIL

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): INR 65,00,000

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

Sl. No.	Particulars	Amount (in INR Lakhs)
(i)	Two percent of average Net Profit of the Company as per Section 135(5)	57.61
(ii)	Total amount spent for the Financial Year	65.00
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	7.39
(iv)	Surplus arising out of the CSR Projects or Programs or Activities of the previous Financial Years, if any	NIL
(iv)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	7.39

9.(a) Details of Unspent CSR amount for the preceding three Financial Years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in INR)	Amount spent in the reporting Financial Year (in INR)	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 INR)
				Name of the Fund	Amount (in INR)	Date of transfer	
	NIL						

(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 INR)	Amount spent on the project in the reporting Financial Year (in INR)	Cumulative amount spent at the end of reporting Financial Year (in INR)	Status of the project Completed / Ongoing
	NA							

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)**	No Capital Asset during the period under review was created or acquired by the Company.
b.	**Amount of CSR spent for creation or acquisition of Capital Asset**	No amount was spent for creation or acquisition of Capital Asset by the Company.
c.	**Details of the Entity or Public Authority or Beneficiary under whose name such Capital Asset is registered, their address etc.**	Not Applicable
d.	**Provide details of the Capital Asset(s) created or acquired (including complete address and location of the Capital Asset)**	Not Applicable

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):

Not Applicable

For and on behalf of
Corporate Social Responsbility Committee of
Capital India Finance Limited

Yogendra Pal Singh
Independent Director & Chairman of CSR Committee
DIN: 08347484

Keshav Porwal
Managing Director
DIN: 06706341

Annexure IV

BUSINESS RESPONSIBILITY REPORT

for the financial year 2021-2022

[Pursuant to Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

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 a responsible and sustainable manner in accordance with sound corporate culture which aims to deliver long term sustainable growth and the Company is constantly striving to better them.

The Company hereby presents its third 'Business Responsibility Report' ("**BRR**"), in line with the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' ("**NVGs**") and the BRR requirement of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"). This BRR provides information about the key initiatives undertaken by the Company based on the 9 Principles as mentioned in the NVGs, 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 2021-2022
7.	Sector(s) that the Company is engaged in (industrial activity code- wise)	As on March 31, 2022, the Company is a NBFC with the main business of Financing and Investments – granting Loans and activities related to foreign exchange and inward cross border international money transfers. 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 3. Money transfer activities under Money Transfer Service Scheme.
9.	Total number of locations where business activity is undertaken by the Company	40 (Forty)
	a. Number of International Locations:	Nil
	b. Number of National Locations:	40 (Forty)
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, 2022	7,77,34,260 Equity Shares having face value of INR 10 each aggregating to INR 77,73,42,600
2.	Total Turnover (INR in Lakhs)	
	a) Standalone	12,566.12
	b) Consolidated	53,208.89
3.	Total profit/(Loss) after taxes (INR in Lakhs)	
	a) Standalone	1,166.01
	b) Consolidated	(2,069.26)
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	INR 65,00,000 representing 5.57% of Standalone profit after tax
5.	List of activities in which expenditure in 4 above has been incurred	Kindly refer to the Annual Report of CSR Activities

SECTION C: OTHER DETAILS

Sl. No.	Particulars	Company Information
1.	Does the Company have any Subsidiary Company/ Companies?	Yes, as on March 31, 2022, the Company had 3 (Three) subsidiaries as follows: • Capital India Home Loans Limited • Rapipay Fintech Private Limited • Capital India Asset Management 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 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 with which the Company does business are independent entities and are not 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/Directors responsible for implementation 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 issued by the governing bodies on the policies framed/to be framed by the Company 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?	Policies wherever stated have been approved by the Board / Committee of the Board / Senior Management of the Company.								
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?	**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 1 year	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 a 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?	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.

PRINCIPLE 2

Sl. No.	Particulars	Information
1.	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	The Company operates in financial solutions and our sustainability strategy strives to make our business, our clients' businesses and 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 a financial services sector therefore this aspect doesn't relate to the nature of the business. However, the Company 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 a 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 a 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	278
2.	Total number of employees hired on temporary/contractual/ casual basis	1

3.	Number of permanent women employees	36
4.	Number of permanent employees with disabilities	NIL
5.	Does the Company have an employee association that is recognized by the management.	NA
6.	What percentage of permanent employees is members of this recognized employee association?	NA

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

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

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

(a) Permanent Employees : 100%

(b) Permanent Women Employees : 100%

(c) Casual/Temporary/Contractual Employees : Nil

(d) Employees with Disabilities : N.A.

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 are available in Annual Report of CSR Activities.

PRINCIPLE 5

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

PRINCIPLE 6

Sl. No.	Particulars	Information
1.	Does the policy relating to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/ NGOs/others?	Yes, the policy covers the Company and all its third parties including investors and clients.
2.	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.	The Company promotes ecological sustainability and green initiatives, and adopts energy saving mechanisms, by encouraging its employees, customers and all of its other stakeholders to use electronic medium of communication and to reduce usage of papers as much as possible. Also, the Company through its CSR initiatives, have contributed towards greener environment.
3.	Does the company identify and assess potential environmental risks? Y/N	Yes
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 a 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 and creating a sustainable environment. 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, the Company ensures that the Trust 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 ("**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 business and in meeting its obligations towards 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 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 the Securities and Exchange Board of India (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**"). The Board plays a 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, 2022, the Board consists of 6 (Six) Directors comprising 2 (Two) Executive Directors and 4 (Four) Non-Executive Independent Directors. 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, 5 (Five) meetings of the Board were held on May 26, 2021, August 13, 2021, November 11, 2021, December 2, 2021 and February 14, 2022.

The attendance of the members of the Board at the Board Meetings and the last Annual General Meeting 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 2021-22	No. of Board meetings attended during the financial year 2021-22	Whether attended the last Annual General Meeting of the Company held on September 28, 2021	Shareholding in the Company as on March 31, 2022	Number of Directorships in other Companies as on March 31, 2022#	No. of Committee position held in other public Companies as on March 31, 2022$		Names of the other listed entities where the director is a director and the category of directorship
							Membership	Chairmanship	
1	Dr. Harsh Kumar Bhanwala (Executive Chairman) (06417704)	5	5	Yes	Nil	2	2	0	Bayer Cropscience Limited (Independent Director) Multi Commodity Exchange of India Limited (Independent Director)
2.	Mr. Vinod Somani (Independent Director) (00327231)	5	5	Yes	Nil	Nil	1	1	Nil
3.	Mr. Yogendra Pal Singh (Independent Director) (08347484)	5	5	Yes	Nil	Nil	1	Nil	Nil
4.	Mr. Malay Mukherjee (Independent Director)* (02272425)	2	2	Yes	N.A.	N.A.	N.A.	N.A.	N.A.
5.	Mrs. Rachna Dikshit (Independent Woman Director) (08759332)	5	5	Yes	Nil	Nil	Nil	Nil	Nil

6.	Mr. Keshav Porwal (Managing Director) (06706341)	5	5	Yes	Nil	Nil	1	Nil	Nil
7.	Mr. Vineet Kumar Saxena (Non-Executive Director) ** (07710277)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
8.	Mr. Subhash Chander Kalia (Independent Director) *** (00075644)	4	4	Yes	Nil	1	Nil	Nil	PNC Infratech Limited (Independent Director)

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 w.e.f. October 8, 2021.

** Resigned w.e.f. April 1, 2021.

*** Appointed w.e.f. May 26, 2021.

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.

The Directors of the Company and the Board as a whole possess such skills and knowledge as outlined below:

Core Skills / Expertise / Competencies	HKB	KP	VS	YPS	RD	SCK
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.	✓	✓	✓	✓	✓	✓

Dr. Harsh Kumar Bhanwala - **HKB**, Mr. Keshav Porwal - **KP**, Mr. Vinod Somani - **VS** Mr. Yogendra Pal Singh - **YPS**,

Mrs. Rachna Dikshit - **RD**, Mr. Subhash Chander Kalia - **SCK**

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 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.

Appointment of Independent Director

During the period under review, 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.

Cessation of Independent Director

During the period under review, Mr. Malay Mukherjee, Independent Director of the Company has resigned w.e.f. October 8, 2021, due to his pre-occupation with various professional and social commitments. Mr. Mukherjee has also confirmed that there is no other reason of his resignation 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 Listing 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 Board/Committees for the Board/Committee Meetings regarding the schedule of meetings. Detailed agenda is sent in advance to all the Directors/members of Board/Committees for enabling the Board/Committees to take informed decisions at the meetings.

The Company has a well-established framework for the meetings of the Board and its Committees which seeks to streamline 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 during the meeting. The Members of the Board/Committees express their opinion and decisions taken based on the consensus arrived at, after detailed discussion/ deliberation at the Board/Committee 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 on the diverse matters. The Company's guidelines relating to the Board meetings are also applicable to all the Committee meetings. The composition and terms of reference of all the Committees are in compliance with the Act, the Listing Regulations and other applicable Directions/ circulars/ guidelines issued by the Reserve Bank of India, from time to time, as may be 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 its noting. The composition of the Committees is given below.

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 to the Audit Committee.

Meetings

During the period under review, 6 (Six) meetings of the Audit Committee were held on May 26, 2021, August 13, 2021, November 11, 2021, December 2, 2021, February 14, 2022 and February 28, 2022. The intervening period between Audit Committee Meetings was within the maximum time gap prescribed under the Act and the Listing Regulations.

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 2021-22	No. of Committee meetings attended during the financial year 2021-22
Mr. Vinod Somani	Chairman	Independent Director	6	6
Mr. Yogendra Pal Singh	Member	Independent Director	6	6
Mrs. Rachna Dikshit	Member	Independent Woman Director	6	6
Mr. Vineet Kumar Saxena*	Member	Non-Executive - Non-Independent Director	-	-
Mr. Subhash Chander Kalia**	Member	Independent Director	3	3

* Mr. Vineet Kumar Saxena resigned as Director w.e.f. April 1, 2021

** Mr. Subhash Chander Kalia was added as a member of Committee w.e.f. November 11, 2021

The requisite quorum was present in all the meetings held during the year.

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 Woman Director
Mr. Subhash Chander Kalia	Member	Independent Director

Terms of Reference

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

a) To approve the remuneration and terms of appointment of auditors of the company;

b) To review and monitor the auditor's independence and performance, and effectiveness of audit process;

c) To do examination of the financial statement and the auditors' report thereon;

d) To approve or make subsequent modification of transactions of the company with related parties;

e) To make scrutiny of inter-corporate loans and investments;

f) To review valuation of undertakings or assets of the Company, wherever it is necessary;

g) To do evaluation of internal financial controls and risk management systems;

h) To monitor the end use of funds raised through public offers and related matters;

i) To oversee the vigil mechanism established by the Company for Directors and employees to report genuine concerns.

j) To investigate any activity within its terms of reference;

k) To seek information from any employee;

l) To obtain outside legal or other professional advice;

m) To secure attendance of outsiders with relevant expertise, if it considers necessary;

n) 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;

o) 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;

p) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

q) Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:

r) 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;

s) Changes, if any, in accounting policies and practices and reasons for the same;

t) Major accounting entries involving estimates based on the exercise of judgment by management;

u) Significant adjustments made in the financial statements arising out of audit findings;

v) Compliance with listing and other legal requirements relating to financial statements;

w) Disclosure of any related party transactions;

x) Qualifications in the draft audit report.

y) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

z) 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;

aa) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;

bb) 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;

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

dd) 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;

ee) 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;

ff) 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;

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

hh) 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;

ii) 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

jj) 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 ("**NRC**") 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 to the NRC.

Meetings

During the period under review, 1 (One) meeting of the NRC was held on May 21, 2021.

The attendance of the members of the NRC 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 2021-22	No. of Committee meetings attended during the financial year 2021-22
Mr. Vinod Somani	Chairman	Independent Director	1	1
Mr. Yogendra Pal Singh	Member	Independent Director	1	1
Mr. Vineet Kumar Saxena*	Member	Non-Executive Non-Independent Director	N.A.	N.A.
Mrs. Rachna Dikshit **	Member	Independent Woman Director	1	1

* Resigned w.e.f. April 1, 2021

** Appointed w.e.f. May 14, 2021

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

The composition of the NRC 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 Woman Director

Terms of Reference

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

1. identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment & removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.

2. 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.

   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.

3. devising a policy on diversity of Board of Directors.

4. evaluation of the balance of skills, knowledge and experience for every appointment of an independent director on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

a. use the services of an external agencies, if required;

b. consider candidates from a wide range of backgrounds, having due regard to diversity; and

c. consider the time commitments of the candidates.

5. decide on extending or continuing the term of appointment of Independent Director, based on the report of performance evaluation of Independent Directors.

6. recommend to the Board, all the remuneration, in whatever form payable to Senior Management.

7. review the appropriateness and relevance of the remuneration policy.

8. ensure that all provision regarding disclosures of remuneration are fulfilled.

9. ensure that no director, executive or other employee is involved in any decision as to their own remuneration.

10. formulate the Company's Employee Stock Option Scheme(s) or other incentive Schemes (if any) as applicable, approve grant of options and make amendments to terms of such schemes.

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 NRC, 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 in their separate meeting held, reviewed the performance of 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 to the Stakeholders Relationship Committee.

S. No.	Particulars	Details
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	21 (Twenty One)
iv.	Number of complaints not resolved 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, 2022

Meetings

During the period under review, 1 (one) meeting of the Stakeholders Relationship Committee was held on May 26, 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 2021-22	No. of Committee meetings attended during the financial year 2021-22
Mr. Vinod Somani	Chairman	Independent Director	1	1
Mr. Yogendra Pal Singh	Member	Independent Director	1	1
Mr. Malay Mukherjee*	Member	Independent Director	1	1
Mr. Vineet Kumar Saxena **	Member	Non-Executive Non-Independent Director	N.A.	N.A.
Mrs. Rachna Dikshit ***	Member	Independent Woman Director	N.A.	N.A.

* Resigned w.e.f. October 8, 2021

** Resigned w.e.f. April 1, 2021

*** Appointed w.e.f. November 11, 2021

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

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
Mrs. Rachna Dikshit	Member	Independent Woman Director

Terms of Reference

The terms of reference of the Stakeholders Relationship Committee of the Board includes 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 Committee**

In compliance with Section 135 of the Companies Act, 2013, the Company has duly constituted its Corporate Social Responsibility ("**CSR**") Committee. The Company Secretary acts as the Secretary to the CSR Committee.

Meetings

During the period under review, 1 (one) meeting of the CSR Committee was held on May 26, 2021.

The attendance of the members of the CSR 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 2021-22	No. of Committee meetings attended during the financial year 2021-22
Mr. Yogendra Pal Singh	Chairman	Independent Director	1	1
Mr. Keshav Porwal	Member	Managing Director	1	1
Mr. Malay Mukherjee *	Member	Independent Director	1	1
Mrs. Rachna Dikshit **	Member	Independent Woman Director	N.A.	N.A.

* Resigned w.e.f. October 8, 2021

** Appointed w.e.f. November 11, 2021

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

The composition of the CSR Committee as on the date of this Report is as detailed under:

Name of the member	Designation in Committee	Category
Mr. Yogendra Pal Singh	Chairman	Independent Director
Mr. Keshav Porwal	Member	Managing Director
Mrs. Rachna Dikshit	Member	Independent Woman Director

Terms of Reference

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

a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in the areas or subject, specified in Schedule VII to the Companies Act, 2013;
b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
c) monitor the Corporate Social Responsibility Policy of the Company from time to time; and
d) any other matter(s) in relation to above which the Committee deems fit and which is not reserved to be approved by the Board under the Companies Act, 2013 or any other applicable law, for the time being in force.

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

e) **Risk Management Committee**

The Company has constituted a Risk Management Committee ("**RMC**") comprising of Directors and Senior Executives of the Company. The RMC has a Policy in place that is intended to ensure that an effective Risk Management framework is established and implemented within the organisation. The RMC 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 RMC were held on May 17, 2021, August 11, 2021, October 26, 2021 and February 14, 2022.

The attendance of the members of the RMC 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 2021-22	No. of Committee meetings attended during the financial year 2021-22
Dr. Harsh Kumar Bhanwala	Chairman	Executive Chairman	4	4
Mr. Keshav Porwal	Member	Managing Director	4	4
Mrs. Rachna Dikshit	Member	Independent Woman Director	4	4
Mr. Achal Kumar Gupta*	Member	Independent Advisor	1	1
Mr. Subhash Chander Kalia**	Member	Independent Director	2	2

* Resigned w.e.f. May 17, 2021

** Appointed w.e.f. August 13, 2021

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

The composition of the RMC 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 Chairman
Mr. Keshav Porwal	Member	Managing Director
Mrs. Rachna Dikshit	Member	Independent Woman Director
Mr. Subhash Chander Kalia	Member	Independent Director

Terms of Reference of RMC

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.

f) **Other Committees of the Board**

Apart from the above Committees, the Board also has the following Committees:

(a) Investment Committee;

(b) Asset-Liability Committee; and

(c) IT Strategy Committee.

The Composition of the above Committees and the details of meeting held along with the attendance of Members is as under:

<u>Composition as on March 31, 2022</u>

S. No.	Name of Committee	Composition	Designation in the Committee
1	Investment Committee	Dr. Harsh Kumar Bhanwala	Chairman
		Mr. Keshav Porwal	Member
		Mr. Vineet Kumar Saxena	Member
2	Asset-Liability Committee	Dr. Harsh Kumar Bhanwala	Chairman
		Mr. Vinod Somani	Member
		Mr. Keshav Porwal	Member
		Mr. Neeraj Toshniwal	Member
		Mr. Ashish Arya	Member

3	IT Strategy Committee	Mr. Yogendra Pal Singh	Chairman
		Mrs. Rekha Kashyap	Member
		Mr. Vineet Kumar Saxena	Member
		Mr. Manish Gupta	Member

Meetings

S. No.	Name of Committee	No. of Meetings	Date of Meetings
1	Investment Committee (IC)	5	May 26, 2021
			August 13, 2021
			November 9, 2021
			November 25, 2021
			February 12, 2022
2	Asset-Liability Committee (ALCO)	4	May 21, 2021
			August 13, 2021
			October 26, 2021
			February 14, 2022
3	IT Strategy Committee (IT)	2	May 3, 2021
			October 26, 2021

Members Attendance in the above Committees

Name of Director/ Member	IC	ALCO	IT
Dr. Harsh Kumar Bhanwala	5/5	4/4	-
Mr. Keshav Porwal	5/5	4/4	-
Mr. Vinod Somani	-	4/4	-
Mr. Yogendra Pal Singh	-	-	2/2
Mr. Vineet Kumar Saxena	3/3^	-	- *
Mrs. Rekha Kashyap	-	-	2/2
Mr. Ashish Arya	-	1/1@	
Mr. Manish Gupta	-	-	2/2
Mr. Neeraj Toshniwal	-	4/4	-

^ Mr. Vineet Kumar Saxena was appointed as a member of the Investment Committee w.e.f. November 6, 2021

* Mr. Vineet Kumar Saxena was appointed as a member of the IT Strategy Committee w.e.f. November 11, 2021

@ Mr. Ashish Arya was appointed as a member of the Asset-Liability Committee w.e.f. November 11, 2021

4. REMUNERATION PAID TO DIRECTORS

Details of remuneration paid to all the Directors of the Company for the Financial Year 2021-22 is as under:

(INR 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	-	166.25	25.05	-	-	191.30
2.	Mr. Vinod Somani	9.20	-	-	-	-	9.20
3.	Mr. Yogendra Pal Singh	8.85	-	-	-	-	8.85
4.	Mr. Malay Mukherjee	2.70	-	-	-	-	2.70
5.	Mrs. Rachna Dikshit	8.50	-	-	-	-	8.50
6.	Mr. Subhash Chander Kalia	6.75	-	-	-	-	6.75
7.	Mr. Keshav Porwal	-	125.00	0.40	-	-	125.40

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.	Mr. Keshav Porwal, Managing Director	5 years	November 27, 2017	3 Calendar months

Appointments of Executive Directors are governed by the resolution 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 resolution(s) governing the appointment of Executive Directors. The remuneration paid to Executive Directors of the Company are 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 period under review, 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 ("AGM")

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

Sr. No.	Year of AGM	Place	Date & Time	Brief description of Special Resolution(s) passed, if any
1.	2021	Video Conferencing/ Other Audio Visual Means	September 28, 2021 10:30 A.M.	i) alteration in Memorandum of Association of the Company to amend the Object Clause.
2.	2020	Video Conferencing/ Other Audio Visual Means	September 28, 2020 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.
3.	2019	The Magnolia Habitat World, India Habitat Centre, Lodhi Road, New Delhi – 110003	September 27, 2019 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.

Extra-ordinary General Meeting

No Extra-ordinary General Meeting was held during the financial year ended on March 31, 2022.

Postal Ballot

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

Date of Postal Ballot notice	: May 26, 2021
Voting period	: June 3, 2021 to July 2, 2021
Date of approval	: July 2, 2021
Date of declaration of results	: July 3, 2021

S. No.	Particulars	No. of votes with assent	% of Assent to total votes casted	No. of votes with Dissent	% of Dissent to total votes casted
1.	Approval for raising funds by way issuance of debt securities	73225747	100.00	3	0.00
2.	Approval for amendment in Memorandum of Association of the Company	73225747	100.00	3	0.00
3.	Approval for amendment in Articles of Association of the Company	73225747	100.00	3	0.00
4.	Approval for appointment of Mrs. Rachna Dikshit as Woman Independent Director of the Company	73225747	100.00	3	0.00
5.	Approval for appointment of Mr. Subhash Chander Kalia as an Independent Director of the Company	73225747	100.00	3	0.00

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

6. MEANS OF COMMUNICATION

Information like quarterly / half yearly / annual financial results and press releases on significant developments in the Company that have been made available from time to time, to the press and presentations made to institutional investors or to the analysts are hosted on the Website of the Company at www.capitalindia.com and have also been submitted to BSE Limited, the stock exchange where the securities of the Company are listed. The extract of quarterly, half yearly and annual financial 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 Act, read with the rules made thereunder and pursuant to the provisions of Listing Regulations, and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("**PIT 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 every 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 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 hereby declare that all the members of the Board and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for the financial year ended on March 31, 2022.

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

Date: April 30, 2022
Place: Mumbai

Keshav Porwal
Managing Director

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) **Separate posts of Chairperson and the Managing Director or the Chief Executive Officer**

The Company has appointed separate persons to the post of Chairperson, Managing Director and the Chief Executive Officer of the Company as under:

S. No.	Name	Designation
1.	Dr. Harsh Kumar Bhanwala	Chairman
2.	Mr. Keshav Porwal	Managing Director
3.	Mr. Vineet Kumar Saxena	Chief Executive Officer

B) **Unqualified financial statements**

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

C) **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**

Date & Day	September 23, 2022 & Friday
Time	09:30 A.M.
Venue	Through Video Conferencing (VC) or Other Audio Visual Means (OAVM) Deemed venue: 2nd Floor, DLF Centre, Sansad Marg, New Delhi – 110001

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 INR 77.73 lakhs (previous year INR 77.73 lakhs) is proposed on the Equity Shares of the Company having face value of INR 10 (Indian Rupees Ten only) each. The recommended dividend will be accounted for, when approved by the shareholders at this AGM. Date of payment of dividend would be within 30 days from the date of AGM.

E) **Listing of Securities on Stock Exchange & Payment of Listing Fees**

The Company's Equity Shares and Debentures are listed at BSE Limited ("**BSE**"), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001

Annual Listing Fees for the financial year 2021-22 have been duly paid to BSE.

F) **Scrip code:**

Equity Shares: 530879

Non-Convertible Debentures:

S. No.	Name of Debenture Holder	No. of NCD's 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 Limited

(formerly KFin Technologies Private Limited)

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

Serilingampally, Hyderabad, Rangareddi, Telangana 500 032

Toll Free No.: 1800-309-4001

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, 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 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, if any, is placed on quarterly basis at the Board meetings.

I) **Distribution of Shareholding**

The shareholding distribution of equity shares as on March 31, 2022, is given hereunder:

Shareholding between	No. of shareholders	% of Total	Total Shares	Amount (INR in Lakhs)	% of Amount
1 to 10,000	1,200	98.52	3,73,983	37,39,830	0.48
10,001 to 20,000	5	0.41	77,578	7,75,780	0.10
20,001 & above	13	1.07	7,72,82,699	77,28,26,990	99.42
Total	**1,218**	**100.00**	**7,77,34,260**	**77,73,42,600**	**100.00**

J) **Dematerialisation of Shares and Liquidity**

As on March 31, 2022, the number of equity shares held in dematerialised form was 7,75,44,920 (99.76%) and in physical form was 1,89,340 (0.24%) 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 the Annual Financial Statements of the Company for the financial year 2021-22.

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, 2022, the Company has resolved investors complaints satisfactorily. There was no pending investor complaint as on March 31, 2022.

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, 2022.

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 its business activities from various branch 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: www.capitalindia.com
Corporate Office:
Level - 20, Birla Aurora, Dr. Annie Besant Road, Worli, Mumbai - 400030
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 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. During the period under review, No penalties or strictures have been imposed on the Company by the Stock Exchange(s), SEBI or other statutory authorities relating to the above except a communication from Stock Exchange for payment of penalty on account of non-compliance of Regulation 52 and 54 of Listing Regulations due to certain disclosure being not made with respect to debentures issued by the Company. The Company has promptly made requisite submission and also made a request to Stock Exchange for waiver of the said penalty and the same is pending for consideration and disposal.

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. Separate posts of Chairperson and the Managing Director or the Chief Executive Officer – The Company has appointed separate persons to the post of Chairperson, Managing Director and the Chief Executive Officer of the Company.

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

   iii. 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 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, 2022.

g) The details of the total fees paid during the financial year 2021-22, for the services availed by the Company and its subsidiaries, on a consolidated basis, to Deloitte Haskins & Sells LLP, Chartered Accountants (the erstwhile Statutory Auditors of the Company) and Singhi & Co. Chartered Accountants (the 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:

(INR in Lakhs)

Name of the Statutory Auditors	**Deloitte Haskins & Sells LLP**	**Singhi & Co.**
Auditor's remuneration (net of GST credit availed)		
Audit fees	1.75	15.69
Taxation matters (Tax audit fees)	-	1.64
Certification & other services	-	1.42
Total	**1.75**	**18.75**

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 all 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, 2022.

i) Disclosure by the Company and its subsidiaries of the Loans and advances in the nature of loans to firms/companies in which Directors are interested, as on March 31, 2022:

Loans & Advances by the Company: **(INR in Lakhs)**

Sl. No.	Name of the Firm/Company	Amount of Loans/Advances
1	Capital India Home Loans Limited	1000

Loans & Advances by the Subsidiary(ies) : NIL

Sl. No.	Name of the Firm/Company	Amount of Loans/Advances (in INR)
-	-	-

S) **Credit Rating**

During the period under review, the Company has been rated 'A-' by Acuite Ratings and Research Limited (Rating Agency) for raising Long term debt of upto INR 775 Crore and Non-Convertible Debentures of INR 150 Crore. The Rating Agency has during the period under review, improved the rating outlook from negative to stable on the Long-Term rating. Further the Company has been rated 'A2+' for raising Short-Term debt of INR 25 Crore.

T) **Equity Shares in the Suspense Account**

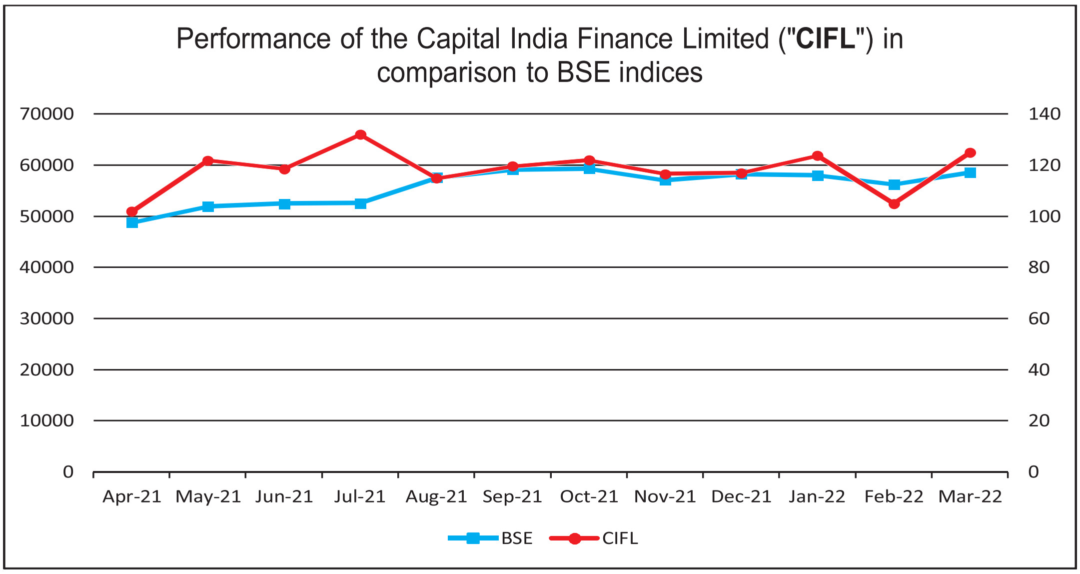
There were no outstanding equity shares in the Unclaimed Suspense account of the Company, as on March 31, 2022.

U) **Stock Market Price at BSE Limited (BSE)**

The monthly high and low market prices of equity shares at BSE Limited (BSE) for the year ended on March 31, 2022, are as under:

Month	High Price (INR)	Low Price (INR)	No. of Shares Traded
Apr-21	141.00	77.20	63,947
May-21	122.70	96.90	24,821
Jun-21	127.80	107.50	41,871
Jul-21	149.70	111.25	91,397
Aug-21	137.85	109.00	20,133
Sep-21	124.90	111.25	18,133
Oct-21	131.40	111.70	22,759
Nov-21	144.95	115.05	25,493
Dec-21	135.00	101.70	73,491
Jan-22	144.60	116.55	26,627
Feb-22	129.00	93.35	37,583
Mar-22	130.00	92.60	24,050

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's being re-appointed is being disclosed in the Notice convening the 28th AGM 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 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 and 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, 2022 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 Director	DIN	Designation	Date of appointment in Company
1.	Dr. Harsh Kumar Bhanwala	06417704	Chairman	06/08/2020
2.	Mr. Keshav Porwal	06706341	Managing Director	27/11/2017
3.	Mr. Vinod Somani	00327231	Independent Director	20/12/2017
4.	Mr. Yogendra Pal Singh	08347484	Independent Director	13/02/2019
5.	Mrs. Rachna Dikshit	08759332	Independent Woman Director	30/09/2020
6.	Mr. Subhash Chander Kalia	00075644	Independent Director	26/05/2021

Ensuring the eligibility 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: A021227D000245429

Date: April 30, 2022
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 **Capital India Finance Limited** ("**the Company**") for the year ended on 31st March 2022, as stipulated under Regulations 17 to 27, 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 under Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraph C, D and E of Schedule V of the Listing Regulations during the year ended 31st March 2022.
6. We state that such compliance is neither an assurance as to the future viability to 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: A021227D000245431

Date: April 30, 2022
Place: New Delhi

CEO & CFO CERTIFICATE

To,

The Shareholders and Board of Directors,

Capital India Finance Limited

Sub: Certificate under Regulation 17(8) and Regulation 33(2)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, for the financial year ended on March 31, 2022

We, Vineet Kumar Saxena, Chief Executive Officer and Neeraj Toshniwal, Chief Financial Officer of Capital India Finance Limited ("**Company**"), to the best of our knowledge and belief, certify that:

A. We have reviewed the financial statements and cash flow statements for the financial year ended March 31, 2022 (both standalone and consolidated basis) ("**Financial Results**") and to the best of our knowledge and belief:

   i. these financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and

   ii. these financial 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 ended March 31, 2022 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 financial statements.

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.

Vineet Kumar Saxena
Chief Executive Officer

Neeraj Toshniwal
Chief Financial Officer

Date: April 30, 2022
Place: Mumbai

Form No. MR-3
SECRETARIAL AUDIT REPORT

For the Financial Year ended on 31st March 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and rule no. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
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, 2022 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, 2022 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 and Sweat Equity) Regulations, 2021;

    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, 2021 (**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 based on the discussion with the heads of the Department:

    a) Employees Provident Fund and Miscellaneous Provisions Act, 1952 and provisions of Employees' 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 (Regulation of Employment and Condition of Service) Act, 2017;

    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) Regulations, 2015.

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

During the period under review BSE Limited ("**BSE**") has levied a fine of INR 25,000 (Indian Rupees Twenty Five Thousand only) on each violation on the ground of Non-disclosure of line items prescribed under Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") along with the half yearly / annual financial results; and Non-disclosure of extent and nature of security created and maintained with respect to secured listed NCDs in the financial statements in accordance with Regulation 54(2) of the Listing Regulations. The Company on receipt of email communications from BSE, has immediately acted upon and submitted the required information/data with BSE. Also, the Company vide its letter dated December 16, 2021 has submitted request with BSE for waiver of penalties imposed upon the Company by BSE. The request of the Company is under consideration with BSE.

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, were 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), we 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.:

- Alteration of Memorandum of Association and Articles of Association of the Company.
- Approval for raising of funds of upto INR 1000,00,00,000/- (Indian Rupees One Thousand Crores only) by way of issue of non-convertible debentures and other debt securities.
- The Company has granted 10,47,000 (Ten Lakh Forty Seven Thousand) employee stock options exercisable into not more than 10,47,000 (Ten Lakh Forty Seven Thousand) equity shares of the Company of face value of INR 10/- (Indian Rupees Ten only) each pursuant to the CIFL Employee Stock Option Plan, 2018.

For Arun Gupta & Associates

Arun Kumar Gupta
Company Secretary
ACS: 21227
C.P. No. 8003
ICSI Unique Code: I2008DE626100
UDIN: A021227D000245418

Date: April 30, 2022
Place: New Delhi

Note 1: 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)

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: 21227
C.P. No. 8003
ICSI Unique Code: I2008DE626100
UDIN: A021227D000245418

Date: April 30, 2022

Place: New Delhi

Form No. MR-3
SECRETARIAL AUDIT REPORT

For The Financial Year Ended on 31st March 2022

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

To,
The Members,
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, 2022 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, 2022 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 to the Company during the Audit Period)**

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

iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, wherever applicable;

v) Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**'); **(Not applicable to the Company during the Audit Period);**

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

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;

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 to the Company during the audit period.

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 has made the following allotment of equity shares:

(Amount in INR)

Sl. No.	Date of Allotment	Number of Share	Value per Share	Total Amount Paid-up
1	13/08/2021	1,10,000	10/-	11,00,000
2	28/08/2021	1,50,00,000	10/-	15,00,00,000

(ii) The Company has granted 31,06,721 (Thirty One Lakhs Six Thousand Seven Hundred Twenty one) employee stock options exercisable into not more than 31,06,721 (Thirty One Lakhs Six Thousand Seven Hundred Twenty one) equity shares of the Company of face value of INR 10/- (Indian Rupees Ten only) each pursuant to the CIHL Employee Stock Option Plan, 2018.

For Arun Gupta & Associates

Arun Kumar Gupta
Company Secretary
ACS: 21227
C.P. No. 8003
UDIN: A021227D000193366

Date: 23.04.2022
Place: New Delhi

Note 1: 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: 21227
C.P. No. 8003
UDIN: A021227D000193366

Date: 23.04.2022
Place: New Delhi

FORM NO. MR – 3
UDIN: A038662D000208304
Secretarial Audit Report
For the Financial Year ended on 31st March, 2022

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

To,
The Members,
Rapipay Fintech Private Limited
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 **Rapipay Fintech Private Limited** (hereinafter called the **Company**). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022, generally 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 March 31, 2022 and made available to me, according to the provisions of:

i. The Companies Act, 2013 ("**the Act**") and the rules made thereunder;
ii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
iii. The Payment and Settlement Systems Act, 2007;
iv. Master Directions on Prepaid Payment Instruments, 2021 (PPIs);
v. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings (no event took place during the relevant financial year);

For the compliances of Labour Laws & other General Laws, our examination and reporting is limited based on the documents, records and files as produced and shown to us and the information and explanations as provided to us, by the officers and management of the Company and to the best of our judgment and understanding of the applicability of the different enactments upon the Company, in our opinion there are adequate systems and processes exist in the Company to monitor and ensure compliance with applicable General laws and Labour Laws.

We have also examined compliance with the applicable clauses of the Secretarial Standard on Meetings of the Board of Directors and on General Meetings issued by the Institute of Company Secretaries of India, with which the Company has generally complied with. Further, the Company was generally regular in filing of e-forms with the Registrar of Companies.

We have checked the compliance management system of the Company to obtain reasonable assurance about the adequacy of systems in place to ensure compliance of specifically applicable laws and this verification was done on test basis. In our opinion and to the best of our information and according to explanations given to us, we believe that the compliance management system of the Company seems adequate to ensure compliance of laws specifically applicable to the Company.

We further report that, the compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts have not been reviewed in this audit since the same have been subject to review by the statutory financial auditors, tax auditors, and other designated professionals.

We further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

We further report that, based on the information provided and the representation made by the Company and also on the review of the compliance certificates / reports taken on record by the Board of Directors of the Company, in my opinion there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I report further that, during the audit period following are the specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc. having a major bearing on the Company's affairs.

1. During the year 22,11,696 (Twenty Two Lakhs Eleven Thousand Six Hundred and Ninety Six) equity shares having face value of INR 10 (Indian Rupees Ten only) each, at an issue price of INR 496 (Indian Rupees Four Hundred and Ninety Six only) including a premium of INR 486 (Indian Rupees Four Hundred and Eighty Six only) each, aggregating to INR 109,70,01,216 (Indian Rupees One Hundred Nine Crores Seventy Lakhs One Thousand Two Hundred Sixteen only) on a private placement basis have been allotted to the investors.

2. During the year, the Company has granted 18,96,908 (Eighteen Lakhs Ninety Six Thousand Nine Hundred Eight) employee stock options under "Rapipay Employee Stock Option Plan 2020" exercisable into not more than 18,96,908 (Eighteen Lakhs Ninety Six Thousand Nine Hundred Eight) equity shares of the Company at an exercise price of INR 100 (Indian Rupees One Hundred only).

For Manish K & Associates
Company Secretaries
Firm Registration number P2016DE087200

Vinita Rani
Partner
ACS: 38662 C.P.No: 14678
UDIN: A038662D000208304

Place: Delhi
Date: 26-04-2022

This report is to be read with Annexure A which forms an integral part of this report.

Annexure A

To,
The Members,
Rapipay Fintech Private Limited

My report is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management. My examination was limited to the verification of procedure 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 Manish K & Associates
Company Secretaries
Firm Registration number P2016DE087200

Vinita Rani
Partner
ACS: 38662 C.P.No: 14678
UDIN: A038662D000208304

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Capital India Finance Limited ("**Company**") is a systemically important non-deposit taking non-banking financial company, duly registered with the Reserve Bank of India ("**RBI**") under Section 45 IA of the Reserve Bank of India Act, 1934. The Company has been in existence for more than two decades and is focused on providing the various financing solutions to its customers. The Company has diversified lending portfolio across retail, Small and Medium Enterprises (SMEs) and commercial customers with significant presence in urban and rural India.

1. **Industry Structure and Developments:**

Non-Banking Financial Companies ("**NBFCs**") are one of the most critical pillars for financial services in India. NBFCs play an important role in reaching out to a hitherto unserved / underserved segment of the economy and thereby, broad basing the formal lending ecosystem such as Micro, Small and Medium Enterprises (**MSMEs**), microfinance and other retail segments. NBFCs cater to the needs of both retail as well as commercial sectors and, at the same time, develop strong niches with their specialized credit delivery models where banks have found difficult to match the requirements of those segments and having larger players in India. NBFCs play a critical role in supporting economic growth across income levels, sectors as well as geographies, and in doing so, lead to more employment generation and greater wealth creation. NBFCs are harnessing technology to reinvent traditional business models and offer credit facilities in a faster, customised and more convenient way to the underbanked population of India. With the introduction of digital Know Your Customer (**KYC**) process, Video based Customer Identification Process (**V-CIP**) and digital loan agreements that make the borrowing an instant and hassle-free experience, NBFCs have started offering the right financial products to the consumers and the small businesses in a customised manner. The use of technology to optimise business processes also keeps cost overheads to the minimum, enabling credit to be availed at highly competitive interest rates.

In past few years, NBFCs have steadily gained prominence and visibility with NBFCs' credit as proportion of scheduled commercial banks' non-food credit rising sharply during 2014 to 2019. However, the challenging macroeconomic environment, weaker than expected demand, liquidity concerns, and lower investor confidence in the sector, led to a significant moderation in the financial performance in FY 2019-20. While there were green shoots of recovery in the second half of the year. The spread of COVID-19 at the beginning of FY 2020-21, significantly altered the growth outlook. The whole country witnessed a partial restriction and lock down in the first quarter of financial year 2021-22 due to second wave of COVID - 19 which curtailed the hope for economic recovery. However, with the second wave hitting the country and the consistent rise in the number of new infections, there may again be significant disruption in the business operations affecting all segments – retail as well as commercial. The financial services were severely hit during this time, as on one hand, the demand for credit plunged, and on the other hand, the quality of the book worsened. The government and regulators assess and address the economic downslide with various fiscal and monetary policy measures. With the focus on both protecting lives as well as livelihoods through mass vaccinations as well as micro-containment strategy, a faster economic recovery in the second wave is anticipated. Furthermore, the concerted efforts of the government along with the strong participation from private sector should go a long way in effectively handling the pandemic and its after-affects The government and regulators rolled out multiple measures to support the sector, however, most of the NBFCs turned conservative and limiting the growth and focused solely on collections and recovery. The impact on the vulnerable segments was disproportionately more, affecting their ability to generate cash flows and service their loans.

The forex industry is in the evolution stage. RBI has come out with various sandboxes facility to test the outward remittance environment and to give the end users experience a pleasant one.

2. **Opportunities and Threats:**

Opportunities:

NBFCs have played an important role by providing funding to the unbanked sector by catering to the diverse financial needs of the customers. Further, such companies play a critical role in participating in the development of an economy by providing a fillip to transportation, employment generation, wealth creation, bank credit in rural segments and to support financially weaker sections of the society. Emergency services like financial assistance and advisory services are also provided to the customers in the matters pertaining to insurance. Some major opportunities with regards to NBFC's are as under.

a) **Co-Lending: -** One of the key obstacles currently India faces is how to covert liquidity from risk-averse Public Sector Banks into credit to fund the consumption growth. One of the most prominent ways is to lend to NBFCs via co-lending. Co-lending is a very encouraging way of sharing risk, wherein the underlying loan remains in the books of both the Lenders in proportion to their respective share, and the banks also do not lend to the NBFC but to the borrowers directly. The government had ushered a slew of schemes such as co lending, partial guarantee, and onward lending last to last year. The main advantage to NBFCs is getting access to a new set of customers and cheaper funding sources. Co-lending is expected to create considerable amount of synergy for the sector. According to experts, as the economy recovers coupled with pent-up demand, these kinds of models will evolve and grow to fulfil the credit requirements of the priority sector segments. The Company has also entered in co-lending relationships with regional players, which not only spreads out the geographical risk but also provide leverage on the opportunity to enter newer markets and granular customer segment.

b) **Collaboration with FinTech's:** - NBFCs have better access to credit market due to its existing huge customer base. NBFCs also have own credit underwriting, risk management and collection process in place. FinTech's on the other hand with the use of their new-age technologies and digital tools such as AI, machine learning, and data analytics extend customised working capital solutions to the retail segment in India. FinTech's offer superior customer experience through new-age underwriting models, seamless partner integration and real-time loan decisions. This will lead to increased synergies between NBFCs and Fintech's. The Company utilizes Omni Fin for single platform operation support such as risk management, documentation, customer services etc. Perfios / Novel software as a part of AI for analysis of customer banking behaviour. Further, the Company has done collaboration with different FinTech companies for onward lending of unsecured loans to the salaried and self-employed segment and also for offering education loans.

c) **Underserved / Unserved MSME segment: -** MSME contribute significantly to India's Gross Domestic Product, and this is a sector where there is huge potential for growth but limited access to funds from traditional banks and Financial Institutions. There is still a large unbanked population in India who doesn't have access to formal banking channels. NBFCs with wide coverage and deep penetration in rural India can play a pivotal role in serving these areas by partnering with various players. From the total number of MSME's 80% of these companies are under-financed or financed through informal sources. Informal credit ends up being much more expensive than formal debt making it difficult for MSMEs to address accumulated debt burden.

The Company offers a Loan Against Property (LAP), Equipment Finance and Vendor Finance to MSME's to cater their business needs. Currently, the Company has presence in 9 locations which include 7 capital cities of states. Further, the Company has vision to cater services in semi urban and rural area as well and has plans to start with micro-LAP products in semi urban area and intend to start with approx. 20 branches across India to support MSME Segment.

Threats:

(a) NBFCs are now regulated almost in line with the banks. RBI has, time and again, brought in stricter regulatory changes, which may affect the flexibility enjoyed by the NBFCs in terms of the business. The constant and stricter regulatory changes may cause the NBFCs to revise their business models to the considerable extent.

(b) NBFCs are facing stiff competition from the new-age FinTechs which have been rapidly capturing a market share with their technology-heavy low-cost operating models and by setting new standards for customer experience. Such endeavour by the FinTechs may result in changing the customer behaviour and the expectations towards the traditional NBFCs.

(c) Lock down restrictions on account of COVID 19, can result in a deeper economic slowdowns in near future posing threats for our lending institution and may impact disbursals and consequent growth in the portfolio. The economist fraternity have expected a sharp V-shaped recovery in the economy and have projected India's GDP to grow in double digits which will result in increase in credit offtake and consumer spending. With liquidity and strong distribution network, the Company is poised to capitalize on this opportunity and foresee an increase in market share across all segments by introducing new product (Emerging Market – Micro LAP) and tapping deeper markets. Further, the Company has a robust risk management framework with a deep understanding of underwriting and credit controls which will help the Company to mitigate the risk of customer behaviour deterioration in asset quality.

Opportunities and Threats for Forex Business vertical of the Company:

Market is opening up which is a huge opportunity and threats are that Competition is getting stiffer due to large overseas remittance payments companies are setting up base in India to get a share of the growing cross border remittance business out of India.

3. Segment–wise or product-wise performance:

The Company is an India-focused, technology enabled SME finance platform. The Company caters small and medium businesses with customized finance solutions. The Company believes in the Indian growth story and that 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. The financing that serves the latent yet burgeoning demand which is not met by the conventional lenders. The Company intend to be a partner credit institution that seek to provide bespoke financial solutions to Small and Medium Enterprises (SMEs) for their growth and working capital requirements.

The Company primarily focuses on Small and Medium Enterprises (SMEs) 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

The Company provides financial solutions to develop and grow businesses sustainably. The Company understands the credit needs, market dynamics, growth opportunities and business strategy of the customers and tailor its financing solutions to meet their objectives. Through the broad range of SME finance offerings, the Company provides the optimum financing solution for every commercial need. As facilitators of credit, the Company works with organizations to provide finance so that the finest businesses have an opportunity to prosper.

Equipment Finance

The Company provides an access to funds for purchase or/and upgrade of machinery and equipment for SMEs. These loans can be availed for purchase of new or refurbished machinery/equipment at competitive interest rates with fast turnaround time.

Loan Against Property

The Company provides an easy loan against property collateral for various corporate requirements, ranging from debt consolidation to take over of existing facilities. The LAP is a go to product for SMEs for meeting their business needs, which provide for an enhanced focus on collateral valuation and loan serviceability.

Supply Chain Finance / Vendor Finance

Supply Chain Finance product provides a capital to support the credit cycle of the entire value chain at favourable interest rates. These collateral-free loans ensure that the 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 Company finances the existing receivable of a supplier for supplies already made to a large corporate.

Education Loan

The Company provides for an easy and quick access to the loans to the students for pursuing domestic and international courses. This product features the quick sanctioning process, the flexible repayment terms and covers the entire cost for international courses.

Wholesale bank notes

Wholesale bank notes business is the largest topline contributer, with student and travel remittances following up closely.

4. **Outlook:**

Experienced, highly motivated, and dedicated management team

The Company has 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, an Executive Chairman of the Company is Ex-Chairman NABARD and postgraduate in the management from IIM Ahmedabad and has immense experience of financial services sector.

Mr. Keshav Porwal, Managing Director of the Company, has nearly two decades of experience in the financial services and real estate industry. He has worked across all aspects of real estate financing ranging from risk management to new product launches. Keshav has also been involved in the restructuring and re-engineering of medium-sized enterprises in the auto and hospitality sectors

Mr. Vineet Kumar Saxena, Chief Executive Officer of the Company, is a banking and financial services industry veteran and was 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 several 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

The Company maintains a healthy and high-quality loan asset portfolio in synchronization with the institutional philosophy of lending against security and cash flows. The Company has instituted a prudent and comprehensive risk management controls, policies, and procedures that are critical for the long-term sustainable development of the Company. The risk management committee of the Company oversees and monitors the overall credit risk management framework. The credit risk governance framework of the Company comprises of primarily three-units, (i) the business teams, that generates lead; (ii) the credit risk unit, that independently manages the risk, provides the policy guidance, and performs credit analysis, risk reporting and credit monitoring. The credit risk unit of the Company 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. The credit risk governance framework of the Company incorporates the requirement of senior management and credit committee approval, with built-in escalation matrices at pre-defined credit thresholds, which enables the Company to ensure that the high-ticket advances are scrutinised and sanctioned by the senior management.

Our Strategies

Focus on SME segment: SMEs substantially contribute to the growth story of India. As part of portfolio diversification strategy, the Company intends to lend to this fast-growing segment which shall provide for a healthy and diversified portfolio in the books of the Company. The management of the Company has a decade long experience in financial services and understands this segment to lend judiciously.

Leverage on the relationship and experience of our senior management for business growth: As a part of the Company's strategy to keep the growth at steady pace, In the next financial year, the company will enhance its business by establishing more branches and stating the business of Micro LAP which will also cover the semi urban areas of India. The senior management of the Company has a diversified track record that can help the Company in sourcing and identification of suitable customers across industries. The Company believe that the senior management's acumen of the market trends, credit demands and industry developments, would enable the Company to quickly adapt and take advantage of market opportunities.

Outlook for Forex business:

With the markets opening, we see huge opportunity in terms of travel and student remittance businesses. We also want to portray and promote our products on the B2C platform.

5. **Risks and Concerns:**

Risk Management

Risk Management is an integral part of the Company's business strategy with focus on building risk management culture across the organisation. 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 may be faced by the Company, and to follow by stringent policies and procedures to address these risks. An effective risk management forms the core of the business objectives of the Company. The credit risk management process encompasses astute underwriting, structuring & regulatory checks, coupled with appropriate credit and approval delegation, and monitoring of the portfolio at regular interval. Risk team which consists of seasoned professionals continuously monitor risk and suggest early measures to control risk at minimum level. The Company has also established effective risk management systems, policies, and internal controls to address various risks viz, operational risk, liquidity risk, market risk, compliance risk and regulatory risk. The focus on developing sector expertise across the products segments helps the Company to constantly monitor the event risks.

The Risk Management Committee of the Company assists the Board of Directors in addressing various risks, and also discharges duties relating to corporate accountability. The Risk Management Committee reviews the implementation and effectiveness of risk management systems in the Company. It provides for an independent and objective oversight on corporate accountability and risks, and also considers reports of the Audit Committee on all categories of identified risks.

Risks and Risk Response Strategy at Capital India:

Risks	Risk Response Strategy
Risks associated with frauds	• Risks associated with frauds are mitigated through a Fraud Risk Management framework. A Fraud Risk Management Committee comprising representatives of the Senior Management, reviews matter relating to fraud risk, including corrective and remedial actions as regards people and processes.
Credit, Liquidity and Finance Risk	• The Company has Credit Committee consisting of Director, MD and CCO to consider medium and large credit proposals. Smaller proposals are decided at appropriate level as per the approval matrix approved by board. • Also in place are product specific lending policies, credit approval committees and regular monitoring of exposures.
Technology Risk	• Company has implemented tools for mitigating various security risks - restriction of tool access and secured internet access. • Management periodically reviews various technology risks such as protecting sensitive customer data, identity theft, cybercrimes, data leakage, business continuity, access controls, etc.
Compliance Risk	• The Company has implemented business-specific Compliance Manuals, limit monitoring systems and AML/ KYC policies. • To ensure complete involvement in the compliance process, reporting processes have been instituted by heads of all businesses/ zones/area offices and departments, through submission of quarterly compliance reports.

6. **Internal Control System and their adequacy:**

The Company's internal control system is designed to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance with laws and regulations. The internal control system is supported by an internal audit process for reviewing the parameters, adequacy, and efficacy of the Company's internal controls, including its systems, regular front-end and back-end operations, and compliance with regulations and procedures. It lays emphasis to check on the process, the controls and the measures undertaken by the Company to monitor the risks and to check on leakages or frauds.

7. **Financial Performance:**

During the year under review, the Company earned a Profit Before Tax (PBT) of INR 1,494.98 Lakhs in Financial Year 2021-22 as compared to INR 2,925.93 Lakhs in the previous year.

Key Financial Indicators **(In INR Lakhs)**

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Total Income	12,566.12	9,349.51
Total Expenditure	11,071.14	6423.58
PAT	1,166.01	2,045.59
Net worth	57,084.33	55,911.59
Debt to Equity Ratio	1.08	0.41
CRAR	41.08%	63.68%

a. Material developments in Human Resources / Industrial Relations front, including number of people employed:

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 place to attract the best talent from the industry to build a strong foundation.

As on March 31, 2022, the Company has 278 employees.

b. Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor, including:

(i) Debtors Turnover : Not applicable being an NBFC

(ii) Inventory Turnover : Not applicable being an NBFC

(iii) Interest Coverage Ratio : Not applicable being an NBFC

(iv) Current Ratio : Not applicable being an NBFC

(v) Debt Equity Ratio : 1.08

(vi) Operating Profit Margin (%) : Not applicable

(vii) Net Profit Margin (%) : 9.28

c. Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof : Increase in Net Worth is due to Increase in Profit for the Period ended March 31, 2022 of INR 1166.01

INDEPENDENT AUDITORS' REPORT

To

The Members of Capital India Finance Limited

Report on the Audit of Standalone Financial Statements

1. Opinion

We have audited the accompanying Standalone Financial Statements of Capital India Finance Limited (hereinafter referred as "the Company"), which comprise the Balance Sheet as at March 31, 2022, 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 notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the accompanying Standalone Financial Statements gives 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, 2022, the profit [including other comprehensive income], its cash flows and the statement of changes in equity for the year ended on that date.

2. 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 Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities 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 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on Standalone Financial Statements.

3. Emphasis of Matter

We draw attention to Note 50 (g) to the Standalone Financial Statements in which the Company describes the change in reporting of revenue on foreign exchange business and its restatement in previous year.

We draw attention to Note 48 to the Standalone Financial Statements in which the Company describes the uncertainties arising from the COVID 19 pandemic.

Our opinion is not modified in respect of these matters.

4. Other Matter

The comparative financial statements of the Company as stated in Standalone Financial Statements for the year ended March 31, 2021 were audited by the predecessor auditor who expressed an unmodified opinion on those financial statements on May 26, 2021. Accordingly, we, do not express any opinion, as the case may be, on the comparative figures reported in the Standalone Financial Statements.

Our opinion is not modified in respect of this matter.

5. Key Audit Matter

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 year. 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.

Sr. No.	Key audit matters	How our audit addressed the key audit matter
1.	**Expected Credit Loss (ECL) on Loans and Advances** As at March 31, 2022, the carrying value of loan assets measured at amortized cost, aggregated Rs. 91,181.68 Lakhs (net of allowance of ECL of Rs. 1,815.23 Lakhs). The estimation of ECL on financial instruments involves significant judgement and estimates. As part of our risk assessment, we determined that the allowance for ECL on loan assets has a high degree of estimation uncertainty, with a potential range of reasonable outcomes for the financial statements. The elements of estimating ECL which involved increased level of audit focus are the following: a) Data inputs - The application of ECL model requires several data inputs.	**Our Audit Approach:** Our audit approach was a combination of test of internal controls and substantive procedures which included the following: a) testing the design and effectiveness of internal controls over the following: • key controls over the completeness and accuracy of the key inputs, data and assumptions into the Ind AS 109 impairment models. • key controls over the application of the staging criteria consistent with the definitions applied in accordance with the policy approved by the Board of Directors including the appropriateness of the qualitative factors. • management's controls over authorisation and calculation of post model adjustments and management overlays to the output of the ECL model.

	b) Model estimations – Inherently judgmental models are used to estimate ECL which involves determining Probabilities of Default (“PD”), Loss Given Default (“LGD”), and Exposures at Default (“EAD”). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgmental aspect of the Company’s modelling approach. c) Qualitative and quantitative factors used in staging the loan assets measured at amortized cost. d) Economic scenarios – Ind AS 109 requires the Company to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them especially when considering the current uncertain economic environment arising from ongoing COVID-19 pandemic. e) Adjustments to model driven ECL results to address emerging trends. Refer Note 6 of the Standalone Financial Statements.	b) Also, for a sample of ECL allowance on loan assets tested: • we test checked over key inputs, data and assumptions impacting ECL calculations to assess the completeness, accuracy and relevance of data; and • we tested the mathematical accuracy and computation of the allowances by using the same input data used by the Company. c) evaluated the adequacy of the adjustment after stressing the inputs used in determining the output as per the ECL Model, including management overlays. d) evaluated the management judgement, governance process and review controls and discussed the process and assumptions for identification of provisioning for ECL on loans with senior management including Chief Executive Officer, Chief Financial Officer and Head of Credit and Risk e) assessed the updated model methodology by evaluating the changes for models which were changed or updated during the year. f) assessed reasonableness of the Company’s considerations of the impact of the current ongoing economic environment due to COVID-19 on the ECL determination. g) assessed the disclosures included in the Financial Statements in respect of expected credit losses
2.	**Information Technology (IT) Systems and Controls** The Company’s key financial information are highly dependent on the automated controls over the Company’s information systems, such that there exists a risk that gaps in the IT general control environment could result in a misstatement of the financial accounting and reporting records. Accordingly, we have considered user access management, segregation of duties and controls over system change over key financial accounting and reporting systems, as a key audit matter.	**Our Audit Approach:** Our audit approach was a combination of test of internal controls and substantive procedures which included the following: **General IT controls design, observation and operation:** • tested key controls operating over the information technology in relation to financial information, including system access and system change management, program development and computer operations. **User access controls operation:** • obtained management’s evaluation of the access rights granted to applications relevant to financial accounting and reporting systems and tested resolution of a sample of expectations. • assessed the operating effectiveness of controls over granting, removal and appropriateness of access rights. **Application controls:** • tested the design and operating effectiveness of automated controls critical to financial accounting and reporting. • tested the design and operating effectiveness of compensating controls for any identified deficiencies and where necessary, extended the scope of our substantive audit procedure. • considered the reports issued by the professional consultants with respect to Information Systems (IS) Audit and IT Infrastructure of the Company

6. Information other than the Financial Statements and Auditor’s report thereon

The Company’s Board of Directors is responsible for the other information. The other information comprises of the information included in the Annual report, but does not include the Standalone Financial Statements and our auditor’s report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance or 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 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.

7. Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

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

In preparing the Standalone Financial Statements, Company's Board of Directors 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.

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

8. Auditors' Responsibilities 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on auditing 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 Standards on auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

i. 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.

ii. 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.

iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

iv. 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 Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

v. 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 the misstatement in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in; (i) planning the scope of our audit work and evaluating the results of our work; and (ii) to evaluate the effects of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

9. Report on Other Legal and Regulatory Requirements

i. As required by the Companies (Auditor's report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

ii. 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 purpose 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 Standalone Balance Sheet, Standalone Statement of Profit and Loss including Other Comprehensive Income, the Standalone Statement of Cash Flow and the Standalone Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   d. In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

   e. On the basis of written representations received from the directors as on March 31, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, 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 with reference to the Standalone Financial Statements of the Company and the operating effectiveness of such controls, we request you to refer to our separate Report in "Annexure B" to this report.

g. With respect to the matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, in our opinion, and to the best of our information and according to the explanations given to us, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance of provisions of Section 197 read with Schedule V to the Act..

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 as at the the reporting date;

ii. The Company does not have any material foreseeable losseson long-term contracts hence disclosure is not made;

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

iv.(a)The Management has represented that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 14A (c) to Standalone Financial Statements);

(b) The Management has represented that no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 14A (c) to Standalone Financial Statements); and

(c) Based on audit procedures that have been considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. As stated in Note 30 to the Standalone Financial Statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

For Singhi & Co.
Chartered Accountants
Firm Registration No.: 302049E

Milind Agal
Partner
Membership No. 123314
UDIN: 22123314AJXUYP2735

Place: Mumbai
Date: April 30, 2022

Annexure A to the Independent Auditors' Report of even date on the Standalone Financial Statements of Capital India Finance Limited

Referred to in paragraph [9(i)] under Report on Other Legal and Regulatory Requirements of our report of even date

According to the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) a) A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment. and relevant details of Right-of-use Assets.

B) The Company has maintained proper records showing full particulars including quantitative details and situation of Intangible Assets.

b) As per information and explanations given to us the Property, Plant and Equipment and Right-of-Use Assets have been physically verified by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable having regard to the size of the operations of the Company and on the basis of explanations received no material discrepancies were noticed during the verification.

c) According to the information and explanations given to us the Company do not have any immovable property.

d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or Intangible Assets during the year.

e) According to the information and explanations given to us, no proceedings have been initiated or is pending against the Company during the year for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) a) The Company primarily engaged in lending business. Accordingly, it does not hold any inventories. Thus paragraph 3(ii)(a) of the Order is not applicable to the Company.

b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Basis the information and explanation provided to us and basis our audit procedures undertaken, we have not come across any difference between the information submitted in the quarterly returns / statements filed by the company with such banks or financial institutions when compared with the books of account and other relevant information provided by the Company.

(iii) a) The Company is primarily engaged in lending activities and hence reporting under paragraph 3(iii)(a) of the Order is not applicable to the Company.

b) Considering that the Company is a Non – Banking Finance Company, the investments made, security given, guarantees provided and the terms and conditions of the grant of all loans and advances in the nature of loans are not prima facie prejudicial to the Company's interest.

c) In respect of the loans given and advances in the nature of loans, the Company has stipulated the schedule of repayment of principal and payment of interest. However, given the nature of business of the Company being a Non – Banking Finance Company, there are some cases during the year and as at March 31, 2022 wherein the amounts were overdue vis-à-vis stipulated terms.

d) In respect of loans granted and advances in the nature of loans provided by the Company by the Company, there is no overdue amount for more than ninety days as at the Balance Sheet date except for the following cases as on March 31, 2022:

Number of Cases	Principal Amount Overdue	Interest Amount Overdue	Total Amount Dues
19	201.62	10.05	211.67

Further, basis discussions with the management and representation given by the management, we understand that the reasonable steps have been taken by the Company for recovery of the principal and interest.

e) The Company is engaged primarily in lending activities and hence reporting under paragraph 3(iii)(e) of the Order is not applicable to the Company.

f) Basis the information and explanations provided to us, we did not come across loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment. Thus, reporting under paragraph 3(iii)(f) of the Order is not applicable to the Company.

(iv) Section 185 is not applicable to Non – Banking Finance Company. According to the information and explanations given to us, the Company has complied with Section 186 of the Act.

(v) According to the information and explanation given to us, the Company has not accepted any deposit during the year. Therefore, reporting under paragraph 3 (v) of the Order is not applicable to the Company.

(vi) The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Act for the business activities carried out by the Company. Thus, reporting under paragraph 3(vi) of the Order is not applicable to the Company.

(vii) In respect of Statutory dues:

a) The Company has generally been regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, goods and service tax, cess and other material statutory dues applicable to it to the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax, wealth tax, duty of customs, duty of excise and value added tax.

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 which were outstanding, at the year end, for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us and on the basis of our examination of the records, there are no dues of provident fund, employees' state insurance, Income Tax and goods and services tax that have not been deposited on account of any dispute.

(viii) According to the information and explanations given to us, there are no transactions which have not been recorded in the books of account but have been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) a) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in the payment of interest thereon to any lender.

b) Basis the information and explanation provided to us, the Company has not been declared a wilful defaulter by any bank or financial institution or other lender.

c) According to the information and explanations given to us and to the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained, other than temporary deployment pending application of proceeds.

d) On an overall examination of the financial statements of the Company, funds raised on short-term basis do not seem to have used during the year for long-term purposes.

e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of subsidiaries, associates or joint ventures.

f) According to the information and explanation given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, associates or joint ventures.

(x) a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under paragraph 3 (x)(a) of the Order is not applicable to the Company.

b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under paragraph 3 (x)(b) of the Order is not applicable to the Company.

(xi) a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Standalone Financial Statements and according to the information and explanations given by the management, there have been no instances of fraud on or by the Company.

b) According to the information and explanations given to us and to the best of our knowledge, no report under sub-section (12) of section 143 of the Act has been filed in Form ADT- 4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

c) According to the information and explanations given to us the Company has not received any whistle blower complaints during the year.

(xii) The Company is not a nidhi company and hence reporting under paragraph 3 (xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the Standalone Financial Statements, as required by the applicable accounting standards.

(xiv) a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

b) We have taken into consideration, the internal audit reports for the period under audit issued to the Company till the date while determining the nature, timing and extent of audit procedures.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them as referred to in section 192 of the Act. Thus, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) a) According to the information and explanation given to us, the Company is required to be registered under section 45-IA of the Reserve Bank of India (RBI) Act, 1934 as Authorized Dealer II and the registration has been obtained.

b) The Company is a registered Non Banking Finance Company and holds a valid Certificate of Registration (CoR) from the Reserve Bank of India and hence reporting under paragraph 3(xvi)(b) of the Order is not applicable to the Company.

c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence reporting under paragraph 3 (xvi)(c) of the Order is not applicable.

d) According to the information and explanations given to us, there is one CIC in the Group. Capital India Corp LLP, Promoter of the Company has been converted from LLP to Private Limited Company i.e. Capital India Corp Private Limited ("CICPL") and falls within the definition of CIC as defined in the Master Directions issued in this regard by Reserve Bank of India with effect from March 14, 2022. CCIPL is in the process of marking the required application for registration as CIC with Reserve Bank of India within the permissible timelines.

(xvii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been a resignation of the Statutory Auditors during the year by virtue of RBI Circular no. RBI/2021-22/25 Ref. No. DoS. CO. ARG/SEC.01/08.91.001/2021-22 dated August 13, 2021, relating to Guidelines for appointment of Statutory Auditors and no issue, objection or concern was raised by the outgoing auditor.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount on account of ongoing projects or other than ongoing projects for the year requiring a transfer to a Fund specified in Schedule VII to the Act or special account in compliance with the provision of sub-section (6) of section 135 of the Act.

(b) According to the information and explanations given to us, no amount is remaining unspent under sub-section (5) of section 135 of the Act, pursuant to any ongoing project, which is required to be transferred to special account in compliance with the provision of sub-section (6) of section 135 of the Act.

For Singhi & Co.
Chartered Accountants
Firm Registration No.: 302049E

Milind Agal
Partner
Membership No. 123314
UDIN: 22123314AJXUYP2735

Place: Mumbai
Date: April 30, 2022

Annexure B to the Independent Auditors' Report of even date on the Standalone Financial Statements of Capital India Finance Limited

Referred to in paragraph [9(ii)(f)] under Report on Other Legal and Regulatory Requirements of our report of even date

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

1. **Opinion**

   We have audited the internal financial controls over financial reporting with reference to the Standalone Financial Statements of Capital India Finance Limited ("the Company") as at March 31, 2022 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

   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 were operating effectively as at March 31, 2022 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 ("the Guidance Note") issued by the Institute of Chartered Accountants of India.

2. **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" (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

3. **Auditors' Responsibility**

   Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

4. **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:

   (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

   (ii) 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

   (iii) 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.

5. **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.

For Singhi & Co.
Chartered Accountants
Firm Registration No.: 302049E

Milind Agal
Partner
Membership No. 123314
UDIN: 22123314AJXUYP2735

Place: Mumbai
Date: April 30, 2022

Standalone Balance Sheet as at 31st March, 2022

(Currency: Rs. In Lakhs)

	Particulars	Note No.	As at 31st March, 2022	As at 31st March, 2021
	ASSETS			
1	**Financial Assets**			
a	Cash & cash equivalents	3	8,508.70	5,364.14
b	Bank balances other than Cash & cash equivalents	4	1,737.45	1,163.29
c	Receivables			
	(i) Trade Receivables	5	72.39	21.29
	(ii) Other Receivables		-	-
d	Loans	6	89,701.94	54,837.76
e	Investments	7	16,641.51	15,150.51
f	Other financial assets	8	304.74	362.87
2	**Non-financial Assets**			
a	Current tax assets(Net)	9	776.24	491.48
b	Deferred tax asset (Net)	10	598.64	503.04
c	Property, plant and equipment	11	1,260.43	995.60
d	Capital work in progress	11A	0.88	168.57
e	Intangible assets	11B	123.75	175.08
f	Right of use assets	11C	1,701.96	1,505.07
g	Other non-financial assets	12	802.08	417.23
	Total Assets		**1,22,230.71**	**81,155.93**
	LIABILITIES AND EQUITY			
	LIABILITIES			
1	**Financial Liabilities**			
a	**Payables**	13		
I	**Trade Payables**			
	(i) Outstanding dues of micro and small enterprises		10.80	-
	(ii) Outstanding dues of other than micro and small enterprises		601.76	122.36
II	**Other Payables**			
	(i) Outstanding dues of micro and small enterprises		-	-
	(ii) Outstanding dues of other than micro and small enterprises		-	-
b	Debt Securities	14	12,191.26	12,191.26
c	Borrowings	14A	49,342.33	10,519.64
d	Other financial liabilities	15	376.17	237.33
e	Lease liabilities	38	1,813.36	1,600.06
2	**Non-Financial Liabilities**			
a	Provisions	16	624.60	507.90
b	Other non-financial liabilities	17	186.10	65.79
	EQUITY			
	Equity share capital	18	7,773.43	7,773.43
	Other equity	19	49,310.90	48,138.16
	Total Liabilities and Equity		**1,22,230.71**	**81,155.93**

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

For Singhi & Co.
Chartered Accountants
Firm Registration No. : 302049E

Milind Agal
Partner
Membership No. : 123314

Place: Mumbai
Date: 30th April, 2022

For and on behalf of the board
Capital India Finance Limited

Dr. Harsh Kumar Bhanwala
Executive Chairman
DIN : 06417704
Place: Delhi

Keshav Porwal
Managing Director
DIN : 06706341
Place: Mumbai

Neeraj Toshniwal
Chief Financial Officer
Place: Mumbai
Date: 30th April, 2022

Rachit Malhotra
Company Secretary
Place: Delhi

Standalone Statement of Profit and Loss for the year ended 31st March, 2022

(Currency: Rs. In Lakhs)

	Particulars	Note	For the year ended 31st March, 2022	For the year ended 31st March, 2021
	Revenue from operations :			
i	Interest income	20	11,319.20	9,011.86
ii	Fees and commission income		415.77	93.94
iii	Income from Foreign Exchange Services		663.18	159.21
iv	Net gain on fair value changes	21	42.47	83.79
(I)	**Total revenue from operations**		**12,440.62**	**9,348.80**
(II)	Other income	22	125.50	0.71
(III)	**Total income (I+II)**		**12,566.12**	**9,349.51**
	Expenses :			
i	Finance costs	23	3,939.33	1,899.62
ii	Impairment of financial instruments	24	183.04	(101.53)
iii	Employee benefits expenses	25	3,808.05	2,768.24
iv	Depreciation and amortization expenses	11,11A,11B&11C	1,168.34	932.37
v	Others expenses	26	1,972.38	924.88
(IV)	**Total expenses (IV)**		**11,071.14**	**6,423.58**
(V)	**Profit before exceptional items and tax (III-IV)**		**1,494.98**	**2,925.93**
(VI)	Exceptional items		-	-
(VII)	**Profit before tax (V -VI)**		**1,494.98**	**2,925.93**
(VIII)	**Tax Expense:**			
	Current Tax		439.19	759.30
	Deferred Tax(Credit)		(110.22)	121.04
(IX)	**Profit for the year (VII-VIII)**		**1,166.01**	**2,045.59**
(X)	**Other Comprehensive Income**			
	Items that will not be reclassified to profit or loss			
	Re-measurement of net defined benefit plan		58.10	26.75
	Income tax impact on above		(14.62)	(6.73)
	Total Other Comprehensive Income		**43.48**	**20.02**
(XI)	**Total Comprehensive Income for the year (IX+X)**		**1,209.49**	**2,065.61**
(XII)	**Earnings per equity share**	27		
	Basic (Rs)		1.50	2.63
	Diluted (Rs)		1.49	2.60

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

For Singhi & Co.
Chartered Accountants
Firm Registration No. : 302049E

Milind Agal
Partner
Membership No. : 123314

Place: Mumbai
Date: 30th April, 2022

For and on behalf of the board
Capital India Finance Limited

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DIN : 06417704
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Keshav Porwal
Managing Director
DIN : 06706341
Place: Mumbai

Neeraj Toshniwal
Chief Financial Officer
Place: Mumbai
Date: 30th April, 2022

Rachit Malhotra
Company Secretary
Place: Delhi

Standalone Statement of Cash Flow for the year ended 31st March, 2022

(Currency: Rs. In Lakhs)

	Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
A)	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Profit before exceptional items and taxes	1,494.98	2,925.93
	Adjustments to reconcile profit before tax to net cash flows:		
	Add : Non-cash expenses		
	Depreciation and amortisation expenses	1,168.34	932.37
	Provision for employee benefits	39.66	404.69
	Share based payments to employees	40.98	(34.07)
	Interest on Lease liability	245.46	133.97
	Interest income on Lease rental deposits	(28.30)	(16.12)
	Impairment on financial instruments	183.04	(101.53)
	Loss on derecognition of property plant & equipment	174.45	4.43
	Less : Income/expense considered separately		
	Profit on lease cancellation	(125.36)	-
	Finance cost	3,693.87	-
	Operating profit before working capital changes	**6,887.12**	**4,249.67**
	Changes in -		
	(Increase) / Decrease in loans and advances	(35,047.22)	(5,327.17)
	(Increase) / Decrease in trade and other receivables	(51.10)	(2.06)
	(Increase) / Decrease in other financial assets	86.43	(1,337.64)
	(Increase) / Decrease in other non-financial assets	(368.84)	(150.90)
	Increase / (Decrease) in trade payables	490.20	47.34
	Increase / (Decrease) in other financial liabilities	138.84	1,178.53
	Increase / (Decrease) in other non-financial liabilities	120.31	3.22
	Increase / (Decrease) in provision	135.14	-
	Cash used in operations	**(27,609.12)**	**(1,339.01)**
	Income tax paid	(723.95)	(1,470.66)
	Net Cash (used in) operating activities (A)	**(28,333.07)**	**(2,809.67)**
B)	**CASH FROM INVESTING ACTIVITIES:**		
	Purchase of property, plant and equipment and Intangible assets	(775.44)	(474.66)
	Proceeds from sale of property, plant and equipment	113.83	10.85
	Investment in Subsidiary Company	(1,500.00)	(4,000.00)
	Proceeds from sale of subsidiary Company	9.00	-
	Investment in Fixed Deposits	(73,141.31)	(1,27,541.00)
	Maturity of Fixed Deposits	72,567.15	1,26,380.00
	Net Cash (used in) investing activities (B)	**(2,726.77)**	**(5,624.81)**
C)	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Payment of dividend	(77.73)	(77.73)
	Payment of Lease rent	(846.69)	(532.71)
	Proceeds from borrowings	48,163.76	22,127.14
	Repayment of borrowings	(9,281.06)	(10,977.37)
	Interest payment on borrowings	(3,753.88)	-
	Net cash generated from financing activities (C)	**34,204.40**	**10,539.33**
D)	**Net increase in cash and cash equivalents (A+B+C)**	**3,144.56**	**2,104.85**
E)	**Cash and cash equivalents as at the beginning of the year**	5,364.14	3,259.29
F)	**Cash and cash equivalents as at the end of the year**	**8,508.70**	**5,364.14**

Cash and cash equivalents comprises:

(Currency: Rs. In Lakhs)

	Particulars	As at 31st March, 2022	As at 31st March, 2021
	Cash in hand	31.33	4.77
	Foreign currencies in hand	568.65	39.98
	Balances with banks		
	- in current accounts	7,085.11	2,619.39
	- in deposit accounts	823.61	2,700.00
		8,508.70	**5,364.14**

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 integral part of the Standalone Financial Statements
In terms of our report attached

For Singhi & Co.
Chartered Accountants
Firm Registration No. : 302049E

Milind Agal
Partner
Membership No. : 123314

Place: Mumbai
Date: 30th April, 2022

For and on behalf of the board
Capital India Finance Limited

Dr. Harsh Kumar Bhanwala
Executive Chairman
DIN : 06417704
Place: Delhi

Keshav Porwal
Managing Director
DIN : 06706341
Place: Mumbai

Neeraj Toshniwal
Chief Financial Officer
Place: Mumbai
Date: 30th April, 2022

Rachit Malhotra
Company Secretary
Place: Delhi

Standalone Statement of Changes in Equity for the year ended 31st March, 2022

(Currency: Rs. In Lakhs)

A Equity share capital

	Balance as at 31 March, 2020	**7,773.43**
	Changes in equity share capital during the year	**-**
	Balance as at 31 March, 2021	**7,773.43**
	Changes in equity share capital during the year	-
	Balance as at 31st March, 2022	**7,773.43**

B Other equity

	Particulars	Employee stock option outstanding	Reserves and Surplus					Total
			Statutory reserve	Securities premium	General reserves	Retained earnings	Other comprehensive income	
	Balance as at 31 March, 2020	**92.97**	**887.36**	**42,119.40**	**1.76**	**3,080.86**	**2.00**	**46,184.35**
	Dividend On Equity Share	-	-	-	-	(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**
	Other Comprehensive Income for the year before income tax	**-**	**-**	**-**	**-**	-	26.75	**26.75**
	Less: Income Tax on Other Comprehensive Income	**-**	**-**	**-**	**-**	-	(6.73)	**(6.73)**
	Balance as at 31 March, 2021	**58.90**	**1,296.48**	**42,119.40**	**1.76**	**4,639.60**	**22.02**	**48,138.16**
	Dividend On Equity Share	-	-	-	-	(77.73)	-	**(77.73)**
	Transfer to/from retained earnings	-	233.20	-	-	(233.20)	-	**-**
	Other Additions/Deductions during the year	40.98	-	-	-	-	-	**40.98**
	Profit (loss) for the year after income tax	-	-	-	-	1,166.01	-	**1,166.01**
	Other Comprehensive Income for the year before income tax	-	-	-	-	-	58.10	**58.10**
	Less: Income Tax on Other Comprehensive Income	-	-	-	-	-	(14.62)	**(14.62)**
	Balance as at 31st March, 2022	**99.88**	**1,529.68**	**42,119.40**	**1.76**	**5,494.68**	**65.50**	**49,310.90**

In terms of our report attached

For Singhi & Co.
Chartered Accountants
Firm Registration No. : 302049E

Milind Agal
Partner
Membership No. : 123314

Place: Mumbai
Date: 30th April, 2022

For and on behalf of the board
Capital India Finance Limited

Dr. Harsh Kumar Bhanwala
Executive Chairman
DIN : 06417704
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DIN : 06706341
Place: Mumbai

Neeraj Toshniwal
Chief Financial Officer
Place: Mumbai
Date: 30th April, 2022

Rachit Malhotra
Company Secretary
Place: Delhi

Notes to Standalone Ind AS Financial Statements for the year ended 31st March 2022

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. 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 2022, which have been computed in terms of RBI Press Release 1998-99/1269 dated 8th April 1999. During the FY 2021-22, the Company has also been granted an authorization by RBI to undertake inward cross border money transfer activities in India, through tie-up arrangement with Western Union Financial Services Inc. (Overseas Principal) under Money Transfer Service Scheme ("MTSS"). 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 recognized 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 categorized 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 maximize the use of relevant observable inputs and minimize 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, maximizing the use of relevant observable inputs and minimizing 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 recognized in the year in which the results are known or materialized, 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 recognized 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 Fair value through profit and loss) 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 Fair value through profit and loss are recognized immediately in Statement of Profit and Loss.

A financial asset and a financial liability are offset and presented on net basis in the balance sheet when there is a current legally enforceable right to set-off the recognized amounts and it is intended to either settle on net basis or to realize the asset and settle the liability simultaneously.

b) **Classification and Subsequent measurement of financial assets –**

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

- Amortized cost
- Fair value through other comprehensive income (FVOCI) – debt instruments
- Fair value through other comprehensive income (FVOCI) – equity instruments
- Fair value through profit and loss (FVTPL)

Amortized 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 amortized cost.

Fair value through other comprehensive income - debt instruments - The Company measures its debt instruments at Fair value through other comprehensive income (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 solely payment of principal and interest (SPPI test).

Fair value through other comprehensive income - 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 Fair value through other comprehensive income (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 amortized cost or Fair value through other comprehensive income (FVOCI) are measured at Fair value through profit and loss (FVTPL). This includes all derivative financial assets.

Subsequent measurement of financial assets

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

Debt investment at Fair value through other comprehensive income (FVOCI) is subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognized in Statement of profit and loss. Other net gains and losses are recognized in other comprehensive income (OCI). On derecognition, gains and losses accumulated in other comprehensive income (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 Fair value through other comprehensive income (FVOCI). These selected investments are measured at fair value with gains and losses arising from changes in fair value recognized 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 recognized in Statement of Profit and Loss.

Equity investments that are not designated as measured at Fair value through other comprehensive income (FVOCI) are designated as measured at Fair value through profit and loss (FVTPL) and subsequent changes in fair value are recognized in Statement of Profit and Loss.

Financial assets at Fair value through profit and loss (FVTPL) are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in Statement of Profit and Loss.

c) **Derecognition of financial assets**

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognized when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement, and
- Either -
  (a) The Company has transferred substantially all the risks and rewards of the asset, or
  (b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

  The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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 recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 115.

e) **Off-setting**

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 realize 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 amortized 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 recognized 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 recognized, 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 recognized.

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 recognized 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 recognized 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 presented in the statement of financial position as follows:

- For financial assets measured at amortized cost; as a deduction from the gross carrying amount of the assets;
- For debt instruments measured at FVTOCI; loss allowance is recognized separately in Balance Sheet and the carrying amount is at fair value.

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. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as measured at amortized cost or Fair value through profit and loss (FVTPL). A financial liability is classified as Fair value through profit and loss (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 amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in Statement of Profit or Loss. Any gain or loss on derecognition is also recognized 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 derecognized 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 include 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, unrealized 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-recognized 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 recognized 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 recognized on a pro-rata basis in the Statement of Profit and Loss.

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 are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Direct expenses and administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

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 recognized 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 recognized 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 recognized 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 recognize 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 recognized 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**

Initial recognition: Transactions in foreign currencies are recognized at the prevailing exchange rates between the reporting currency and a foreign currency on the transaction date. On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency (i.e., Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

Measurement of foreign currency items at reporting date:

Foreign currency monetary items of the Company are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured. When any non-monetary foreign currency item is recognised in Other Comprehensive Income, gain or loss on exchange fluctuation is also recorded in Other Comprehensive Income.

Exchange differences arising out of these translations are recognized in the Statement of Profit and Loss.

2.12 **Revenue recognition**

Revenue is recognized 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. Revenue is measured at the fair value of the consideration received or receivable as reduced for estimated customer credits and other similar allowances.

a) **Recognition of Interest income**

Interest income on financial asset at amortized cost is recognized on a time proportion basis taking into account the amount outstanding and the effective interest rate (‘EIR’). Interest Income is recognized in the statement of Profit and Loss using effective interest rate (EIR) on all financial assets subsequently measured under amortized cost or fair value through other comprehensive income (FVCOI) except for those classified as held for trading.

The calculation of EIR includes all fees paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at FVPL transaction costs are recognized in profit or loss at initial recognition.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e., at the amortized 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 amortized cost of the credit-impaired financial assets (i.e., the gross carrying amount less the allowance for ECLs). For financial assets originated or purchased credit-impaired (POCI) the EIR reflects ECLs in determining the future cash flows expected to be received from the financial asset.

Interest income on penal interest and tax refunds is recognized on receipt basis.

Interest income on fixed deposit is recognized 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. Income from consultancy and commission is recognized on completion of relevant activity based on agreed terms of the contract.

c) **Other financial charges**

Cheque bouncing charges, late payment charges and foreclosure charges are recognized on a point-in-time basis, and are recorded when realized 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 recognized 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 recognized as an unrealized gain/loss in the Statement of Profit and Loss. In cases there is a net gain in aggregate, the same is recognized in “Net gains on fair value changes” under income and if there is net loss in aggregate, the same is recognized in “Net loss on fair value changes” under expense in the Statement of Profit and Loss.

f) **Dividend income**

Dividend income is recognized 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**

It comprises of income arising from the buying and selling of foreign currencies on the net margins earned, commissions on sale of foreign currency denominated prepaid cards and agency commissions from on currency remittances. Revenue from financial services are recognized by reference to the time of services rendered.

2.13 **Employee benefits**

<u>**Short term employee benefits**</u>

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 recognized 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.

<u>**Long Term employee benefits**</u>

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 recognized immediately in the Statement of Profit and Loss

<u>**Post-employment benefits**</u>

a) <u>Defined contribution Plans</u>

Provident fund: Contributions as required under the statute, made to the Provident Fund (Defined Contribution Plan) are recognized 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 recognized in the Statement of Profit and Loss.

b) <u>Defined benefit Plans</u>

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.

<u>Defined benefit costs are categorized as follows:</u>

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 recognized 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 recognized 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 recognized in the Balance Sheet represents the actual deficit or surplus in the company's defined benefit plans. Any surplus resulting from this calculation is recognized 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 recognized 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 recognized 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 recognized 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 amortized 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 amortized 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.

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 recognizes 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.

Certain lease arrangements include 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 are 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.

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 recognized in the Statement of Profit and Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized 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 recognized 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 recognized for all taxable temporary differences. Deferred tax assets are generally recognized 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 utilized. Such deferred tax assets and liabilities are not recognized 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 recognized 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 recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize 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 realized, 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 recognized 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 including MTSS business

2.21 **Dividend distribution to equity holders of the Company**

The Company recognizes a liability to make distributions to equity holders of the Company when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the Act, final dividend is authorized when it is approved by the shareholders and interim dividend is authorized 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/utilizing the credits.

3 **Cash and cash equivalents**

Particulars	As at 31st March, 2022	As at 31st March, 2021
Cash on hand	31.33	4.77
Balances with bank		
in current accounts	7,085.11	2,619.39
in fixed deposits with original maturity less than 3 months	823.61	2,700.00
Foreign Currencies in hand	568.65	39.98
	8,508.70	**5,364.14**

4 **Bank Balances other than cash and cash equivalents**

Particulars	As at 31st March, 2022	As at 31st March, 2021
Fixed deposit with bank (Maturity more than 3 months)	1,734.98	1,161.00
Unclaimed dividend	2.47	2.29
	1,737.45	**1,163.29**

Note : Fixed Deposits with banks having maturity more than 3 months include deposit against forward cover of Rs 37.95 lacs

5 **Receivables**

Particulars	As at 31st March, 2022	As at 31st March, 2021
Trade receivables		
Secured considered good;	-	-
Unsecured considered good	72.39	21.29
	72.39	21.29
Other receivables		
Secured, considered good ;	-	-
Unsecured, considered good; and	-	-
Doubtful	-	-
Subtotal	-	-
Less: Allowance for impairment loss	-	-
Net Receivables	-	-
	72.39	**21.29**

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.

Outstanding as at 31st March,2022

Particulars	Unbilled due	Less than 6 months	6 months – 1 year	1-2 Years	2-3 Years	More than 3 years	Total
Undisputed Trade receivables- considered good	-	72.39	-	-	-	-	72.39
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	-	**72.39**	**-**	**-**	**-**	**-**	**72.39**

Outstanding as at 31st March,2021

Particulars	Unbilled due	Less than 6 months	6 months – 1 year	1-2 Years	2-3 Years	More than 3 years	Total
Undisputed Trade receivables- considered good	-	21.29	-	-	-	-	21.29
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	-	**21.29**	**-**	**-**	**-**	**-**	**21.29**

6 Loans

Particulars		As at 31st March, 2022	As at 31st March, 2021
(A)	**Advances - at amortised cost**		
	Vendor financing (Unsecured)	1,335.88	2,148.34
	Gross	1,335.88	2,148.34
	Less: Impairment loss allowance Advances Vendor Finance	6.63	10.06
		1,329.25	**2,138.28**
(B)	**Term Loans in India - at amortised cost**		
	Secured	72,798.64	53,435.16
	Unsecured Term Loans	18,862.39	1,245.10
	Gross	**91,661.03**	**54,680.26**
	Less: Impairment loss allowance Term Loan	1,808.60	1,622.12
		89,852.43	**53,058.14**
(C)	**Loans and Advances In India**		
i	Public Sectors	-	-
ii	Others	92,996.91	56,828.60
	Total Gross	**92,996.91**	**56,828.60**
	Less: Impairment loss allowance	1,815.23	1,632.18
	Total Net	**91,181.68**	**55,196.42**
	Loans and advances Outside India (Net)	-	-
		91,181.68	**55,196.42**
	Less: Unamortised interest income	23.06	20.72
	Less: Unamortised processing fee Income	413.28	337.41
	Less: Revenue received in advance	1,043.40	0.53
	Loans (Net)	**89,701.94**	**54,837.76**

(D) Loans or advances in the nature of loans are granted to promoters, directors, key managerial personnel (KMPs) and the related parties

Outstanding as at 31st March,2022

Sr No	Type of borrower	Amount of loan or advance in the nature of loan outstanding	Percentage of total loan and advance in nature of loans
1	Promoters	-	-
2	Directors	-	-
3	KMPs	-	-
4	Related parties	1,000.00	1.10%
	Total	**1,000.00**	**1.10%**

Notes:
(i) No Loans or advances were outstanding to promoters, directors, key managerial personnel (KMPs) and the related parties as at 31st March,2021.

(E) Bifurication of Secured loans & advances

Particulars	As at 31st March, 2022	As at 31st March, 2021
Secured by book debt	7,463.38	8,407.51
Fixed deposit	502.28	804.89
Other working capital loan	-	-
Secured by tangible asset	64,478.76	44,067.76
Secured by intangible asset	-	-
Covered by bank or government guarantee	354.22	155.00
Total	**72,798.64**	**53,435.16**

Notes:
(i) There is no loan assets recognised at fair value through profit & loss or fair value through other comprehensive income.
(ii) Secured loans are secured by underlying securities of lands, commercial properties, residential properties, personal guarantee, corporate guarantee etc.

(iii) 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 has refunded/adjusted Rs.209.92 Lakhs from the subsequent installments.

7 Investments

Particulars	As at 31st March, 2022	As at 31st March, 2021
Recorded at Amortized cost		
In India		
Investment in equity instruments (unquoted):		
- In subsidiary companies		
Capital India Home Loans Limited	14,500.00	13,000.00
14,50,00,000 (31st March 2021: 13,00,00,000) equity shares @ Rs. 10/- each		
Rapipay Fintech Private Limited	2,136.51	2,136.51
2,08,46,273 (31st March 2021: 2,08,46,273) equity shares @ Rs.10/- each		
Capital India Asset Management Private Limited	5.00	5.00
50,000 (31st March 2021: 50,000) equity shares @ Rs.10/- each		
Capital India Wealth Management Private Limited	-	3.00
NIL (31st March 2021: 30,000) equity shares @ Rs.10/- each		
CIFL Holding Private Limited	-	3.00
NIL (31st March 2021: 30,000) equity shares @ Rs.10/- each		
CIFL Investment Adviser Private Limited	-	3.00
NIL (31st March 2021: 30,000) equity shares @ Rs.10/- each		
	16,641.51	**15,150.51**

Particulars	As at 31st March, 2022	As at 31st March, 2021
Investments outside India	-	-
Investments in India	16,641.51	15,150.51
Total (A)	**16,641.51**	**15,150.51**
Less: Impairment loss allowance (B)	-	-
Total – Net (C = A -B)	**16,641.51**	**15,150.51**

Note:

(i) During the year the Company has invested Rs. 1500 lakhs & Rs. 100 lakhs in equity shares of its subsidiaries Capital India Home Loan Limited & CIFL Investment Adviser Private Limited. Further The Company has divestment in CIFL Holdings Private Limited, Kuants Wealth Private Limited (Formerly Known as CIFL Investment Adviser Private Limited) and Capital India Wealth Management Private Limited by way of sale and transfer of entire holding as on 2nd December 2021.

(ii) There is no investment measured at fair value through profit or loss or fair value through other comprehensive income.

(iii) Based on Assessment, no impairnment loss has been recognised.

8 Other financial assets

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unsecured considered good		
Interest accrued but not due on fixed deposits	24.15	10.85
Security deposit	280.40	345.56
Advance paid to staff	0.19	6.46
	304.74	**362.87**

9 Current tax assets (Net)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Advance tax and tax deducted at source (Include net of provision)	776.24	491.48
	776.24	**491.48**

10 Deferred tax assets (Net)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Deferred Tax Asset		
Provision for Expected Credit Loss	456.89	410.82
Provision for employee benefits	47.35	47.02
Unamortised processing fee	109.83	90.14
Depreciation	161.59	84.86
Loan given to staff at concessional rate	0.15	0.74
Amortization adjustment on Lease deposits	4.10	16.07
Lease Liabilities	57.15	26.39
Deferred Tax Liabilities		
Unamortised borrowing cost	(235.06)	(157.21)
Interest adjustments on Lease deposits	(3.36)	(15.79)
Deferred Tax Asset/(Liabilities) Net	**598.64**	**503.04**
Movement in Net deferred tax Asset during the year	**95.60**	**(127.77)**

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	110.22	(121.04)
Routed through other comprehensive income	(14.62)	(6.73)
Total	**95.60**	**(127.77)**

11 Property, Plant and Equipment

Particulars	As at 31st March, 2022					
	Furniture & Fixtures	Vehicles	Office Equipments	Leasehold Improvements	Computer & printers	Total
At cost at the beginning of the year	682.97	329.61	173.16	666.22	115.72	1,967.68
Additions	189.96	23.10	162.31	447.16	64.03	886.56
Disposals	297.07	19.57	42.89	562.27	14.11	935.91
Gross Block	**575.86**	**333.14**	**292.58**	**551.11**	**165.64**	**1,918.33**
Accumulated depreciation as at the beginning of the year	202.84	149.93	85.83	456.61	76.85	972.06
Depreciation for the year	72.26	68.96	52.15	108.15	31.95	333.47
Deduction / Other Adjustments	111.53	15.34	26.24	481.78	12.74	647.63
Accumulated depreciation as at the end of the year	**163.57**	**203.55**	**111.74**	**82.98**	**96.06**	**657.90**
Net carrying amount as at the end of the year	**412.29**	**129.59**	**180.84**	**468.13**	**69.58**	**1,260.43**

Particulars	As at 31st March 2021					
	Furniture & Fixtures	Vehicles	Office Equipments	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
Gross Block	**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 period	66.30	64.06	30.85	135.53	33.70	330.46
Deduction / Other Adjustments	-	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**	**38.87**	**995.60**

Notes:

a. The Company does not hold any immovable property where title deeds are not held in the name of the company and no immovable property are jointly owned with others.

b. There is no Revaluation of Property Plant and Equipment during the year.

c. The Company does not hold any Benami property under the Benami Transcation (Prohibition) Act, 1983 and Rules made thereunder.

11A. Capital -work in progress

Capital -work in progress ageing schedule as on 31st March 2022

Particulars	Less than 1 Year	1– 2 Year	2-3 Year	More than 3 Year	Total
Projects in progress	0.88	-	-	-	0.88
	0.88	**-**	**-**	**-**	**0.88**

Capital -work in progress ageing schedule as on 31st March 2021

Particulars	Less than 1 Year	1– 2 Year	2-3 Year	More than 3 Year	Total
Projects in progress	168.57	-	-	-	168.57
	168.57	**-**	**-**	**-**	**168.57**

a. There are no projects whose completion is overdue or has exceeded its cost compared to its original plan

11B. Intangible assets

Particulars	As at 31st March, 2022	
	Computer softwares	Total
At cost, beginning of the year	267.66	267.66
Additions	40.55	40.55
Gross Block	**308.21**	**308.21**
Accumulated amortization:		
At beginning of the year	92.58	92.58
Amortization for the year	91.88	91.88
Total amortization	**184.46**	**184.46**
Net carrying amount	**123.75**	**123.75**

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

11C. Right of Use assets

Particulars	As at 31st March, 2022	As at 31st March 2021
Lease Premises		
Opening gross carrying value	3,034.28	1,780.94
Additions	1,647.79	1,255.26
Adjustment for Lease modification	(1,919.60)	(1.92)
Gross Total	**2,762.47**	**3,034.28**
At beginning of the year	1,529.21	1,011.14
Amortization	743.00	518.06
Adjustment for Lease modification - amortisation	(1,211.70)	-
Total amortization	**1,060.51**	**1,529.21**
Net carrying amount	**1,701.96**	**1,505.07**

12 Other non-financial assets

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unsecured considered good		
Prepaid expenses	250.73	99.40
Advance to suppliers	37.45	6.48
Balance with Statutory authorities	497.90	311.35
Capital Advances	16.00	-
	802.08	**417.23**

13 **Payables**

Particulars	As at 31st March, 2022	As at 31st March, 2021
Trade payables		
Outstanding dues of Micro and Small Enterprises	10.80	-
Outstanding dues of other than Micro and Small Enterprises	601.76	122.36
Other payables		
Outstanding dues of Micro and Small Enterprises*	-	-
Outstanding dues of other than Micro and Small Enterprises	-	-
	612.56	**122.36**

Outstanding as at 31st March,2022

Particulars	Unbilled dues	Less than 1 Years	1-2 Years	2-3 Years	More than 3 years	Total
MSME	-	10.80	-	-	-	10.80
Other	440.59	161.17	-	-	-	601.76
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
	440.59	**171.97**	**-**	**-**	**-**	**612.56**

Outstanding as at 31st March,2021

Particulars	Unbilled dues	Less than 1 Years	1-2 years	2-3 Years	More than 3 years	Total
MSME	-	-	-	-	-	-
Other	87.86	34.50	-	-	-	122.36
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
	87.86	**34.50**	**-**	**-**	**-**	**122.36**

The information as required to be disclosed under MSME development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company. The following table sets forth, for the year indicated, the amount of principal & interest outstanding.

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at 31st March, 2022	As at 31st March, 2021
Principal amount remaining unpaid to MSME suppliers as on	10.80	-
Interest due on unpaid principal amount to MSME suppliers as on	-	-
The amount of interest paid along with the amounts of the payment made to the MSME suppliers beyond the appointed day	-	-
The amount of interest due and payable for the year (without adding the interest under MSME Development Act)	-	-
The amount of interest accrued and remaining unpaid as on	-	-
The amount of interest due and payable to be disallowed under Income Tax Act, 1961	-	-
	10.80	**-**

14 **Debt Securities**

Particulars	As at 31st March, 2022	As at 31st March, 2021
At Amortised Cost		
Secured		
Non convertible debentures	11,500.00	11,500.00
(1150 debentures @ Rs 10 Lakhs each)		
Interest accrued but not due on debt securities	691.26	691.26
Total	**12,191.26**	**12,191.26**
Debts in India	12,191.26	12,191.26
Debts outside India	-	-
Total	**12,191.26**	**12,191.26**

ISIN No.	Date of Redemption	As at 31st March, 2022	As at 31st March, 2021
INE345H07021	30 July 2023	2,500.00	2,500.00
INE345H07013	24 June 2023	5,000.00	5,000.00
INE345H07047	30 June 2022	1,000.00	1,000.00
INE345H07039	06 May 2022	3,000.00	3,000.00
Total		**11,500.00**	**11,500.00**

Terms of repayment:

Particulars	Interest Range	Tenure
Non convertible debentures - Secured	9.5% - 10.05%	Payable after 2 to 14 months

i) Security details

- Non convertible debentures is secured by way of pari passu charge on eligible receivables to the extent of 1.25 times of the obligations.

14A Borrowings

Particulars	As at 31st March, 2022	As at 31st March, 2021
At Amortised Cost		
Borrowings		
Secured		
Term loans from banks	45,735.39	10,667.00
Term loans from SIDBI	4,300.00	250.00
Vehicle Loans from Banks	103.77	152.55
Working capital loan	2.35	-
Total	**50,141.51**	**11,069.55**
Borrowings in India	50,141.51	11,069.55
Borrowings outside India	-	-
Total	**50,141.51**	**11,069.55**
Less: Unamortised Borrowings costs	933.89	624.61
Add: Interest accrued but not due on borrowings	134.71	74.70
Net Borrowings	**49,342.33**	**10,519.64**

Additional information:

i) There are no borrowings measured at Fair value through other comprehensive income.

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.

Terms of repayment:

Term loan from banks	As at 31st March, 2022	As at 31st March 2021	Rate of interest
0-1 Year	15,007.65	7,936.00	8.95% - 10.10%
1-3 years	23,741.76	2,731.00	
Above 3 years	6,985.98	-	
Total	**45,735.39**	**10,667.00**	

Term loan from SIDBI	As at 31st March, 2022	As at 31st March 2021	Rate of interest
0-1 Year	4,300.00	250.00	5.75%

Vehicle loans	As at 31st March, 2022	As at 31st March 2021	Rate of interest
0-1 Year	53.62	49.27	8.5% - 8.71%
1-3 years	34.07	87.39	
3-5 years	16.08	15.89	
Total	**103.77**	**152.55**	

iii) There are no borrowing guaranteed by directors & others at 31st March, 2022

iv) Additionally the Company has not defaulted in repayment of principal and interest at any time during the year ended 31st March, 2022.

v) There are no unsecured borrowings at 31st March, 2022

Schedule 14(a) Borrowings Continued

a. Borrowing obtained on the basis of Security of current assets

Borrowings from banks or financials institutions are secured by way of pari passu floating charge over the eligible receivables. Further, the Company has filled quarterly statement of asset cover with security Trustee and banks reconciling with books of accounts

b. End use of borrowings

The Company has utilised the borrowed funds for purposes for which it was availed.

c. Utilisation of borrowed funds and share premium

The Company has not entered in any transaction with any persons or entities, including foreign entities with the understanding that the intermediary shall-

a. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries)

b. Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

15 Other financial liabilities

Particulars	As at 31st March, 2022	As at 31st March, 2021
Advances deposits from customer	371.91	92.04
Unclaimed dividends	2.45	2.29
Salary payable to employees	1.81	143.00
	376.17	**237.33**

16 Provisions

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for employee benefits		
Provision for gratuity (refer note 36)	57.63	70.41
Provision for compensated absence (refer note 36)	30.61	57.49
Provision for performance bonus	536.36	380.00
	624.60	**507.90**

17 Other non financial liabilities

Particulars	As at 31st March, 2022	As at 31st March, 2021
Statutory dues payable	186.10	65.79
	186.10	**65.79**

18 Equity share capital

	As at 31st March, 2022		As at 31st March 2021	
	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 2022		As at 31st March 2021	
	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, 2022		As at 31st March 2021	
	Number	%	Number	%
Equity shares of Rs. 10 each				
Capital India Corp Private Limited (Formally known as Capital India Corp LLP)	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	5.55%	43,16,800	5.55%
	6,72,90,320	**86.56%**	**6,72,90,320**	**86.56%**

d. Shares held by promoters at the end of year

As on March 31, 2022			
Shares held by promoters at the end of year			% change during the year
Promoter name	No. of shares	%	
Capital India Corp Private Limited (Formally known as Capital India Corp LLP)	5,67,75,720	73.04%	Nil

As on March 31, 2021			
Shares held by promoters at the end of year			% change during the year
Promoter name	No. of shares	%	
Capital India Corp Private Limited (Formally known as Capital India Corp LLP)	5,67,75,720	73.04%	Nil

e. The Company has not reserved any shares for issues under options & Contracts / Commitments for the sale

f. The Company has not allotted any shares pursuant to contracts without payments being recevied in cash or as bonus share numbers it has bought back any shares during the preceding financial year.

g. The Company has not:

(i) Issued any securities convertible into equity / preference shares

(ii) Issued any shares where calls are unpaid

(iii) Forfeited any shares

19 Other Equity

Particulars	As at 31st March, 2022	As at 31st March, 2021
Statutory Reserve under Section 45-IC of the RBI Act, 1934	1,529.68	1,296.48
Securities premium	42,119.40	42,119.40
Employee stock option outstanding account	99.88	58.90
General reserve	1.76	1.76
Retained earnings	5,494.68	4,639.60
Other comprehensive income	65.50	22.02
	49,310.90	**48,138.16**

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 requirements is not mandatory to transfer a specified percentage of the net profit to general reserve.
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.

vi) Other Comprehensive Income - Remeasurement of Post Employment Benefit Obligations

The Company Recognises change on account of remeasurement of the net defined benefit liability (asset) as part of other comprehensive income

20 Interest income

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
	On Financial Assets measured at Amortised Cost	On Financial Assets measured at Amortised Cost
Interest on loans	10,890.17	8,777.62
Interest income on vendor financing	309.77	97.47
Interest on deposits with banks	90.96	113.15
Other interest income	28.30	23.62
	11,319.20	**9,011.86**

21 Net gain on fair value changes

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Net gain/ (loss) on financial instruments at fair value through profit and loss account :-		
Mutual fund units	42.47	83.79
Total Net gain/(loss) on fair value changes	**42.47**	**83.79**
Fair Value changes*		
Realised	**42.47**	**83.79**
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, 2022	For the year ended 31st March, 2021
Gain on Lease Modification	125.36	-
Miscellaneous income	0.14	0.71
	125.50	**0.71**

23 Finance cost

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Interest on borrowings	2,395.38	840.23
Interest on Debt Securities	1,217.34	925.18
Interest on lease liability	245.46	133.96
Other finance costs	81.15	0.25
	3,939.33	**1,899.62**

24 Impairment of financial instruments

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
On Loans (On Financial instruments measured at Amortised Cost)	183.04	(101.53)
	183.04	**(101.53)**

25 Employee benefits expense

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Salaries and wages including bonus	3,539.65	2,666.13
Contribution to provident and other funds	175.17	130.01
Share Based Payments to employees	40.98	(34.07)
Staff welfare expenses	52.21	5.74
Others:		
- Cost for giving loan to employees at concessional rate	0.04	0.43
	3,808.05	**2,768.24**

Refer Note No 36 for Gratuity & Leave encashment

26 **Others expenses**

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Rent	173.89	93.75
Rate, fee & taxes	62.37	53.69
Repairs & maintenance	171.20	106.42
Office expenses	147.65	98.25
Electricity charges	31.78	20.64
Communication expenses	40.51	29.29
Printing & stationery	21.87	9.16
Insurance	45.65	14.92
Membership & subscription	30.09	24.00
Travelling & conveyance	157.92	16.33
Advertisement, marketing & business promotion expenses	144.46	64.24
Commission & brokerage	328.02	114.28
Auditor's remuneration (Refer Note 28)	20.50	20.98
Legal & professional charges	244.65	117.72
Rating fee	14.16	14.16
Listing fee	3.65	3.86
Directors sitting fees	39.62	20.30
Donation	-	2.40
CSR expense (Refer note 32)	65.00	41.20
Trusteeship Fees	4.55	6.40
Loss on sale of Property, Plant and Equipments	174.45	4.43
Miscellaneous expenses	50.39	48.44
	1,972.38	**924.88**

27 **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, 2022	For the year ended 31st March, 2021
Basic			
Profit after tax (Rs. In Lakhs)	A	1,166.01	2,045.59
Weighted average number of equity shares outstanding	B	7,77,34,260	7,77,34,260
Basic earning per share (Rs)	A/B	1.50	2.63
Diluted			
Profit after tax (Rs. In Lakhs)	A	1,166.01	2,045.59
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	6,62,795	8,84,155
Weighted average number of shares outstanding for diluted EPS	D=B+C	7,83,97,055	7,86,18,415
Diluted earning per share (before and after extraordinary items) (Rs)	A/D	1.49	2.60
Face value of shares (Rs)		10.00	10.00

28 **Auditors Remuneration**

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Payment to auditors (net of GST credit availed)		
Statutory audit	17.44	17.70
Taxation matters (Tax audit fees)	1.64	1.64
Certification fees & Other services	1.42	1.64
	20.50	**20.98**

29 Transaction in foreign currency:

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Earnings in foreign currency		
Export of foreign currencies	30,160.16	-
Commission received	8.66	-
Expenditure in foreign currency		
Legal & professional charges	1.82	-
Printing & Stationery	0.15	-

Note :

Forward Cover Outstanding

The Company uses forward exchange contract to hedge against its foreign currency exposures related to underlying transaction and firm commitments.

The Company does not enter into any derivatives instruments for trading or speculative purpose.

The forward exchange contracts outstandings as at 31st March 2022 are as under currency exchnage USD/INR

a) Number of Sale Contracts 1 (PY NIL)

b) Aggregate Amount 76,20,000 (PY NIL)

30 Dividend distribution to equity shareholders

The Board of Directors at its meeting held on 30th April, 2022 has recommended dividend of Rs 0.10 per equity share (31st March 2021: Rs. 0.1 per share) amounting to Rs. 77.73 Lakhs (31st March 2021: Rs. 77.73 Lakhs) on ordinary equity shares. The recommended dividend will be accounted for when approved by the shareholders in Annual General Meeting.

31 Disclosure pursuant to Ind AS 108 "Operating Segment"

Sr. No	Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
i	**Segment Revenue**		
	Lending Business	11,519.94	9,128.72
	Forex Services	1,046.18	220.79
	Unallocated	-	-
	Income from Operations	**12,566.12**	**9,349.51**

ii	**Segment Results**		
	Lending Business	2,124.08	3,735.29
	Forex Services	(629.10)	(809.36)
	Unallocated	-	-
	Profit before tax	**1,494.98**	**2,925.93**
	Income Tax expenses		
	Current Tax	439.19	759.30
	Deferred Tax Asset	(110.22)	121.04
	Net Profit	**1,166.01**	**2,045.59**

iii	**Segment Assets**	**As at 31st March, 2022**	**As at 31st March, 2021**
	Lending Business	1,18,426.01	78,246.34
	Forex Services	2,429.82	1,915.08
	Unallocated	1,374.88	994.51
	Total assets	**1,22,230.71**	**81,155.93**

iv	**Segment Liabilities**		
	Lending Business	63,878.15	24,666.76
	Forex Services	1,268.23	577.58
	Unallocated	-	-
	Total liabilities	**65,146.38**	**25,244.34**
	Net Segment assets and liabilities	**57,084.33**	**55,911.59**

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'.

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

32 Disclosure pertaining to corporate social responsibility expenses

Particulars	**As at 31st March, 2022**	**As at 31st March, 2021**
Amount required to be spent as per section 135 of the Act	65.00	41.20
Amount spent during the year on:		
(i) Construction / acquistion of an asset	-	-
(ii) On purpose other than (i) above	65.00	41.20
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Reason for shortfall	NA	NA
Nature of CSR activities	Education, Livelihood, Rural development, Health & Hygiene, Sustainable Environment and Disaster Response	
Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard : Contribution to Atulya Foundation in relation to CSR expenditure	65.00	41.20

33 Contingent Liabilities and Commitments

Particulars	**As at 31st March, 2022**	**As at 31st March, 2021**
Contingent liabilities		
- Others (Issued on behalf of a subsidiary Company i.e. Capital India Home Loans Limited)	8,425.95	6,079.45
Total (A)	**8,425.95**	**6,079.45**
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)	3,003.76	1,736.49
Total (B)	**3,003.76**	**1,736.49**
Total (A+B)	**11,429.71**	**7,815.94**

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.

34 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 31st March, 2022	**Year ended 31st March, 2021**
Subsidiaries			
Capital India Home Loans Limited	India	99.89%	99.96%
Capital India Assets Management Private Limited	India	100.00%	100.00%
CIFL Holdings Private Limited	India	0.00%	100.00%
CIFL Investment Adviser Private Limited	India	0.00%	100.00%
Capital India Wealth Management Private Limited	India	0.00%	100.00%
Rapipay Fintech Private Limited	India	52.50%	55.60%

35 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	**Period**	**Nature of relationship**
Capital India Corp Private Limited (formally known as Capital India Corp LLP)	from 14 Mar, 2022	Holding Company
Capital India Corp LLP	upto 14 Mar, 2022	Enterprise having significant influence and control
Capital India Home Loans Limited		Subsidiary
Capital India Wealth Management Private Limited	upto 02 Dec, 2021	Wholly owned subsidiary
Capital India Wealth Management Private Limited	from 02 Dec, 2021	Fellow Subsidiary
CIFL Holdings Private Limited	upto 02 Dec, 2021	Wholly owned subsidiary
CIFL Holdings Private Limited	from 02 Dec, 2021	Fellow Subsidiary
Capital India Asset Management Private Limited		Wholly owned subsidiary
Kuants Wealth Private Limited (KUANTS) (Formerly Known as CIFL Investment Adviser Private Limited)	upto 02 Dec, 2021	Wholly owned subsidiary
Kuants Wealth Private Limited (KUANTS) (Formerly Known as CIFL Investment Adviser Private Limited)	from 02 Dec, 2021	Fellow Subsidiary
Rapipay Fintech Private Limited		Subsidiary
Credenc Web Technologies Private Limited	from 19 Aug, 2021 to 12 Jan, 2022	Step-down Subsidiary
Credenc Web Technologies Private Limited	from 12 Jan, 2022	Fellow Subsidiary
Atulya Foundation		Enterprise over which control is exercised by the Company
Trident InfraHomes Private Limited		Enity under control of a person having joint control over the Company
Dr. Harsh Kumar Bhanwala		Chairman
Mr. Keshav Porwal		Managing Director
Mr. Vineet Kumar Saxena	Executive director resigned with effect from 1st April 2021	Executive Director
Mr. Vineet Kumar Saxena	Appointed as CEO with effect from 26th May 2021	CEO
Mr. Amit Sahai Kulshreshtha	CEO resigned with effect from 15 Feb, 2021	
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	upto 08 Oct, 2021	Independent Director
Mrs. Rachna Dikshit		Independent Director
Mr. Subhash Chander Kalia	from 26 May, 2021	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:

Name of Related Parties	Transaction with Related Parties	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Capital India Corp Private Ltd (Formally Known as Capital India Corp LLP)	Reimbursement of expenses	23.40	6.01
	Sale of Shares	109.00	-
Capital India Home Loans Limited	Reimbursement of expenses	24.05	90.33
	Sub Lease expenses	41.73	-
	Inter Corporate Deposit	1,000.00	-
	Invetsment in equity Shares	1,500.00	4,000.00
Kuants Wealth Private Limited (KUANTS) (Formerly Known as CIFL Investment Adviser Private Limited)	Investment in equity shares	100.00	-
Rapipay Fintech Private Limited	Investment in equity shares	-	-
	Commission expenses	71.13	-
	Reimbursement of expenses	10.72	2.48
	Reimbursement received	-	-
	Receipt against FLDG	1.18	-
Atulya Foundation	CSR Expenses	65.00	41.20
Credenc Web Technologies Private Limited (Step-down Subsidiary)	Commission expenses	26.34	-
Credenc Web Technologies Private Limited (Fellow Subsidiary)	Commission expenses	91.20	-
	Reimbursement of expenses	5.05	-
Trident InfraHomes Private Limited	Sale of fixed asset	111.69	-
Mr. Deepak Vaswan	Remuneration Paid	-	35.95
	Consultancy fees	12.15	-
Dr. Harsh Kumar Bhanwala	Remuneration Paid	191.30	75.78
Mr. Keshav Porwal	Remuneration Paid	125.40	100.08
Mr. Vineet Kumar Saxena	Remuneration Paid	308.44	-
Mr. Amit Sahai Kulshreshtha	Remuneration Paid	-	120.17
Mr. Neeraj Toshniwal	Remuneration Paid	134.97	65.09
Mr. Rachit Malhotra	Remuneration Paid	60.34	37.62
Mr. Yogendra Pal Singh	Sitting Fees Paid	8.85	6.75
Mr. Vinod Somani	Sitting Fees Paid	9.20	7.01
Mr. Malay Mukherjee	Sitting Fees Paid	2.70	2.50
Mrs. Rachna Dikshit	Sitting Fees Paid	8.50	2.36
Mr. Subhash Chander Kalia	Sitting Fees Paid	6.75	-

(iii) Balance as at

Name of Related Parties	Closing Balances	As at 31st March, 2022	As at 31st March, 2021
Capital India Home Loans Limited	Receivable/ (Payable) - Inter Corporate Deposit	1,000.00	-
Rapipay Fintech Private Limited	Receivable/ (Payable) - Trade Payables	(53.34)	-

Note:

i) Includes allocated shared expenses

ii) Investments in equity shares of subsidiaries have been disclosed under - Investments (Refer Note 7)

iii) Excludes amounts pertaining to gratuity and compensated absences, which are actuarially valued at the Company level.

36 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 25 “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, 2022	For the year ended 31st March, 2021
Employer’s Contribution to Provident Fund	129.81	85.57

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, 2022	As at 31st March 2021
I. Assumption		
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Interest / Discount Rate	6.15%	6.86%
Rate of increase in compensation	8%	10.00%

II. Reconciliation of net defined benefit (asset)/liability		
(a) Reconciliation of present value of defined benefit obligation		
Opening Defined Benefit Obligation	70.41	52.74
Interest Cost	4.83	3.61
Current Service Cost	40.49	40.81
Actuarial (Gains) / Losses	(58.10)	(26.75)
Closing Defined Benefit Obligation	**57.63**	**70.41**

Particulars	As at 31st March, 2022	As at 31st March 2021
(b) Reconciliation of net defined benefit (asset)/liability		
Present value of Obligation as at the end of year	57.63	70.41
Fair value of plan assets as at the end of year		-
Funded status	57.63	70.41
Recognised in Balance Sheet - (Asset) / Liability	**57.63**	**70.41**

III. Actuarial (Gain)/Loss on Obligation		
Due to Demographic Assumption	(25.17)	-
Due to Financial Assumption	(4.94)	3.21
Due to Experience	(27.99)	(29.96)
Net Actuarial (Gain)/ Loss on Obligation	**(58.10)**	**(26.74)**

IV. Actual Return on Plan Assets		
Actual Interest Income	-	-
Expected Interest Income	-	-
Return on Plan Assets excluding Interest Income	-	-

V. Net Interest		
Interest Expense	4.83	3.61
Interest Income		-
Net Interest Exp/(Income)	**4.83**	**3.61**

VI. Expenses Recognised in Profit and Loss account under		
Employee benefit expenses		
Current Service Cost	40.49	40.81
Net Interest Exp/(Income)	4.83	3.61
Past Service Cost (vested benefits)		-
Expenses recognised in Profit and Loss Account	**45.32**	**44.42**

VII. Remeasurements recognised in Other Comprehensive Income		
Net Actuarial (Gain)/ Loss on Obligation	(58.10)	(26.75)
Return on Plan Assets excluding Interest Income	-	-
Total Actuarial (Gain)/ Loss recognised in OCI	**(58.10)**	**(26.75)**

VIII. Others		
Weighted average duration of defined benefit Obligation	6.51	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

Particulars	As at 31st March, 2022	As at 31st March 2021
Change in rate of Discount Rate + 100 basis points	54.07	62.40
Change in rate of Discount Rate- 100 basis points	61.59	79.96
Change in rate of Salary Escalation Rate + 100 basis points	61.48	76.76
Change in rate of Salary Escalation Rate - 100 basis points	54.09	64.30
Change in rate of Attrition Rate + 100 basis points	56.41	67.71
Change in rate of Attrition Rate - 100 basis points	58.90	73.32

The Expected Payout

Particulars	As at 31st March, 2022	As at 31st March 2021
Year 1	4.31	3.92
Year 2	4.99	2.56
Year 3	6.71	3.18
Year 4	7.10	4.18
Year 5	8.58	4.30
Year 6 to Year 10	59.15	25.21

Notes:

1

Compensated Absences		
Particulars	**31.03.2022**	**31.03.2021**
Amount Recognised as compensated absences in statement of profit and loss	(26.88)	7.02
Provision for compensated absences	30.61	57.49

2 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.

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.

37 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 2022

Particulars	Options (Numbers)	Weighted average exercise price per option (Rs.)
Option outstanding at the beginning of the year	8,48,125	72
Granted during the year	10,22,000	72
Vested during the year	1,46,875	72
Exercised during the year	-	-
Lapsed during the year	3,40,625	-
Options outstanding at the end of the year	15,29,500	72
	25,000	90
Options available for grant	16,04,875	

Movement in the options outstanding under the Employees Stock Option Plan 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	-	-
Exercised during the year	-	-
Lapsed during the year	12,51,875	72.00
Options outstanding at the end of the year	8,48,125	72.00
Options available for grant	14,00,000	72.00

Weighted average remaining contractual life for options outstanding as at 31st March 2022 is 2 year 5 months (Previous year 1 years and 10 month).

The fair value of the options has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:

Assumptions	As At 31st March, 2022	As At 31st March, 2021
Risk-free interest rate	4.34% - 5.70%	6.62% - 7.10%
Expected life of the option	1 year to 4 years	1 year to 4 years
Expected annual volatility of shares	22.40% to 31.03%	18%
Expected dividend yield	0.00%	0.00%

During the year ended 31st March 2022, the company recorded an employee stock compensation expense of Rs. 40.98 Lacs (31st March, 2021 reversal of Rs. (34.07) Lacs) in the Statement of Profit and Loss.

38 Disclosure Pursuant to Ind AS 116 “Leases”

The following is the movement in lease liabilities

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Opening balance	1,600.06	906.86
Additions during the year	1,566.83	1,204.19
Deletions during the year	(807.82)	-
Adjustment on Account of Lease Modification	-	(1.92)
Finance cost accrued during the year	245.46	133.95
Payment of lease liabilities	(791.17)	(643.03)
Closing balance	**1,813.36**	**1,600.06**

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

Particulars	As at 31st March, 2022	As at 31st March 2021
Not later than 1 year	645.76	767.17
Later than 1 year and not later than 5 years	1,500.17	929.77
Later than 5 years	66.13	224.83
Total	**2,212.05**	**1,921.77**

Amount recognised in statement of Profit & Loss account during the year

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Rent expense recognised for short term and low value leases	173.89	93.75

Note:

1. The Company does not have variable lease payments (31st March, 2021 - NIL)
2. The Company has not subleased right of use asset during the year (31st March, 2021 - NIL)
3. The total actual cash flow of the company for leases covered under IND AS 116 "Accounting for leases is 791.17 for the year ended 31st March, 2022 (31st March, 2021 - 643.03)
4. The Company does not have any significant restrictions or covenants imposed by leases (31st March, 2021 - NIL)
5. The Company does not have any commmitted undiscounted leases that has not yet commenced as at 31st March, 2022 (31st March, 2021 - NIL)

39 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, 2022	For the year ended 31st March, 2021
Current tax:		
In respect of current year	439.19	759.30
In respect of prior years	-	-
Deferred Tax:		
Deferred tax relating to origination and reversal of temporary differences	(110.22)	121.04
Total Income Tax recognised in profit or loss		
Current tax	439.19	759.30
Deferred tax	(110.22)	121.04
Total Income Tax recognised in profit or loss	**328.97**	**880.34**

(ii) Income Tax recognised in Other comprehensive income

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Deferred tax related to items recognised in Other comprehensive income during the year:		
Remeasurement of defined employee benefits	(14.62)	(6.73)
Total Income tax recognised in Other comprehensive income	**(14.62)**	**(6.73)**

(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, 2022	For the year ended 31st March, 2021
Profit before Tax	1,494.98	2,925.93
Enacted income tax rate (%)	25.17%	25.17%
Income tax expense calculated at applicable income tax rate	376.29	736.46
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Expenses that are not deductible for tax purposes	544.93	385.74
Deductions available under income tax	(490.19)	(371.04)
Other Temporary differences	8.16	8.15
Income tax for earlier year	-	-
Income Tax expense recognised in profit and loss	439.19	759.30
Deferred Tax recognised in profit and loss	(110.22)	121.04
Tax recognised in profit and loss	**328.97**	**880.34**
Actual effective income tax rate (%)	**22.00%**	**30.09%**

(iv) Recognised deferred tax assets and liabilities

Particulars	As at 31st March, 2022	As at 31st March, 2021
Deferred Tax Asset :		
Loans & Advances (EIR Adjustment and ECL Provision)	456.89	410.82
Provision for employee benefits	47.35	47.02
Unamortised processing fee	109.83	90.14
Property, Plant and Equipment & Intangible assets	161.59	84.86
Loan given to Staff at concessional rate	0.15	0.74
Amortization adjustment on Lease deposits	4.10	16.07
ROU and Lease liability	57.15	26.39
Deferred Tax Liability:		
Interest adjustments on Lease deposits	3.36	15.79
Unamortised borrowings costs	235.06	157.21
Net Deferred Tax Asset/(Liability)	**598.64**	**503.04**

(v) Movement in temporary differences

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Credit / (Charge) in the Statement of Profit and Loss during the year		
Loans & Advances	65.76	(24.56)
Property, Plant and Equipment & Intangible assets	76.73	33.97
ROU and Lease liability	30.76	1.12
Borrowings	(77.85)	(135.98)
Provision for employee benefits	14.95	4.37
Security deposits	0.46	(0.03)
Loans to staff at concessional rates	(0.59)	0.07
Total (a)	**110.22**	**(121.04)**
Credit / (Charge) in the other comprehensive income during the year		
Provisions - employee benefits	(14.62)	(6.73)
Total (b)	**(14.62)**	**(6.73)**
Net deferred income tax asset at the beginning of the year	503.04	630.81
Net deferred tax asset/(Liabilities) at the end of the year (d) = (a) + (b) + (c)	**598.64**	**503.04**

40 Maturity Analysis of Assets & Liabilities

	As at 31st March, 2022			As at 31st March, 2021		
	Within 12 Months	After 12 months	Total	Within 12 Months	After 12 months	Total
Assets						
Financial Assets						
Cash & cash equivalents	8,508.70	-	8,508.70	5,364.14	-	5,364.14
Bank balances other than Cash & cash equivalents	1,737.45	-	1,737.45	1,163.29	-	1,163.29
Receivables		-	-	-	-	-
- Trade Receivables	72.39	-	72.39	21.29	-	21.29
- Other Receivables	-	-	-	-	-	-
Loans	32,605.91	57,096.03	89,701.94	30,940.41	23,897.35	54,837.76
Investments	-	16,641.51	16,641.51	-	15,150.51	15,150.51
Other financial assets	24.34	280.40	304.74	176.91	185.96	362.87
Non-financial Assets						
Current tax assets(net)		776.24	776.24		491.48	491.48
Deferred tax asset (net)	-	598.64	598.64	-	503.04	503.04
Property, plant and equipment	-	1,260.43	1,260.43	-	995.60	995.60
Capital work in progress	-	0.88	0.88	-	168.57	168.57
Intangible assets	-	123.75	123.75	-	175.08	175.08
Right of use assets	-	1,701.96	1,701.96	611.71	893.36	1,505.07
Other non-financial assets	796.74	5.34497	802.08	410.73	6.50	417.23
Total Assets	**43,745.52**	**78,485.19**	**1,22,230.71**	**38,688.47**	**42,467.45**	**81,155.93**

LIABILITIES						
Financial Liabilities						
Payables						
(i)Trade Payables	612.56	-	612.56	122.36	-	122.36
(ii)Other Payables	-		-	-		-
Debt Securities	7,191.26	5,000.00	12,191.26	691.26	11,500.00	12,191.26
Borrowings	19,307.65	30,034.68	49,342.33	8,069.06	2,450.58	10,519.64
Lease liability	486.21	1,327.15	1,813.36	635.87	964.20	1,600.06
Other financial liabilities	376.17	-	376.17	237.33	-	237.33
Non-Financial Liabilities						
Provisions	491.31	133.29	624.60	480.52	27.37	507.89
Other non-financial liabilities	186.10	-	186.10	65.79	-	65.79
Total Liabilities	**28,651.26**	**36,495.12**	**65,146.38**	**10,302.20**	**14,942.15**	**25,244.34**
Net	15,094.26	41,990.07	57,084.33	28,386.28	27,525.30	55,911.58
Other undrawn commitments						
Total commitments	3,003.76	-	3,003.76	1,736.49	-	1,736.49

41 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, 2022	As at March 31, 2021
CRAR (%)	41.08%	63.68%
CRAR - Tier I capital (%)	39.93%	62.54%
CRAR - Tier II capital (%)	1.16%	1.14%
Liquidity Coverage Ratio	983.96%	406.63%

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.

42 Financial Risk Management

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has constituted the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions.

The Company has exposure to the following risks arising from its business operations:

i) **Credit risk**

Credit risk is the risk of financial loss if a customer or counterparty fails to meet an obligation under a contract. Lending activities account for most of the Company's credit risk. Other sources of credit risk also exist in loans and transaction settlements. Credit risk is measured as the amount that could be lost if a customer or counterparty fails to make repayments. The maximum exposure to credit risk in case of all the financial instuments 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.

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

The table below shows the Company's maximum exposure to the credir risk.

Particulars	Mar-22	Mar-21
Financial Assets at amortised cost - Loans & Advances (Gross)	92,996.91	56,828.60
Less : Impairment loss allowances	1,815.23	1,632.18
Financial Assets at amortised cost - Loans & Advances (Net)	91,181.68	55,196.42
Trade receivables	72.39	21.29
Total	**91,254.07**	**55,217.71**

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.

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.

	Particulars	As at 31st March 2022	As at 31st March 2021
Stage 1	**Gross Stage 1 (DPD< 30 days)**	72,221.87	54,485.48
	Less : Impairment loss allowance	362.06	740.04
	Net Stage 1 Assets	71,859.81	53,745.43
	ECL Prov. Coverage	0.50%	1.36%
Stage 2	**Gross Stage 2 (30>DPD< 90 days)**	20,563.37	2,343.12
	Less : Impairment loss allowance	1,351.15	892.14
	Net Stage 2 Assets	19,212.21	1,450.99
	ECL Prov. Coverage	6.57%	38.07%
Stage 3	**Gross Stage 3 (DPD>90)**	211.67	-
	Less : Impairment loss allowance	102.02	-
	Net Stage 3 Assets	109.65	-
	ECL Prov. Coverage	48.20%	0.00%
	Total Loans & Advances	92,996.91	56,828.60
	Less : Impairment loss allowance	1,815.23	1,632.18
	Net Loans & Advances	91,181.68	55,196.42
	ECL Provision Coverage	1.95%	2.87%

Credit impairment charge to the income statement

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
New and increased provisions (incl. write off)	183.04	(101.53)
Write-backs of specific provisions	-	-
Recoveries of specific provisions	-	-
Total charge / (credit) to the income statement	183.04	(101.53)

Write-offs still under enforcement activity

No write off during the year

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 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	**54,485.48**	**2,343.12**	**-**	**56,828.60**	**740.04**	**892.13**	**-**	**1,632.18**
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	(23,448.84)	23,448.84	-	-	(447.58)	447.58	-	-
-Transferred to lifetime ECL credit-impaired	(44.94)	-	44.94	-	-	-	-	-
Increase due to financial assets originated	59,385.78	4,248.14	172.36	63,806.28	270.65	903.46	102.02	1,276.14
Decrease due to loans derecognised on full payment	(18,155.62)	(9,476.73)	(5.62)	(27,637.97)	(201.06)	(892.03)	-	(1,093.09)
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, 2022	**72,221.87**	**20,563.37**	**211.67**	**92,996.91**	**362.06**	**1,351.15**	**102.02**	**1,815.23**

d) **Collateral and other credit enhancements**

Company would generally have its credit exposures backed by securities, either primary or collateral. Lending Policy of the Company prescribes Asset cover norms and collateral guidelines for its various product offering. The amount and type of collateral required depends on an assessment of the credit risk of the counterparty and product offered.Company grants loans against collateral of real estate(Land, Under construction projects, Ready property) including commercial and residential properties.

As collateral is a source of mitigating credit risk, assessment of the condition of the securities and their value is undertaken on regular basis. There were no significant changes in the collateral policy of the company during the Financial Year 2021-2022

Company does not have any Credit impaired assets as on March 2022 (March 21 Nil)

e) **Credit Concentration**

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

Particulars	As at 31st March 2022	As at 31st March 2021
Real Estate	15.17%	36.21%
Others	84.83%	63.79%

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 31st March 2022	Contractual cash flows				
	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Borrowings (Includes Interest accrued but not due)	49,342.33	18,614.59	23,741.76	6,860.98	125.00
Debt Securities (Includes Interest accrued but not due)	12,191.26	7,191.26	5,000.00	-	-
Trade and Other Payables	612.56	612.56	-	-	-
Lease Liability	1,813.36	486.21	822.39	372.35	132.42
Other Financial Liabilities	376.17	376.17	-	-	-
	64,335.68	**27,280.79**	**29,564.15**	**7,233.33**	**257.42**

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)	10,519.64	7,685.36	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	-	-	-
Lease Liability	1,600.06	635.87	964.20	-	-
Other Financial Liabilities	237.33	237.33	-	-	-
	24,670.66	**9,372.18**	**15,282.58**	**15.89**	**-**

iii) Market Risk :

Market risk represents the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices.

iv) Interest rate risk

Company has exposure to interest rate risk, primarily from its lending business and related borrowings. The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss.

	% Increase in rate		Increase/(decrease) in profit	
	31st March 2022	31st March 2021	31st March 2022	31st March 2021
Borrowings that are re-priced	0.25%	0.25%	(125.35)	(27.67)
Loans that are re-priced	0.25%	0.25%	232.49	82.17

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.

(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 2022				31st March 2021			
	EUR	GBP	USD	Others	EUR	GBP	USD	Others
Foreign currencies in hand	29.02	12.26	207.69	319.68	3.92	7.15	11.65	17.25
Net exposure	**29.02**	**12.26**	**207.69**	**319.68**	**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 2022		31st March 2021		31st March 2022		31st March 2021	
	Strengthening	Weakening	Strengthening	Weakening	Strengthening	Weakening	Strengthening	Weakening
Effect in INR								
0.75% movement*								
EUR	0.22	(0.22)	0.03	-0.03	-	-	-	-
GBP	0.09	(0.09)	0.05	-0.05	-	-	-	-
USD	1.56	(1.56)	0.09	-0.09	-	-	-	-
Others	2.40	(2.40)	0.13	-0.13	-	-	-	-

*Holding all other variables constant

43 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, 2022	Carrying Amount		
	FVTPL	**Amortised Cost**	**Total**
Financial Assets			
Cash and cash equivalents	-	8,508.70	8,508.70
Bank balances other than Cash & cash equivalents	-	1,737.45	1,737.45
Other receivables	-	-	-
Loans & advances	-	89,701.94	89,701.94
Others financial assets	-	304.74	304.74
Total	**-**	**1,00,252.83**	**1,00,252.83**
Financial liabilities			
Trade and other payables	-	612.56	612.56
Debt Securities	-	12,191.26	12,191.26
Borrowings	-	49,342.33	49,342.33
Other financial liabilities	-	376.17	376.17
Lease Liability	-	1,813.36	1,813.36
Total	**-**	**64,335.68**	**64,335.68**

As at 31st March, 2021	Carrying Amount		
	FVTPL	**Amortised Cost**	**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	-	54,837.76	54,837.76
Others financial assets	-	362.87	362.87
Total	**-**	**61,749.35**	**61,749.35**
Financial liabilities			
Trade and other payables	-	122.36	122.36
Debt Securities		12,191.26	12,191.26
Borrowings	-	10,519.64	10,519.64
Other financial liabilities	-	237.33	237.33
Lease Liability		1,600.06	1,600.06
Total	**-**	**24,670.65**	**24,670.65**

44 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 2022						
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	72,221.87	361.68	71,860.19	288.89	72.79
	Stage 2	20,563.37	1,351.15	19,212.21	82.25	1,268.90
Subtotal		**92,785.24**	**1,712.82**	**91,072.40**	**371.14**	**1,341.69**
Non-Performing Assets (NPA)						
Sub-Standard	Stage 3	211.67	102.02	109.65	21.17	80.86
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		**211.67**	**102.02**	**109.65**	**21.17**	**80.86**

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	8425.95	0.37	8,425.58	-	0.37
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		8,425.95	0.37	8,425.58	-	0.37
Total	**Stage 1**	80,647.82	362.05	80,285.77	288.89	73.16
	Stage 2	20,563.37	1,351.15	19,212.21	82.25	1,268.90
	Stage 3	211.67	102.02	109.65	21.17	80.86
	Total	**1,01,422.86**	**1,815.23**	**99,607.64**	**392.31**	**1,422.92**

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	705.29	53,780.19	215.78	489.51
	Stage 2	2,343.12	892.13	1,450.99	203.85	688.29
Subtotal		**56,828.60**	**1,597.43**	**55,231.18**	**419.63**	**1,177.80**
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	6,079.45	34.76	6,044.69	-	34.76
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		6,079.45	34.76	6,044.69	-	34.76
Total	**Stage 1**	60,564.93	740.05	59,824.88	215.78	524.27
	Stage 2	2,343.12	892.13	1,450.99	203.85	688.29
	Stage 3	-	-	-	-	-
	Total	**62,908.06**	**1,632.18**	**61,275.89**	**419.63**	**1,212.55**

45 **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)**

S.No	**Item**	**31st March 2022**	**31st March 2021**
1	CRAR (%)	41.08%	63.68%
2	CRAR - Tier I capital (%)	39.93%	62.54%
3	CRAR - Tier II Capital (%)	1.16%	1.14%
4	Amount of subordinated debt raised as Tier - II Capital	-	-
5	Amount raised by issued of Perpetual Debt Instruments	-	-

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

S.No	Particulars	31st March 2022	31st March 2021
1	Value of investments		
	(i) Gross value of investments		
	(a) in India	166.42	151.51
	(a) outside India	-	-
	(ii) Provision for depreciation		
	(a) in India	-	-
	(a) outside India	-	-
	(iii) Net value of investments		
	(a) in India	166.42	151.51
	(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 2022	31st March 2021
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	0.94	1.65
(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;	128.78	204.08
(iii)	**Investments in Mortgage Backed Securities (MBS) and other securitised exposures -**		
1	Residential,	-	-
2	Commercial Real Estate.	-	-
b)	**Indirect exposure**		
(i)	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).		
(ii)	Others	8.59	13.22
	Total Exposure to Real Estate Sector	**138.31**	**218.95**

ii. **Exposure to Capital Market**

Particulars		31st March 2022	31st March 2021
(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;	16,641.51	15,150.51
(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	**16,641.51**	**15,150.51**

i. **Details of financing of parent company products**

Not Applicable

j. **Details of Single Borrower Limit (SBL) / 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. No advese comments received from RBI.

n. **Provisions and contingencies (shown under the head expenditure in Statement of Profit and Loss):**

S. No.	Particulars	31st March 2022	31st March 2021
(i)	Provision made towards income tax	4.39	7.59
(ii)	Provision for impairment of financial assets	1.83	(1.02)

o. **Draw Down from Reserves**

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

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

i) **Concentration of Advances**

Particulars	31st March 2022	31st March 2021
Total Advances to twenty largest borrowers	276.96	320.34
Percentage of Advances to twenty largest borrowers to Total Advances	30.37%	57.14%

ii) **Concentration of Exposures**

Particulars	31st March 2022	31st March 2021
Total Exposures to twenty largest borrowers / customers	276.96	326.59
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure on borrowers / customers	30.37%	57.47%

iii) Concentration of NPAs

Particulars	31st March 2022	31st March 2021
Total of Exposures to top four NPA accounts*	1.44	-

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

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

Particulars	31st March 2022	31st March 2021
Agriculture & allied activities	-	-
MSME	-	-
Corporate borrowers	-	-
Services	-	-
Unsecured personal loans	-	-
Auto loans	-	-
Other loans	0.63%	-

v) Movement of NPAs

Particulars		31st March 2022	31st March 2021
(i)	**Net NPAs to Net Advances (%)**	**0.12%**	-
(ii)	**Movement of NPAs (Gross):**		
(a)	Opening balance	-	-
(b)	Additions during the year	211.67	-
(c)	Reductions during the year	-	-
(d)	**Closing balance**	**211.67**	**-**
(iii)	**Movement of Net NPAs**		
(a)	Opening balance	-	-
(b)	Additions during the year	1.03	-
(c)	Reductions during the year		-
(d)	**Closing balance**	**210.65**	**-**
(iv)	**Movement of provisions for NPAs (excluding provisions on standard assets)**		
(a)	Opening balance	-	-
(b)	Provisions made during the year	1.02	-
(c)	Write-off / write-back of excess provisions		-
(d)	**Closing balance**	**1.02**	**-**

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. **Disclosure of Scheme for Sustainable Structuring of Stressed Assets (S4A)**
The Company has not done any Sustainable Structuring of Stressed Assets

u. **Ratings assigned by credit rating agencies and migration of ratings during the year**

S. No.	Instruments	Credit Rating Agency	As on 31st March 2022	As on 31st March 2021
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 21-22.

v. **Statement on Asset Liability Management**
Maturity pattern of certain items of assets and liabilities as at 31st March 2022 (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	29.32	33.01	46.52	77.67	141.88	255.14	104.94	223.35	**911.83**
3	Investments	-	-	-	-	-	-	-	166.42	**166.42**
4	Debt securities	-	30.00	10.00	-	-	81.91	-	-	**121.91**
5	Borrowings	20.43	48.06	34.79	38.19	92.16	312.84	68.66	1.25	**616.39**

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	-	**110.71**

w. **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).

1 There were no accounts which were restructured during the Financial Year 2021-22.

2 Restructured during the Financial Year 2020-21.

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

x. **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 21-22 and financial year 20-21.

46 Public disclosure on liquidity risk of Capital India Finance Limited ('CIFL') as on March 31, 2022 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
12	61,535.39	Not Applicable	94.46%

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.

iii. Top 20 Borrowings

Amount	% of Total Borrowings
61535.39	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	17.65%
Term loans from banks	50,035.39	76.80%
Total Borrowings	**61,535.39**	**94.46%**
Total Liabilities	**65,146.38**	

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	15.18%	14.34%	7.64%

1 **Other Short Term Liabilities represents all liabilities Maturing within a year excluding total equity, Debt Securities, Borrowings**

2 **Public funds Include Debt Securities, Borrowings**

3 **Total liability includes total liability and equity as per Balance Sheet less Equity**

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.

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

		As at 31st March, 2022		As at 31st March, 2021	
Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:		**Amount Outstanding**	**Amount Overdue**	**Amount Outstanding**	**Amount Overdue**
a.	Debentures (other than falling within the meaning of public deposits)				
	- Secured	12,191.26	-	12,191.26	-
	- Unsecured	-	-	-	-
b.	Deferred Credits	-	-	-	-
c.	Term Loans	50,141.51	-	11,069.55	-
d.	Inter-corporate loans and borrowings	-	-	-	-
e.	Commercial Paper	-	-	-	-
f.	Public Deposits	-	-	-	-
g.	Other Loans	-	-	-	-

2 ASSET SIDE

Break up of Loans and Advances including bills receivables [other than those included in(4) below]: Amount Outstanding

		March 31, 2022	March 31, 2021
a.	Secured	72,798.64	53,435.16
b.	Unsecured	20,198.27	3,393.44

3 **Break up of Leased Assets and stocks on hire and other assets counting towards AFC activities** **Amount Outstanding**

		As at March 31, 2022	As at March 31, 2021
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	-	-

4 **Break up of Investments:** **Amount Outstanding**

	As at March 31, 2022	As at March 31, 2021
Current Investments		
1. Quoted		
i. Shares - Equity	-	-
- Preference	-	-
ii. Debentures and Bonds	-	-
iii. Units of mutual funds	-	-
iv. Government Securities	-	-
v. Others	-	-
2. Unquoted		-
i. Shares - Equity	-	-
- Preference	-	-
ii. Debentures and Bonds	-	-
iii. Units of mutual funds	-	-
iv. Government Securities	-	-
v. Others	-	-
Long Term Investments		
1. Quoted		
i. Shares - Equity	-	-
- Preference	-	-
ii. Debentures and Bonds	-	-
iii. Units of mutual funds	-	-
iv. Government Securities	-	-
v. Others	-	-
2. Unquoted		
i. Shares - Equity	16,641.51	15,150.51
- Preference	-	-
ii. Debentures and Bonds	-	-
iii. Units of mutual funds	-	-
iv. Government Securities	-	-
v. Others	-	-

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

Category		As at 31st March, 2022			As at 31st March, 2021		
		Amount net of provision			Amount net of provision		
		Secured	Unsecured	Total	Secured	Unsecured	Total
1	Related Parties**						
	a. Subsidiaries	1,000.00	-	1,000.00	-	-	-
	b. Companies in the same group	-	-	-	-	-	-
	c. Other related parties	-	-	-	-	-	-
2	Other than related parties	71,798.64	20,198.27	91,996.91	53,435.16	3,393.44	56,828.60
	Total	**72,798.64**	**20,198.27**	**92,996.91**	**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		**As at March 31, 2022**		**As at March 31, 2021**	
		Market Value/ Break up of fair value or NAV	**Book Value (Net of Provisions)**	**Market Value/ Break up of fair value or NAV**	**Book Value (Net of Provisions)**
1	Related Parties**				
	a. Subsidiaries	21,121.08	16,641.51	15,695.69	15,150.51
	b. Companies in the same group	-	-	-	-
	c. Other related parties	-	-	-	-
2	Other than related parties	-	-	-	-
	Total	**21,121.08**	**16,641.51**	**15,695.69**	**15,150.51**

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

7 **Other information** **Amount**

		As at 31st March 2022	**As at 31st March 2021**
i.	Gross Non-Performing Assets		
	a. Related Parties	-	-
	b. Other than related parties	211.67	-
ii.	Net Non-Performing Assets		
	a. Related Parties	-	-
	b. Other than related parties	109.65	-
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.

48 The impairment provision as on March 31, 2022 aggregates Rs. 1,815.24 lakh (as on March 31, 2021 - Rs. 1,632.18 lakh) which includes potential impact on account of the pandemic Covid 19 of Rs. 892.06 lakh (as on March 31, 2021 - Rs. 1,012.20 lakh). Based on the current indicators of future economic conditions, the Company considers these provisions to be adequate.
Given the dynamic and evolving nature of the Covid-19 pandemic, the estimates of the reporting periods include the possible impact of known events till date and are subject to uncertainty caused by resurgence Covid-19 pandemic and related events.

49 Disclosures pursuant to RBI Notification - RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated 24 September, 2021

(A) Details of transfer through assignment in respect of loans not in default during the year ended 31 March, 2022

Particulars	**Securitisation**	**Co-Lending**
Aggregate amount of loans acquired (in lakhs)	20,462.55	2,398.10
Weighted average residual maturity (in months)	64	58
Weighted average holding period (in months)*	6	3
Retention of beneficial economic interest by the originator	10%	10%
Tangible security coverage**	100%	100%

*Holding period is computed as holding period in the books of the Company

**For computation of coverage tangible security coverage ratio, Company has considered only secured loans

(B) Pursuant to the RBI circular dated 12 November, 2021 - "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarifications"; Further on 15th February, 2022 RBI has allowed deferment till 30th September, 2022.

50 Addittional disclosures

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

b. The Company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956,

c. The Company has no transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act,1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961), unless there is immunity for disclosure under any scheme and also shall state whether the previously unrecorded income and related assets have been properly recorded in the books of account during the year.

d. **Crypto or virtual currency**

The Company has not invetsed in crypto currency or virtual currency during the year.

e. The Company has not been declared as willfull defaulter by the bank or financial institution or any other lender.

f. No Scheme of arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013

g. Till the previous period, the Company had presented the revenue from foreign exchange activity as “Sale of foreign currencies” and “Purchase of foreign currencies” for/ from customers as “Cost of material consumed”. Now based on further interpretation of Ind AS 115 “Revenue from Contracts with Customer” and based on business model of the Company to arrange foreign currency for customers, the Company has decided to reflect the margins earned on such transactions as revenue. Accordingly, figures for the previous reporting periods have been restated as under:

Particulars	**Quarter ended March 31 2021**	**Year ended March 31 2021**
	(Refer Note 17)	**(Audited)**
Sale of Foreign Currency	26,269.34	26,269.34
Cost of materials consumed	26,110.13	26,110.13
Foreign exchange services	159.21	159.21
Impact on PAT	Nil	Nil
Impact on EPS- Basic & Diluted	Nil	Nil

51 The Financial Statements have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 30th April, 2022.

52 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.

For Singhi & Co.
Chartered Accountants
Firm Registration No. : 302049E

Milind Agal
Partner
Membership No. : 123314

Place: Mumbai
Date: 30th April, 2022

For and on behalf of the board
Capital India Finance Limited

Dr. Harsh Kumar Bhanwala
Executive Chairman
DIN : 06417704
Place: Delhi

Keshav Porwal
Managing Director
DIN : 06706341
Place: Mumbai

Neeraj Toshniwal
Chief Financial Officer
Place: Mumbai
Date: 30th April, 2022

Rachit Malhotra
Company Secretary
Place: Delhi

INDEPENDENT AUDITOR'S REPORT

To

The Members of Capital India Finance Limited

Report on the Audit of Consolidated Financial Statements

1. **Opinion**

We have audited the accompanying Consolidated Financial Statements of Capital India Finance Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate, which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate audited financial statements and on the other financial information of the subsidiaries and associate, 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 and its associate as at March 31, 2022, the consolidated profit (including other comprehensive income), its consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

2. **Basis for Opinion**

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our Report. We are independent of the Group and its associate in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and by other auditors in terms of their reports referred to in 'Other Matters' paragraph below are sufficient and appropriate to provide a basis for our opinion on Consolidated Financial Statements.

3. **Emphasis of Matter**

We draw attention to Note 42 to the Consolidated Financial Statements in which the Group describes the change in reporting of revenue on foreign exchange business and its restatement in previous year.

We draw attention to Note 47 to the Consolidated Financial Statements in which the Group describes the uncertainties arising from the COVID 19 pandemic.

Our opinion is not modified in respect of these matters.

4. **Other Matter**

i. The comparative financial statements of the Group as stated in Consolidated Financial Statements for the year ended March 31, 2021 were audited by the predecessor auditor who expressed an unmodified opinion on those financial statements on May 26, 2021. Accordingly, we, do not express any opinion, as the case may be, on the comparative figures reported in the Consolidated Financial Statements.

ii. We did not audit the financial statements of two (2) subsidiaries whose financial statements reflect total assets (before consolidation adjustments) of Rs. 57,580.06 lakhs as at March 31, 2022, total revenues (before consolidation adjustments) of Rs. 40,618.74 lakhs and net cash inflows (before consolidation adjustments) amounting to Rs. 2,462.81 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 sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the audit reports of the other auditors.

iii. The Consolidated Financial Statements also include the Group's share of net profit (and other comprehensive income) (before consolidation adjustments) of Rs. 21.31 lakhs for the year ended March 31, 2022, as considered in the Consolidated Financial Statements, in respect of one (1) associate, whose financial statements have not been audited by us. This financial statements/financial information 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 this associate, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid associate, is based solely on such financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group and its associate.

Our opinion is not modified in respect of these matters.

5. **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries and associate, were of most significance in our audit of the Consolidated Financial Statements of the current year. 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.

<table>
<tr><th>Sr. No.</th><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td></td><td>Expected Credit Loss (ECL) on Loans and Advances
As at March 31, 2022, the carrying value of loan assets measured at amortized cost.
The estimation of ECL on financial instruments involves significant judgement and estimates. As part of our risk assessment, we determined that the allowance for ECL on loan assets has a high degree of estimation uncertainty, with a potential range of reasonable outcomes for the financial statements.
The elements of estimating ECL which involved increased level of audit focus are the following:
a) Data inputs - The application of ECL model requires several data inputs.
b) Model estimations – Inherently judgmental models are used to estimate ECL which involves determining Probabilities of Default (“PD”), Loss Given Default (“LGD”), and Exposures at Default (“EAD”). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgmental aspect of the Group’s modelling approach.
c) Qualitative and quantitative factors used in staging the loan assets measured at amortized cost.
d) Economic scenarios – Ind AS 109 requires the Group to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them especially when considering the current uncertain economic environment arising from ongoing COVID-19 pandemic.
e) Adjustments to model driven ECL results to address emerging trends.
Refer Note 6 of the Consolidated Financial Statements.</td><td>Our Audit Approach:
Our audit approach was a combination of test of internal controls and substantive procedures which included the following:
a) testing the design and effectiveness of internal controls over the following:
➢ key controls over the completeness and accuracy of the key inputs, data and assumptions into the Ind AS 109 impairment models.
➢ key controls over the application of the staging criteria consistent with the definitions applied in accordance with the policy approved by the Board of Directors including the appropriateness of the qualitative factors.
➢ management’s controls over authorisation and calculation of post model adjustments and management overlays to the output of the ECL model.
b) Also, for a sample of ECL allowance on loan assets tested:
➢ we test checked over key inputs, data and assumptions impacting ECL calculations to assess the completeness, accuracy and relevance of data; and
➢ we tested the mathematical accuracy and computation of the allowances by using the same input data used by the Group.
c) evaluated the adequacy of the adjustment after stressing the inputs used in determining the output as per the ECL Model, including management overlays.
d) evaluated the management judgement, governance process and review controls and discussed the process and assumptions for identification of provisioning for ECL on loans with senior management including Chief Executive Officer, Chief Financial Officer and Head of Credit and Risk
e) assessed the updated model methodology by evaluating the changes for models which were changed or updated during the year.
f) assessed reasonableness of the Group’s considerations of the impact of the current ongoing economic environment due to COVID-19 on the ECL determination.
g) assessed the disclosures included in the Financial Statements in respect of expected credit losses</td></tr>
<tr><td></td><td>Information Technology (IT) Systems and Controls
The Group’s key financial information are highly dependent on the automated controls over the Group’s information systems, such that there exists a risk that gaps in the IT general control environment could result in a misstatement of the financial accounting and reporting records. Accordingly, we have considered user access management, segregation of duties and controls over system change over key financial accounting and reporting systems, as a key audit matter.</td><td>Our Audit Approach:
Our audit approach was a combination of test of internal controls and substantive procedures which included the following:
General IT controls design, observation and operation:
➢ tested key controls operating over the information technology in relation to financial information, including system access and system change management, program development and computer operations.
User access controls operation:
➢ obtained management’s evaluation of the access rights granted to applications relevant to financial accounting and reporting systems and tested resolution of a sample of expectations.
➢ assessed the operating effectiveness of controls over granting, removal and appropriateness of access rights.
Application controls:
➢ tested the design and operating effectiveness of automated controls critical to financial accounting and reporting.
➢ tested the design and operating effectiveness of compensating controls for any identified deficiencies and where necessary, extended the scope of our substantive audit procedure.
➢ considered the reports issued by the professional consultants with respect to Information Systems (IS) Audit and IT Infrastructure of the Group.</td></tr>
</table>

6. Information other than the Consolidated Financial Statements and Auditor’s Report thereon

The Holding Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises of the information included in the Annual Report, but does not include the Consolidated Financial Statements and our Auditor’s Report thereon. Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the 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.

7. Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group and its associate in accordance with the Ind AS and other accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies(Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its associate 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 Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and its associate are responsible for assessing the Group'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 Group and its associate or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and its associate are also responsible for overseeing the Group's financial reporting process.

8. Auditors' Responsibilities 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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:

i. 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.

ii. 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 Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

iv. 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 and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.

v. 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.

vi. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate 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 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 the misstatement in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in; (i) planning the scope of our audit work and evaluating the results of our work; and (ii) to evaluate the effects of any identified misstatements in the Financial Statements.

We communicate with those charged with governance of the Holding Company 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 Consolidated Financial Statements for the year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

9. Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, as noted in the 'Other Matter' paragraph, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 (xxi) of the Order.

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, as noted in the 'Other Matter' paragraph, we report, to the extent applicable, that:

a. We/ the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

c. The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of Consolidated Financial Statements;

d. In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

e. On the basis of written representations received from the directors of the Holding Company as on March 31, 2022, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies is disqualified as on March 31, 2022, 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 with reference to the Consolidated Financial Statements of the Holding Company and its subsidiaries and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this Report;

g. In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Holding Company and its subsidiaries to their directors in accordance with the provisions of Section 197 read with Schedule V to the Act;

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended March 31, 2022. Hence disclosure is not made;

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group and its associate;

   iv.(a) The respective management of the Group and its associate whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group and its associate to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group and its associate ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 15A (c) to Consolidated Financial Statements);

   (b) The respective management of the Group and its associate whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that no funds have been received by the Group from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group and its associate shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 15A (c) to Consolidated Financial Statements); and

   (c) Based on audit procedures that have been considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. As stated in Note 32 to the Consolidated Financial Statements, the Board of Directors of the Holding Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

For Singhi & Co.
Chartered Accountants
Firm Registration No.: 302049E

Milind Agal
Partner
Membership No. 123314
UDIN: 22123314AINJPL7604

Place: Mumbai
Date: April 30, 2022

Annexure A to the Independent Auditors' Report of even date on the Consolidated Financial Statements of Capital India Finance Limited

Referred to in paragraph 9(i) under Report on Other Legal and Regulatory Requirements of our report of even date

There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order ("CARO") reports of the companies included in the Consolidated Financial Statements. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Holding Company.

For Singhi & Co.
Chartered Accountants
Firm Registration No.: 302049E

Milind Agal
Partner
Membership No. 123314
UDIN: 22123314AINJPL7604

Place: Mumbai
Date: April 30, 2022

Annexure B to the Independent Auditors' Report of even date on the Consolidated Financial Statements of Capital India Finance Limited

Referred to in paragraph 9(ii)(f) under Report on Other Legal and Regulatory Requirements of our report of even date Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

1. In conjunction with our audit of the Consolidated Financial Statements of Capital India Finance Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate as at March 31, 2022, we have audited the internal financial controls over financial reporting of the Holding Company for the year ended on that date.

   In our opinion, to the best of our information and according to the explanations given to us and consideration of the reports of the other auditors referred to in the 'Other Matters' paragraph below, the Group and its associate, 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, 2022 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 ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI").

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 in so far as it relates to two (2) subsidiary companies, is based solely on the corresponding reports of the auditors of such companies.

Our opinion is not modified in respect of the above matter.

Management's Responsibility for Internal Financial Controls

2. The managements of the respective companies in the Group and its associate are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective company considering the essential components of internal control stated in the Guidance Note issued by ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Group and its associate based on our audit. We conducted our audit in accordance with the Guidance Note and the SAs, to the extent applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

   Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 audit evidence obtained by the other companies, in terms of their reports referred to in the 'Other Matters' paragraph above, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Group and its associate.

Meaning of Internal Financial Controls over Financial Reporting

4. 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:

   (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

   (ii) 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

   (iii) 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

5. 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.

For Singhi & Co.
Chartered Accountants
Firm Registration No.: 302049E

Milind Agal
Partner
Membership No. 123314
UDIN: 22123314AINJPL7604

Place: Mumbai
Date: April 30, 2022

Consolidated Balance sheet as at March 31, 2022

(Currency: Rs. In Lakhs)

	Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
	ASSETS			
1	**Financial Assets**			
(a)	Cash & cash equivalents	3	19,808.98	14,204.29
(b)	Bank balances other than Cash & cash equivalents	4	15,272.68	8,596.36
(c)	Receivables			
	(i) Trade Receivables	5	936.77	656.58
	(ii) Other Receivables		-	24.57
(d)	Loans	6	1,10,738.31	68,474.98
(e)	Investments	7	-	-
(f)	Other financial assets	8	2,820.27	4,231.16
2	**Non-financial Assets**			
(a)	Inventories	9	105.16	261.68
(b)	Current tax assets(net)	10	1,181.45	547.98
(c)	Deferred tax asset (net)	11	690.00	583.59
(d)	Property, plant and equipment	12	2,450.24	1,616.12
(e)	Capital work in progress		0.88	348.86
(f)	Intangible Assets Under Development		1,137.99	159.34
(g)	Goodwill on consolidation		552.26	552.26
(h)	Other intangible assets	12A	1,420.22	669.02
(i)	Right of use assets	12B	3,350.38	2,803.83
(j)	Other non-financial assets	13	1,204.92	623.69
(k)	Investment in associates	7	960.37	-
	Total Assets		**1,62,630.88**	**1,04,354.31**
	LIABILITIES AND EQUITY			
	LIABILITIES			
1	**Financial Liabilities**			
(a)	Payables	14		
	(I)Trade Payables			
	(i) Total outstanding dues of micro enterprises and small enterprises		12.88	31.58
	(ii) Total outstanding dues of creditors other than micro and small enterprises		757.17	313.73
	(II) Other Payables			
	(i) Total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) Total outstanding dues of creditors other than micro and small enterprises		357.14	68.29
(b)	Debt Securities	15	12,191.26	12,191.26
(c)	Borrowings	15A	60,565.94	17,484.13
(d)	Lease liabilities	40	3,594.93	3,033.45
(e)	Other financial liabilities	16	13,732.59	9,989.80
2	**Non-Financial Liabilities**			
(a)	Provisions	17	928.50	803.71
(b)	Other non-financial liabilities	18	1,096.05	782.19
3	**EQUITY**			
(a)	Equity share capital	19	7,773.43	7,773.43
(b)	Other equity	20	54,348.76	48,514.88
	Equity attributable to owners of the Company		62,122.18	56,288.30
(c)	Equity attributable to Non-Controlling Interests		7,272.23	3,367.86
	Total Liabilities and Equity		**1,62,630.88**	**1,04,354.31**

Notes 1 to 50 forms integral part of the Consolidated Financial Statements
In terms of our report attached

For Singhi & Co.
Chartered Accountants
Firm Registration No. : 302049E

Milind Agal
Partner
Membership No. : 123314

Place: Mumbai
Date: 30th April, 2022

For and on behalf of the board
Capital India Finance Limited

Dr. Harsh Kumar Bhanwala
Executive Chairman
DIN : 06417704
Place: Delhi

Keshav Porwal
Managing Director
DIN : 06706341
Place: Mumbai

Neeraj Toshniwal
Chief Financial Officer
Place: Mumbai
Date: 30th April, 2022

Rachit Malhotra
Company Secretary
Place: Delhi

Consolidated Statement of Profit and Loss for the year ended March 31, 2022

(Currency: Rs. In Lakhs)

	Particulars	Note No.	For the period ended March 31, 2022	For the year ended March 31, 2021
	Revenue from operations:			
(i)	Interest income	21	14,540.76	10,577.03
(ii)	Fees and commission income		23,851.18	12,910.09
(iii)	Income from Foreign Exchange Services		663.18	159.21
(iv)	Sale of devices		13,381.80	7,636.77
(v)	Net gain on fair value changes	22	59.40	128.12
(vi)	Other operating income		491.54	428.08
(I)	**Total revenue from operations**		**52,987.86**	**31,839.30**
(II)	Other income	23	221.03	1.20
(III)	**Total income (I+II)**		**53,208.89**	**31,840.50**
	Expenses :			
(i)	Finance costs	24	5,114.63	2,425.19
(ii)	Impairment of financial instruments	25	348.04	3.47
(iii)	Fees and commission expense		19,882.98	11,387.50
(iv)	Cost of materials consumed	26	284.02	735.81
(v)	Employee benefits expenses	27	9,366.39	5,539.56
(vi)	Depreciation and amortization expenses	12,12A&12B	2,090.70	1,465.00
(vii)	Others expenses	28	17,857.46	8,808.54
(IV)	**Total expenses (IV)**		**54,944.22**	**30,365.07**
	Profit/(Loss) Before Share of Joint Ventures, Exceptional Items and Tax		**(1,735.33)**	**1,475.43**
	Share of Profit/(Loss) of Associate		(21.31)	-
(V)	**Profit/(Loss) before exceptional items and tax (III-IV)**		**(1,756.64)**	**1,475.43**
(VI)	Exceptional items		-	-
(VII)	**Profit/(Loss) before tax (V -VI)**		(1,756.64)	1,475.43
(VIII)	**Tax Expense:**			
	Current Tax		439.19	759.30
	Deferred Tax		(126.57)	107.64
(IX)	**Profit/(Loss) for the year (VII-VIII)**		**(2,069.26)**	**608.49**
(X)	**Other Comprehensive Income**			
	(a) Items that will not be reclassified to profit or loss			
	Re-measurement of net defined benefit plan		62.27	36.60
	Income tax impact on above		(15.67)	(9.21)
	Total Other Comprehensive Income		**46.60**	**27.39**
(XI)	**Total Comprehensive Income for the year (IX+X)**		**(2,022.66)**	**635.88**
	Profit for the year attributable to :			
	Owners of the parent		(276.83)	960.35
	Non-controlling interests		(1,792.43)	(351.86)
	Other Comprehensive Income for the year attributable to :			
	Owners of the parent		52.99	27.44
	Non-controlling interests		(6.39)	(0.05)
	Total Comprehensive Income for the year attributable to :			
	Owners of the parent		(223.84)	987.79
	Non-controlling interests		(1,798.82)	(351.91)
(XII)	**Earnings per equity share (Face value of Rs 10 each)**	29		
	Basic (Rs.)		(0.36)	1.24
	Diluted (Rs.)		(0.35)	1.22

Notes 1 to 50 forms integral part of the Consolidated Financial Statements
In terms of our report attached

For Singhi & Co.
Chartered Accountants
Firm Registration No. : 302049E

Milind Agal
Partner
Membership No. : 123314

Place: Mumbai
Date: 30th April, 2022

For and on behalf of the board
Capital India Finance Limited

Dr. Harsh Kumar Bhanwala
Executive Chairman
DIN : 06417704
Place: Delhi

Keshav Porwal
Managing Director
DIN : 06706341
Place: Mumbai

Neeraj Toshniwal
Chief Financial Officer
Place: Mumbai
Date: 30th April, 2022

Rachit Malhotra
Company Secretary
Place: Delhi

Consolidated Statement of Cash Flow for the year ended 31st March 2022

(Currency: Rs. In Lakhs)

	Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
A)	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Profit before exceptional items and taxes	(1,756.64)	1,475.44
	Adjustments to reconcile profit before tax to net cash flows:		
	Add : Non-cash expenses		
	Depreciation and amortisation expenses	2,090.70	1,465.00
	Provision for employee benefits	125.78	484.73
	Share based payments to employees	849.49	70.92
	Interest on Lease liability	-	244.54
	Interest income on fixed deposits	-	(142.66)
	Provision for advances and write off	25.11	-
	Finance cost	5,114.63	-
	Impairment on financial instruments	348.04	3.47
	Loss on sale of property, plant and equipment	179.80	-
	Profit on sale of equity shares	(27.67)	-
	Interest on income tax refund	(1.65)	-
	Profit on Lease Cancellation	(191.17)	-
	Interest on unwinding of financial assets	(38.86)	-
	Operating profit before working capital changes	**6,717.56**	**3,601.44**
	Changes in -		
	(Increase) in loans and advances	(42,637.01)	(12,020.88)
	(Increase) / Decrease in trade and other receivables	(255.62)	(595.73)
	(Increase) / Decrease in other financial assets	1,449.74	(3,485.84)
	(Increase) / Decrease in Inventory	156.52	(250.12)
	(Increase) / Decrease in other non-financial assets	(575.94)	(1,871.37)
	Increase / (Decrease) in trade payables	713.59	248.11
	Increase / (Decrease) in other financial liabilities	3,735.00	8,296.20
	Increase / (Decrease) in other non-financial liabilities	314.44	396.95
	Increase/(Decrease) in provisions	(1.00)	-
	Cash generated from/ (used in) operations	**(30,382.73)**	**(5,681.24)**
	Income tax paid	(961.90)	(1,266.97)
	Net Cash (used in) operating activities (A)	**(31,344.63)**	**(6,948.21)**
B)	**CASH FROM INVESTING ACTIVITIES:**		
	Purchase of property, plant and equipment and Intangible assets	(3,506.12)	(1,149.63)
	Proceeds from sale of property, plant and equipment	116.99	21.48
	Investments in Associate	(1,466.90)	-
	Proceeds from sale of Investments in Associate	500.00	-
	Investments / Redemption of Mutual fund	-	863.41
	(Investment)/Maturity in bank deposits	(6,676.31)	(8,471.53)
	Net Cash (used in) investing activities (B)	**(11,032.34)**	**(8,736.27)**
C)	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Proceeds from issue of equity shares at premium	10,981.02	3,298.46
	Payment of dividend and dividend distribution tax thereon	(77.73)	(77.73)
	Payment of Lease rent	(1,275.74)	-
	Share alloted to Non controlling Interest on account of merger	-	3,066.80
	Proceeds/ Repayment from borrowings	43,021.77	16,810.18
	Interest payment on borrowings	(4,667.65)	-
	Net cash generated from financing activities (C)	**47,981.66**	**23,097.71**
D)	**Net increase in cash and cash equivalents (A+B+C)**	**5,604.69**	**7,413.22**
E)	**Cash and cash equivalents as at the beginning of the year**	14,204.29	6,791.07
G)	**Cash and cash equivalents as at the end of the year**	**19,808.98**	**14,204.29**

Consolidated Statement of Cash Flow for the year ended 31st March 2022

(Currency: Rs. In Lakhs)

	Cash and cash equivalents comprises:		
	Particulars	**As at 31st March 2022**	**As at 31st March 2021**
	Cash in hand	31.33	4.80
	Balances with banks		
	- in current accounts	15,736.90	6,707.42
	- in deposit accounts	823.61	5,229.51
	Foreign Currencies in hand	568.65	39.97
	Other balance with bank		
	- Balance with non schedule bank	2,648.49	2,222.59
		19,808.98	**14,204.29**

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 50 forms integral part of the Consolidated Financial Statements

For Singhi & Co.
Chartered Accountants
Firm Registration No. : 302049E

Milind Agal
Partner
Membership No. : 123314

Place: Mumbai
Date: 30th April, 2022

For and on behalf of the board
Capital India Finance Limited

Dr. Harsh Kumar Bhanwala
Executive Chairman
DIN : 06417704
Place: Delhi

Keshav Porwal
Managing Director
DIN : 06706341
Place: Mumbai

Neeraj Toshniwal
Chief Financial Officer
Place: Mumbai
Date: 30th April, 2022

Rachit Malhotra
Company Secretary
Place: Delhi

Consolidated Statement of Changes in Equity for the year ended 31st March, 2022

(Currency: Rs. In Lakhs)

A Equity share capital

Particulars	As at 31st March,2022	As at 31st March,2021
Balance at the beginning of the year	**7,773.43**	**7,773.43**
Issued During the year	-	-
Balance at the end of the year	**7,773.43**	**7,773.43**

B Other equity

Particulars	Reserves and Surplus					Other comprehensive income	Total attributable to owners of the parent	Non Controlling Interest	Total Other Equity
	Employee stock option outstanding	Statutory reserve	Securities Premium	General Reserves	Retained Earnings				
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**	**44,888.42**
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	70.93
Share alloted by subsidiary company	-	-	3,298.45	-	-	-	3,298.45	3,066.80	6,365.25
Profit (loss) for the year after income tax	-	-	-	-	960.35	-	960.35	(351.86)	608.49
Other Comprehensive Income for the year before income tax	-	-	-	-	-	36.76	36.76	(0.16)	36.60
Less: Income Tax on Other Comprehensive Income	-	-	-	-	-	(9.21)	(9.21)	-	(9.21)
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**
Dividend paid including dividend distribution tax		-	-	-	(77.73)	-	(77.73)	-	(77.73)
Transfer to/from retained earnings	-	245.14	-	-	(245.14)	-	-	-	-
Transfer to securities premium	(0.17)	-	0.17	-	-	-	-	-	-
Other Additions/Deductions during the year	484.61	-	-	-	-	-	484.61	373.01	857.62
Share alloted by subsidiary company	-	-	5,650.84	-	-	-	5,650.84	5,330.18	10,981.02
Profit (loss) for the year after income tax	-	-	-	-	(276.83)	-	(276.83)	(1,792.43)	(2,069.26)
Other Comprehensive Income for the year before income tax	-	-	-	-	-	68.66	68.66	(6.39)	62.27
Less: Income Tax on Other Comprehensive Income	-	-	-	-	-	(15.67)	(15.67)	-	(15.67)
Balance as at March 31, 2022	**643.68**	**1,541.62**	**51,069.02**	**1.76**	**1,005.86**	**86.82**	**54,348.76**	**7,272.23**	**61,620.99**

Notes 1 to 50 forms integral part of the Consolidated Financial Statements
In terms of our report attached

For Singhi & Co.
Chartered Accountants
Firm Registration No. : 302049E

Milind Agal
Partner
Membership No. : 123314

Place: Mumbai
Date: 30th April, 2022

For and on behalf of the board
Capital India Finance Limited

Dr. Harsh Kumar Bhanwala
Executive Chairman
DIN : 06417704
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Keshav Porwal
Managing Director
DIN : 06706341
Place: Mumbai

Neeraj Toshniwal
Chief Financial Officer
Place: Mumbai
Date: 30th April, 2022

Rachit Malhotra
Company Secretary
Place: Delhi

Notes to Consolidated Ind AS Financial Statements for the year ended 31st March 2022

1 **Corporate Information**

The consolidated financial statements relate to Capital India Finance Limited (the Holding Company / Group) and its subsidiary companies. The Holding Company and its subsidiary companies constitute the group. The Group's is primarily into lending, forex (including MTSS business) 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. In addition, applicable regulations of Reserve Bank of India (RBI) and the guidance notes/ announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied along with compliance with other statutory promulgations.

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 - <u>Valuation using quoted market price in active markets</u>: 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 - <u>Valuation using observable inputs</u>: 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 - <u>Valuation with significant unobservable inputs</u>: 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 materialized, 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 Group 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 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 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. Assets, liabilities, incomes, and expenses of a subsidiary acquired or disposed of, during the year are included in the consolidated financial statements from the date the Group gains control, until the date when the Group ceases to control the subsidiary.

The Group combines the financial statements of the Parent and its subsidiaries line by line adding together like items. Inter-Group transactions, balances, and unrealized gains on transactions between the Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred assets.

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 inter-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:

Assets and liabilities related to Deferred Tax and Employee Benefit arrangements are recognized 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 fair value through profit or loss (FVTPL) are recognized immediately in Statement of Profit and Loss.

A financial asset and a financial liability are offset and presented on net basis in the balance sheet when there is a current legally enforceable right to set-off the recognized amounts and it is intended to either settle on net basis or to realize the asset and settle the liability simultaneously.

b) Classification and Subsequent measurement of financial assets –

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

- Amortised cost
- Fair value through other comprehensive income (FVOCI) – debt instruments
- Fair value through other comprehensive income (FVOCI) – equity instruments
- Fair value through profit and loss (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. Financial assets are subsequently measured at amortized cost using Effective Interest Rate (EIR) if these financial assets are held within a business model whose 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 instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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 or loss on derecognition is recognised in Statement of Profit and Loss.

Debt investments 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

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognized when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement, and
- Either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

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 recognized, 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 financial asset (either in its entirety or a portion of it). 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 presented in the statement of financial position as follows:

- For financial assets measured at amortized cost; as a deduction from the gross carrying amount of the assets;
- For debt instruments measured at FVCOI; loss allowance is recognized separately in Balance Sheet and the carrying amount is at fair value.

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 include 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 are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets comprise of computer software which are capitalized 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**

Initial Recognition:

On initial recognition, transactions in foreign currencies entered into by the Group are recorded in the functional currency (i.e., Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

Measurement of foreign currency items at reporting date:

Foreign currency monetary items of the Group are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured. When any non-monetary foreign currency item is recognised in Other Comprehensive Income, gain or loss on exchange fluctuation is also recorded in Other Comprehensive Income.

Exchange differences arising out of these translations are recognized in the Statement of Profit and Loss.

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. Revenue is measured at the fair value of the consideration received or receivable as reduced for estimated customer credits and other similar allowances.

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’).

Interest Income is recognized in the statement of Profit and Loss using effective interest rate (EIR) on all financial assets subsequently measured under amortized cost or fair value through other comprehensive income (FVCOI) except for those classified as held for trading.

The calculation of EIR includes all fees paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at FVPL transaction costs are recognized in profit or loss at initial recognition.

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). For financial assets originated or purchased credit - impaired (POCI) the EIR reflects ECLs in determining the future cash flows expected to be received from the financial asset.

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’s Statement of Profit and Loss include among other things fees charged for servicing a loan, loan advisory fees and documentation charges. Income from consultancy and commission is recognized on completion of relevant activity based on agreed terms of the contract.

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 Expenses 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.

h) **Income from foreign Currency**

It comprises of income arising from the buying and selling of foreign currencies on the net margins earned, commissions on sale of foreign currency denominated prepaid cards and agency commissions from on currency remittances. Revenue from financial services are recognized by reference to the time of services rendered.

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'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.

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 recognizes 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 include 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 utilize 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 Group 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/utilizing 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.

3 **Cash and cash equivalents**

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	31.33	4.80
Balances with banks		
- in current accounts	15,736.90	6,707.42
- in fixed deposits with original maturity less than 3 months	823.61	5,229.51
- Other balances with bank		
- Balance with non scheduled bank	2,648.49	2,222.59
Foreign Currencies in hand	568.65	39.97
	19,808.98	**14,204.29**

4 **Bank Balances other than cash and cash equivalents**

Particulars	As at March 31, 2022	As at March 31, 2021
Fixed deposit with bank (Maturity less than 12 months)*	15,245.98	8,578.12
Earmarked balance with bank**	24.23	15.95
Unclaimed dividend	2.47	2.29
	15,272.68	**8,596.36**

Note : *Fixed Deposits with banks having maturity more than 3 months include deposit against forward cover of Rs 37.95 Lakhs

*Fixed deposits with bank with original maturity of more than 3 months includes Rs.745 Lakhs lien marked to Bank for providing Bank Guarantee (March 31, 2021 - 425 Lakhs).

** The balance in escrow bank 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 March 31, 2022	As at March 31, 2021
(i) Trade receivables		
i) Secured considered good	-	-
ii) Unsecured considered good from Related Party	-	-
iii) Unsecured considered good from Unrelated Party	936.77	656.58
vi) Doubtful	-	-
Subtotal (i+ii+iii)	936.77	656.58
Less: Allowance for bad and doubtful debts	-	-
Net Receivables (a)	**936.77**	**656.58**
(ii) Other receivables		
i) Secured considered good	-	-
ii) Unsecured considered good	-	24.57
iii) Doubtful	-	-
Subtotal (i+ii+iii)	-	**24.57**
Less: Allowance for bad and doubtful debts	-	-
Net Receivables (b)	**-**	**24.57**
Total (a)+(b)	**936.77**	**681.15**

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.

Outstanding as at 31st March,2022

Particulars	Unbilled dues	Less than 6 months	6 months – 1 year	1-2 year	2-3 Years	More than 3 Years	Total
Undisputed Trade receivables- considered good	-	934.22	-	2.55	-	-	936.77
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	-	**934.22**	**-**	**2.55**	**-**	**-**	**936.77**

Outstanding as at 31st March,2021

Particulars	Unbilled dues	Less than 6 months	6 months – 1 year	1-2 Year	2-3 Years	More than 3 Years	Total
Undisputed Trade receivables- considered good	-	681.15	-	-	-	-	681.15
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	-	**681.15**	**-**	**-**	**-**		**681.15**

6 Loans

Particulars		As at March 31, 2022	As at March 31, 2021
(A)	**Advances - at amortised cost**		
	Vendor financing (Unsecured)	1,335.88	2,148.34
	Gross	**1,335.88**	**2,148.34**
	Less: Impairment loss allowance	6.63	10.06
		1,329.25	**2,138.28**
(B)	**Term Loans in India - at amortised cost**		
	Secured	91,854.05	66,427.01
	Unsecured	21,216.51	2,068.68
	Gross	**1,13,070.56**	**68,495.70**
	Less: Impairment loss allowance	2,118.60	1,766.12
	Total (Net)	**1,10,951.96**	**66,729.58**
(C)	**(I) Loans and Advances In India**		
	(i) Public Sectors	-	-
	(ii) Others	1,14,406.44	70,644.04
	Total Gross	**1,14,406.44**	**70,644.04**
	Less: Impairment loss allowance	2,125.23	1,776.18
	Total Net	**1,12,281.21**	**68,867.86**
	(II) Loans and advances Outside India (Net)	**-**	**-**
	Total (Net)	**1,12,281.21**	**68,867.86**
	Less: Unamortised interest income	23.06	20.72
	Less: Unamortised processing fee Income	476.44	372.16
	Less: Revenue Received in Advance	1,043.40	-
	Loans (Net)	**1,10,738.31**	**68,474.98**
(D)	**Bifurication of Secured loans & advances**		
	Particulars	**As as March 31, 2022**	**As at March 31, 2021**
	Secured by book debt	7,463.38	8,407.51
	Fixed deposit	502.28	804.89
	Secured by tangible asset	83,534.17	57,059.61
	Secured by intangible asset	-	-
	Covered by bank or government guarantee	354.22	155.00
	Total	**91,854.05**	**66,427.01**

Notes:

(i) There is no loan assets Recognised at Fair value through profit & loss or Fair value through other comprehensive income.

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

(iii) 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 has refunded/adjusted Rs.209.92 Lakhs from the subsequent installments.

(E)	Loans or advances in the nature of loans are granted to promoters, directors, key managerial personnel (KMPs) and the related parties		
	Outstanding as at 31st March,2022		
	Type of borrower	**Amount of loan or advance in the nature of loan outstanding**	**Percentage of total loan and advance in nature of loans**
	Promoters	-	-
	Directors	-	-
	KMPs	-	-
	Related parties	-	-
	Total	-	-

Notes:
(i) No Loans or advances were outstanding to promoters, directors, key managerial personnel (KMPs) and the related parties as at 31st March, 2021.

7 Investments

Particulars	As at March 31, 2022	As at March 31, 2021
Investment in Associates	960.37	-
	960.37	**-**

Particulars	As at March 31, 2022	As at March 31, 2021
Investment outside India	-	-
Investment in India	960.37	-
	960.37	**-**

Note:
(i) There is no investment measured at fair value through profit or loss or fair value through other comphrenshive income
(ii) Based on Assessment, no impairnment loss has been recognised.

8 Other financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured considered good		
Interest accrued but not due on Fixed Deposit	187.31	142.66
Security deposits	475.17	487.00
Advance Paid to Staff	1.95	8.88
Other advances	72.47	3.64
Advance to service providers	-	55.65
Ex. Gratia	0.68	8.80
Fixed Deposit more than 12 months	1,227.00	-
Other receivables	552.49	3,508.52
Cash collateral/margin on borrowing	51.47	-
Other Interest Income	179.37	-
Other financial assets	72.36	16.01
	2,820.27	**4,231.16**

9 Inventory

Particulars	As at March 31, 2022	As at March 31, 2021
Stock-in-trade of goods acquired for trading	105.16	261.68
Total Inventories	**105.16**	**261.68**

10 Current tax assets (Net)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance tax and tax deducted at source (Include Net of provision)	1,181.45	547.98
	1,181.45	**547.98**

11 **Deferred tax assets (Net)**

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred Tax Asset/(Liabilities) Net		
Deferred Tax Asset		
Provision for Expected Credit Loss	536.18	448.58
Provision for employee benefits	60.93	87.70
Unamortised processing fee	125.73	90.14
Depreciation	144.18	55.95
Loan given to Staff at concessional rate	0.15	0.74
Amortization adjustment on Lease deposits	4.10	22.15
Preliminary expenses & Accumulated losses	-	2.24
Lease Liability	95.32	43.83
Deferred Tax Liabilities	-	-
Interest adjustments on Lease deposits	3.71	(21.59)
Unamortised borrowing cost	(246.21)	(157.21)
On Fair value of Direct Assignment Pool	(45.15)	-
Deferred Tax Asset/(Liabilities) Net	**678.94**	**572.53**
Mat credit entitlement	11.06	11.06
	690.00	**583.59**

Note:
The Group has recognised Deferred Tax Assets arising from deductible temporay diferrences to the extent there is an evidence of future taxable profit.

12 **Property, Plant and Equipment**

Particulars	As at March 31, 2022					
	Furniture & Fixtures	Vehicles	Office Equipments	Leasehold improvements	Computer & printers	Total
At cost at the beginning of the year	836.01	356.18	318.49	1,091.57	285.97	2,888.22
Additions	276.32	191.72	259.81	759.50	277.44	1,764.79
Disposals	297.07	36.63	42.89	562.27	18.78	957.64
Gross Block	**815.26**	**511.27**	**535.41**	**1,288.80**	**544.63**	**3,695.37**
Accumulated depreciation as at the beginning of the year	237.74	164.74	149.65	588.90	131.07	1,272.10
Depreciation for the year	103.37	82.31	106.95	219.64	121.61	633.88
Deduction and other adjustments	111.53	25.35	26.24	481.78	15.95	660.85
Accumulated depreciation as at the end of the year	**229.58**	**221.70**	**230.36**	**326.76**	**236.73**	**1,245.13**
Net carrying amount as at the end of the year	**585.68**	**289.57**	**305.05**	**962.04**	**307.90**	**2,450.24**

Particulars	As at March 31, 2021					
	Furniture & Fixtures	Vehicles	Office Equipments	Leasehold improvements	Computer & printers	Total
At cost at the beginning of the year	791.08	316.40	268.93	965.15	183.27	2,524.83
Additions	45.96	67.30	49.56	126.42	109.34	398.58
Disposals	1.03	27.52	-	-	6.64	35.19
Gross Block	**836.01**	**356.18**	**318.49**	**1,091.57**	**285.97**	**2,888.22**
Accumulated depreciation as at the beginning of the year	152.84	106.04	86.30	381.56	67.00	793.74
Depreciation for the year	84.90	69.38	63.35	207.34	67.11	492.08
Deduction and other adjustments	-	10.68	-	-	3.04	13.72
Accumulated depreciation as at the end of the year	**237.74**	**164.74**	**149.65**	**588.90**	**131.07**	**1,272.10**
Net carrying amount as at the end of the year	**598.27**	**191.44**	**168.84**	**502.67**	**154.90**	**1,616.12**

Notes:

a. The Group does not hold any immovable property where title deeds are not held in the name of the Group and no immovable property are jointly owned with others.

b. There is no Revaluation of Property Plant and Equipment during the year.

c. The Group does not hold any Benami property under the Benami Transcation (Prohibition) Act, 1983 and Rules made thereunder.

Capital -work in progress

Capital -work in progress ageing schedule as on 31st March 2022

Particulars	Less than 1 Year	1– 2 Year	2-3 Year	More than 3 Years	Total
Projects in progress	0.88	-	-	-	0.88
Projects temproraily suspended	-	-	-	-	-
	0.88	**-**	**-**	**-**	**0.88**

Capital -work in progress ageing schedule as on 31st March 2021

Particulars	Less than1 Year	1– 2 Year	2-3 Year	More than3 Years	Total
Projects in progress	348.86	-	-	-	348.86
Projects temproraily suspended	-	-	-	-	-
	348.86	**-**	**-**	**-**	**348.86**

Notes:
(i) There are no projects whose completion is overdue or has exceeded its cost compared to its original plan

Intangible assets under development

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at the beginning of the year	159.34	89.80
Additions for the year	2,001.37	324.32
Capitalised during the year	(1,022.72)	(254.78)
Balance as at the end of the year	**1,137.99**	**159.34**

Intangible assets under development ageing schedule as on 31st March, 2022

Particulars	Less than1 Year	1– 2 Year	2-3 Year	More than 3 Years	Total
Neo Banking	424.09	-	-	-	424.09
Point of Sale (Refer Note (ii))	75.62	583.70	-	-	659.32
Others	19.03	35.55	-	-	54.58
	518.74	**619.25**	**-**	**-**	**1,137.99**

Intangible assets under development ageing schedule as on 31st March, 2021

Particulars	Less than1 Year	1– 2 Year	2-3 Year	More than 3 Years	Total
Neo Banking	71.29	-	-	-	71.29
Point of Sale (Refer Note (ii))	40.48	-	-	-	40.48
Others	45.22	2.35	-	-	47.57
	156.99	**2.35**	**-**	**-**	**159.34**

Notes:
(i) No Projects has been suspended during the year or has exceeded its cost compared to its original plan.
(ii) Ageing has been reckoned from the project start date

12A Other intangible assets (other than internally generated)

Particulars	As at March 31, 2022	
	Computer softwares	Total
At cost, beginning of the year	922.83	922.83
Additions	1,105.38	1,105.38
Gross Block	**2,028.21**	**2,028.21**
Accumulated amortization:		
At beginning of the year	253.81	253.81
Amortization for the year	354.18	354.18
Total amortization	**607.99**	**607.99**
	-	-
Net carrying amount	**1,420.22**	**1,420.22**

Particulars	As at March 31, 2021	
	Computer softwares	Total
At cost, beginning of the year	548.00	548.00
Additions	374.83	374.83
Gross Block	**922.83**	**922.83**
Accumulated amortization :		
At beginning of the year	78.76	78.76
Amortization for the year	175.05	175.05
Total amortization	**253.81**	**253.81**
	-	-
Net carrying amount	**669.02**	**669.02**

12B **Right of Use assets**

Particulars	As at March 31, 2022	As at March 31, 2021
Premises		
Gross Carrying value	4,943.64	3,242.75
Additions	2,015.88	1,255.26
Adjustment for Lease modification	(1,919.60)	445.62
Gross Block	**5,039.92**	**4,943.63**
Accumulated amortization :		
At beginning of the year	2,139.81	1,341.92
Amortization	1,102.64	797.88
Adjustment for Lease modification - amortisation	(1,552.91)	-
Total amortization	**1,689.54**	**2,139.80**
Net carrying amount	**3,350.38**	**2,803.83**

13 **Other non-financial assets**

Particulars	As at March 31, 2022	As at March 31, 2021
Prepaid Expenses A/c	358.83	161.27
Advance Paid to Suppliers	195.10	13.16
Capital advances	16.00	10.72
Balance with Statutory authorities	631.44	438.54
Others	3.55	-
	1,204.92	**623.69**

14 **Payables**

Particulars	As at March 31, 2022	As at March 31, 2021
Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	12.88	31.58
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	757.17	313.73
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	357.14	68.29
	1,127.19	**413.60**

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

The information as required to be disclosed under MSME development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Group. The following table sets forth, for the year indicated, the amount of principal & interest outstanding.

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Principal amount remaining unpaid to MSME suppliers as on	12.88	31.58
(ii) Interest due on unpaid principal amount to MSME suppliers as on	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the MSME suppliers beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year (without adding the interest under MSME Development Act)	-	
(v) The amount of interest accrued and remaining unpaid as on	-	-
(vi) The amount of interest due and payable to be disallowed under Income Tax Act, 1961	-	-
Balance of MSME parties at the end of the year	**12.88**	**31.58**

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.

Outstanding as at 31st March,2022

Particulars	Unbilled dues	Less than 1 Year	1-2 year	2-3 Year	More than 3 Years	Total
MSME	-	12.88	-	-	-	12.88
Other	949.81	164.50	-	-	-	1,114.31
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
					-	
	949.81	**177.38**	**-**	**-**	**-**	**1,127.19**

Outstanding as at 31st March,2021

Particulars	Unbilled dues	Less than 1 Year	1-2 year	2-3 Year	More than 3 Years	Total
MSME	-	31.58	-	-	-	31.58
Other	234.03	147.99	-	-	-	382.02
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
	234.03	**179.57**	**-**	**-**	**-**	**413.60**

15 Debt Securities

Particulars	As at March 31, 2022	As at March 31, 2021
At Amortised Cost		
Secured		
(a) Non convertible debentures (1150 debentures @ Rs 10 Lakhs each)	11,500.00	11,500.00
Unsecured		
Interest accrued but not due on debt securities	691.26	691.26
Total	**12,191.26**	**12,191.26**
Debts in India	12,191.26	12,191.26
Debts outside India	-	-
Total	**12,191.26**	**12,191.26**

ISIN No.	Date of Redemption	As at 31st March 2022	As at 31st March 2021
INE345H07021	Sunday, July 30, 2023	2,500.00	2,500.00
INE345H07013	Saturday, June 24, 2023	5,000.00	5,000.00
INE345H07047	Thursday, June 30, 2022	1,000.00	1,000.00
INE345H07039	Friday, May 6, 2022	3,000.00	3,000.00
Total		**11,500.00**	**11,500.00**

Terms of repayment:

Particulars	Interest Range	Tenure
Non convertible debentures - Secured	9.5% - 10.05%	Payable after 2 to 14 months

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

15A Borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
At Amortised Cost		
Secured		
(a) Term loans		
(i) from Banks	48,566.70	12,979.50
(ii) from SIDBI	4,300.00	250.00
(iii) from Other Parties	4,816.74	2,350.14
(iv) from other NHB	2,851.42	1,950.75
(v) Vehicle loans from Banks	103.77	152.55
(b) Other loans - Book Overdraft	770.78	380.58
Total	**61,409.41**	**18,063.52**
Borrowings in India	61,409.41	18,063.52
Borrowings outside India	-	-
Total	**61,409.41**	**18,063.52**
Less: Unamortised Borrowings costs	(978.18)	(654.09)
Add: Interest accrued but not due on borrowings	134.71	74.70
Net Borrowings	**60,565.94**	**17,484.13**

Additional information:

i) There are no borrowings measured at Fair value through other comprehensive income.

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 and Book Overdraft	As at 31st March 2022	As at 31st March 2021	Rate of interest
0-1 Year	17,269.77	9,099.16	9.40% - 12.75%
1-3 years	25,081.73	4,198.42	
3-5 years	6,985.98	62.50	
Total	**49,337.48**	**13,360.08**	

Term loan from SIDBI	As at 31st March 2022	As at 31st March 2021	Rate of interest
0-1 Year	4,300.00	250.00	5.75%

Term loan from other parties*	As at 31st March 2022	As at 31st March 2021	Rate of interest
0-1 Year	1,275.31	733.36	10.10 % to 12.75%
1-3 years	3,078.93	1,062.18	
3-5 years	462.50	554.61	
Total	**4,816.74**	**2,350.15**	

Term loan from other NHB	As at 31st March 2022	As at 31st March 2021	Rate of interest
0-1 Year	621.37	514.00	5.4% to 6.85 %
1-3 years	1,080.00	600.00	
3-5 years	750.05	600.00	
More than 5 years	400.00	236.75	
Total	**2,851.42**	**1,950.75**	

Vehicle loans	As at 31st March 2022	As at 31st March 2021	Rate of interest
0-1 Year	53.62	49.27	8.5% - 8.71%
1-3 years	34.07	87.39	
3-5 years	16.08	15.89	
Total	**103.77**	**152.55**	

iii) There are no borrowing guaranteed by directors, promoters, key managerial personnel (KMPs) and the related parties as at 31st March, 2022

iv) Additionally the Group has not defaulted in repayment of principal and interest during the year and as at Balance sheet date.

v) There are no unsecured borrowings as at 31st March, 2022

Schedule 15(A) Continued

a. Borrowing obtained on the basis of Security of current assets

Borrowings from banks or financials institutions are secured by way of pari passu floating charge over the eligible receivables. Further, the company has filled statement of asset cover with security Trustee and banks reconciling with books of accounts.

b. End use of borrowings

The Company has utilised the borrowed funds for purposes for which it was availed.

c. Utilisation of borrowed funds and share premium

The Company has not entered in any transcation to any other persons or entities, including foreign entities with the understanding that the intermediary shall-

a. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries)

b. Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

16 Other financial liabilities

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Interest accrued but not due on borrowings	21.48	13.69
Advances deposits from customer	371.91	92.04
Advances from channel partner	10,484.52	8,073.50
Dividend Payable	2.45	2.29
Salary payable	36.94	165.91
Others (refer note)	2,815.29	1,642.37
	13,732.59	**9,989.80**

Note : Others include amounts received from our direct business outlet yet to be credited to them.

17 Provisions

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Provision for employee benefits		
Provision for gratuity	142.98	103.87
Provision for compensated absence	124.16	97.44
Provision for Other Expenses	-	80.40
Provision for performance bonus	656.36	516.00
Impairment loss allowance on Sanctioned but undisbursed & Guarantee	5.00	6.00
	928.50	**803.71**

18 Other non financial liabilities

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Revenue received in advance	-	0.53
Statutory dues payable	782.54	500.52
Advance received from customer	313.51	281.14
	1,096.05	**782.19**

19 **Equity share capital**

Particulars	As at 31st March 2022		As at 31st March 2021	
	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 capitala	**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:**

Particulars	As at 31st March 2022		As at 31st March 2021	
	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 Holding 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 holding company after distribution of all preferential amounts, in proportion to their holdings.

c. **Shares in the Holding Company held by each shareholder holding more than 5% shares**

Particulars	As at 31st March 2022		As at 31st March 2021	
	Number	%	Number	%
Equity shares of Rs. 10 each				
Capital India Corp Private Ltd (Formerly known as Capital India Corp LLP)	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	5.55%	43,16,800	5.55%
	6,72,90,320	**86.56%**	**6,72,90,320**	**86.56%**

d. **Shares held by promoters at the end of year**

As on March 31, 2022			
Shares held by promoters at the end of year			% change during the year
Promoter name	No. of shares	%	
Capital India Corp Private Ltd (Formerly known as Capital India Corp LLP)	5,67,75,720	73.04%	Nil

As on March 31, 2021			
Shares held by promoters at the end of year			% change during the year
Promoter name	No. of shares	%	
Capital India Corp Private Ltd (Formally known as Capital India Corp LLP)	5,67,75,720	73.04%	Nil

e. The Company has not reserved any shares for issues under options & Contracts / Commitments for the sale

f. The Company has not allotted any shares pursuant to contracts without payments being recevied in cash or as bonus share numbers it has bought back any shares during the preceding financial year

g. The Company has not:

(i) Issued any securities convertible into equity / preference shares
(ii) Issued any shares where calls are unpaid
(iii) Forfeited any shares

20 Other Equity

Particulars	As at 31st March 2022	As at 31st March 2021
Statutory Reserve under Section 45-IC of the RBI Act, 1934	1,541.62	1,296.48
Securities premium	51,069.02	45,418.01
Employee stock option outstanding account	643.68	159.24
General reserve	1.76	1.76
Retained earnings	1,005.86	1,605.56
Other comprehensive income	86.82	33.83
	54,348.76	**48,514.88**

Notes:

i) Statutory Reserve under Section 45-IC of the RBI Act, 1934:

The Group 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 Group.

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, requirements is not mandatory transfer a specified percentage of the net profit to general reserve.
However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

v) Retained earnings:

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

vi) Other Comprehensive Income - Remeasurement of Post Employment Benefit Obligations

The Company Recognises change on account of remeasurement of the net defined benefit liability (asset) as part of other comprehensive income

21 Interest income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on Loans	13,675.37	10,099.40
Interest income on Vendor financing	309.77	97.47
Interest on deposits with Banks	516.76	346.36
Other interest income	38.86	33.80
	14,540.76	**10,577.03**

Note : Interest income is on financial instruments classified under amortised cost

22 Net gain on fair value changes

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net gain on financial instruments at fair value through profit and loss account :-		
Mutual fund units	59.40	128.12
Total Net gain on fair value changes	**59.40**	**128.12**
Fair Value changes*		
Realised	59.40	128.12
Unrealised	-	-

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

23 **Other income**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Miscellaneous income	0.54	0.70
Gain on Lease Modification	191.17	-
Interest on income tax refund	1.65	0.50
Profit on Sale of equity shares	27.67	-
	221.03	**1.20**

24 **Finance cost**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on borrowings	3,223.81	1,101.34
Interest on Debt Securities	1,217.34	925.18
Bank charges	194.00	146.01
Interest on Lease Liability	379.19	244.54
Other finance costs	100.29	8.12
	5,114.63	**2,425.19**

25 **Impairment losses on financial instruments**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
On Loans (On Financial instruments measured at Amortised Cost)	348.04	3.47
	348.04	**3.47**

26 **Cost of materials consumed**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening stock	261.68	11.56
Add: Purchases	127.50	985.93
	389.18	**997.49**
Less: Closing stock	105.16	261.68
	284.02	**735.81**

27 **Employee benefits expenses**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries and wages including bonus	7,994.78	5,195.25
Contribution to provident and other funds	363.39	217.96
Share Based Payments to employees	849.49	79.77
Staff welfare expenses	158.69	46.16
Others:		
- Cost for giving loan to employees at concessional rate	0.04	0.43
	9,366.39	**5,539.56**

Refer Note No 38 for Gratuity & Leave encashment

28 Other expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Rent	198.64	51.58
Rate, fee & taxes	71.94	71.77
Repairs & maintenance	259.20	146.46
Office expenses	203.49	134.00
Electricity charges	70.76	44.43
Communication expenses	87.57	77.53
Printing & stationery	32.74	22.29
Insurance	98.32	29.65
Membership & subscription	30.09	24.00
Travelling & conveyance	620.73	213.13
Advertisement, marketing & business promotion exp	667.54	322.83
Commission & brokerage expenses	290.17	141.30
Auditor's remuneration (Refer 28A)	53.03	38.17
Legal & professional charges	1,732.80	773.35
Rating fee	14.16	14.16
Listing fee	3.65	3.86
Directors sitting fees	62.29	43.40
Donation	-	2.40
CSR expense (Refer Note 33)	65.00	41.20
DSA charges	-	-
Facilitation Fees	154.75	70.46
Server Maintenance	239.12	110.24
SMS service charges	73.32	51.16
License fees	-	-
Loss on Sale of Property Plant & Equipments	179.80	4.43
Settlement charges	-	16.71
Trusteeship fees	4.55	6.40
Allowance for doubtful debts, loans & advances (Net)	-	-
Commission Distributed to Channel Partners	-	-
Transation loss	52.75	18.98
Service Charges	12,334.58	6,177.58
Provision for advances	23.02	-
Integration Charges	-	16.19
Advances written off	2.09	11.80
Miscellaneous expenses	231.38	129.10
	17,857.46	**8,808.54**

28A Auditors Remuneration

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2022
Payment to auditors (net of GST credit availed)		
a) Statutory audit	36.58	28.80
b) Taxation matters (Tax audit fees)	7.14	3.64
c) Certification fees & Other services	9.31	5.73
	53.03	**38.17**

29 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 2022	For the year ended 31st March 2021
Basic			
Profit after tax (Rs. In Lakhs)	A	(276.83)	960.35
Weighted average number of equity shares outstanding	B	7,77,34,260.00	7,77,34,260.00
Basic earning per share (Rs)	A/B	(0.36)	1.24
Diluted			
Profit after tax (Rs. In Lakhs)	A	(276.83)	960.35
Weighted average number of equity shares outstanding	B	7,77,34,260.00	7,77,34,260.00
Add: Weighted average number of potential equity shares on account of employee stock options	C	6,62,795.00	8,90,028.34
Weighted average number of shares outstanding for diluted EPS	D=B+C	7,83,97,055.00	7,86,24,288.34
Diluted earning per share (before and after extraordinary items) (Rs)	A/D	(0.35)	1.22
Face value of shares (Rs)		10.00	10.00

30 Transaction in foreign currency

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Earning in Foreign Currency		
Export of foreign currencies	30,160.16	-
Commission received	8.66	-
Expenditure in Foreign Currency		
Legal & professional charges	1.82	-
Printing & Stationery	0.15	-
Forex currency expenses	210.74	-
Purchase of device	-	908.49
Purchase of software	-	8.20
Payment towards acquistion of shares	671.14	-
	31,052.67	**916.69**

Forward Cover Outstanding

The Company uses forward exchange contract to hedge against its foreign currency exposures related to underlying transaction and firm commitments.

The Company does not enter into any derivatives instruments for trading or speculative purpose.

The forward exchange contracts outstandings as at 31st March 2022 are as under currency exchnage USD/INR

a) Number of Sale Contracts 1 (PY NIL)

b) Aggregate Amount 76,20,000 (PY NIL)

31 Disclosure pursuant to Ind AS 108 "Operating Segment"

S.No	Particulars	Year Ended 31-Mar-22	Year Ended 31-Mar-21
1	**Segment Revenue**		
	Lending business	14,748.91	10,645.66
	Prepaid Payment Instrument business	37,413.80	20,974.07
	Forex Business	1,046.18	220.77
	Total Segment Revenue	**53,208.89**	**31,840.50**
2	**Segment Results (Profit before Tax)**		
	Lending business	2,186.17	3,322.02
	Prepaid Payment Instrument business	(3,281.81)	(1,034.70)
	Forex Business	(629.10)	(809.36)
	Others	(31.92)	(2.52)
	Total Segment Results	**(1,756.64)**	**1,475.44**

		As at March 31, 2022	As at March 31, 2021
3	**Segment Assets**		
	Lending business	10,973.63	83,221.23
	Prepaid Payment Instrument business	31,357.87	18,081.85
	Forex Business	1,18,426.01	1,915.08
	Unallocated	1,871.46	1,131.57
	Others	1.91	4.58
	Total Segment Assets	**1,62,630.88**	**1,04,354.31**
4	**Segment Liabilities**		
	Lending business	13,374.88	32,886.42
	Prepaid Payment Instrument business	15,982.98	11,232.68
	Forex Business	63,878.15	577.58
	Others	0.48	1.47
	Total Segment Liabilities	**93,236.49**	**44,698.15**

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 Group has been identified as the CODM as defined by Ind-AS 108 Operating Segments, who assesses the financial performance and position of the Group and makes strategic decisions.

b) Operating Segment

Primary Segment (Business Segment)

The Group 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 Group 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'.

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

32 Dividend distribution to equity shareholders of the holding Company

The Board of Directors at its meeting held on 30th April, 2022 has recommended dividend of Rs 0.10 per equity share (31st March 2021: Rs. 0.1 per share) amounting to Rs. 77.73 Lakhs (31st March 2021: Rs. 77.73 Lakhs) on ordinary equity shares. The recommended dividend will be accounted for when approved by the shareholders in Annual General Meeting.

33 Disclosure pertaining to corporate social responsibility expenses

Particulars	As at 31st March, 2022	As at 31st March, 2021
Amount required to be spent as per section 135 of the Act	65.00	41.20
Amount spent during the year on:		
(i) Construction / acquistion of an asset	-	-
(ii) On purpose other than (i) above	65.00	41.20
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Reason for shortfall	NA	NA
Nature of CSR activities	Education, Livelihood, Rural development, Health & Hygiene, Sustainable Environment and Disaster Response	
Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard : Contribution to Atulya Foundation in relation to CSR expenditure	65.00	41.20

34 Contingent Liabilities and Commitments

Particulars	31-Mar-22	31-Mar-21
Contingent liabilities		
Claims against the Group not acknowledged as debt		
- FLDG guarantee given (net of provision)	-	20.28
- Others - guarantee on behalf of subsidiary i.e. CIHL	8,425.95	6,079.45
Total (a)	**8,425.95**	**6,099.73**
Commitments		
Estimated amount of contracts(net of advances) remaining to be executed on capital account and not provided for	5.24	52.99
Undrawn committed sanctions to borrowers	3,671.77	2,417.69
Total (b)	**3,677.01**	**2,470.68**
Total (c=a+b)	**12,102.95**	**8,570.41**

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.

35 The following subsidiary companies have been considered in the preparation of the consolidated financial statements (as per Ind As 27 "Separate Financial Statement")

Name of the entity	Relationship	Country of incorporation	Ownership held by	Percentage (%) of ownership Interest	
				March 31, 2022	March 31, 2021
Capital India Home Loans Limited	Subsidiary	India	Capital India Finance Limited	99.89%	99.96%
Capital India Assets Management Private Limited	Subsidiary	India	Capital India Finance Limited	100%	100%
CIFL Holdings Private Limited	Subsidiary	India	Capital India Finance Limited	0%	100%
CIFL Investment Adviser Private Limited	Subsidiary	India	Capital India Finance Limited	0%	100%
Capital India Wealth Management Private Limited	Subsidiary	India	Capital India Finance Limited	0%	100%
Rapipay Fintech Private Limited	Subsidiary	India	Capital India Finance Limited	52.50%	55.60%

36 Additional information pursuant to Schedule III to the Companies Act, 2013 for the year ended March 31, 2022 & March 31, 2021

Details of entities considered in the consolidated financial statements for the year ended March 31, 2022.

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**	91.89%	57,084.33	-56.35%	1,166.01	93.30%	43.48	-59.80%	1,209.49
Subsidiaries - Indian								
Capital India Home Loans Limited	21.03%	13,062.20	-2.88%	59.69	35.45%	16.52	-3.77%	76.17
Capital India Assets Management Private Limited	0.00%	1.44	0.03%	(0.62)	0.00%	-	0.03%	(0.62)
CIFL Holdings Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	0.04
CIFL Investment Adviser Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Capital India Wealth Management Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Rapipay Fintech Holdings Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Rapipay Fintech Private Limited	24.75%	15,374.91	106.62%	(2,206.29)	-15.05%	(7.01)	109.43%	(2,213.30)
Subsidiaries - Foreign	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Non-controlling Interests in subsidiaries	-11.71%	(7,272.23)	86.62%	(1,792.43)	-13.70%	(6.39)	88.93%	(1,798.82)
CFS adjustment and elimination	-25.96%	(16,128.47)	-34.04%	704.38	0.00%	-	-34.82%	704.38
Total	**100.00%**	**62,122.18**	**100.00%**	**(2,069.26)**	**100.00%**	**46.60**	**100.00%**	**(2,022.66)**

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%	2,045.60	73.10%	20.02	324.84%	2,065.60
Subsidiaries - Indian								
Capital India Home Loans Limited	20.37%	11,466.92	-60.53%	(368.30)	27.34%	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)	-0.26%	(0.07)	-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%**	**27.39**	**100.00%**	**635.88**

37 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	Period	Nature of relationship
Capital India Corp Private Limited (Formally known as Capital India Corp LLP)	from 14 Mar, 2022	Holding Company
Capital India Corp LLP	upto 14 Mar, 2022	Enterprise having significant influence and control
Trident InfraHomes Private Limited		Entity under control of a person having joint control over the company
Atulya Foundation		Enterprise over which control is exercised by the Company
Dr. Harsh Kumar Bhanwala		Chairman
Mr. Keshav Porwal		Managing Director
Mr. Vineet Kumar Saxena	Executive director resigned with effect from 1st April 2021	Executive Director
Mr. Vineet Kumar Saxena	Appointed as an CEO with effect from 26th May 2021	CEO
Mr. Amit Sahai Kulshreshtha	CEO resigned with effect from 15 Feb, 2021	
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	upto 08 Oct, 2021	Independent Director
Mrs. Rachna Dikshit		Independent Director
Mr. Subhash Chander Kalia	from 26 May, 2021	Independent Director
Mrs. Rashmi Fauzdar		Independent Woman Director
Mr. Sukhdev Singh Kahyap		Relative of KMP
Ms.Rekha Kashyap		Relative of KMP

Note: Related party and their relationships are reported only where the Group 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	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Capital India Corp LLP	Reimbursement of expenses	34.40	8.76
	Sale of shares	609.00	-
Atulya Foundation	CSR Expenses	65.00	41.20
Mr. Deepak Vaswan	Remuneration Paid	38.22	35.95
	Sale of Fixed Assets	0.00	-
	Issue of Equity Share Capital	5.00	-
	Consultancy fees	12.15	-
Dr. Harsh Kumar Bhanwala	Remuneration Paid	191.30	75.78
Mr. Keshav Porwal	Remuneration Paid	125.40	100.08
Mr. Vineet Kumar Saxena	Remuneration Paid	372.97	134.07
Mr. Amit Sahai Kulshreshtha	Remuneration Paid	-	120.17
Mr. Neeraj Toshniwal	Remuneration Paid	134.97	65.09
Mr. Rachit Malhotra	Remuneration Paid	60.34	37.62
Mr. Yogendra Pal Singh	Sitting Fees Paid	13.76	10.70
Mr. Vinod Somani	Sitting Fees Paid	13.56	17.79
Mr. Malay Mukherjee	Sitting Fees Paid	2.70	2.50
Mrs. Rachna Dikshit	Sitting Fees Paid	8.50	2.36
Mr. Subhash Chander Kalia	Sitting Fees Paid	6.75	-
MS. Rashmi Fauzdar	Sitting Fees Paid	2.73	1.09
Tries Solutions LLP	Reimbursement of expenses	0.30	-
Key Management Personnel-Rapipay	Director sitting fees paid	8.50	-
	Salary including perquisites and allowances	308.78	-
	Reimbursement of expenses	9.17	-
Trident Infra Homes Private Limited	Sale of fixed asset	182.87	-

Note: Remuneration paid excludes amounts pertaining to gratuity and compensated absences, which are actuarially valued at the Company level.

38 Employee benefits

Defined Contribution Plan - Provident Fund (PF) Contribution

The Group makes **contribution** towards PF, in respect of qualifying employees. The amount recognised as an expense and included in Note 27 “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.

Particulars	FY 2021-22	FY 2020-21
Employer’s Contribution to Provident Fund	289.10	149.54
Employer’s contribution to Employee State Insurance	0.62	1.39

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, 2022**	**As at March 31, 2021**
I. Assumption		
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Interest / Discount Rate	5.48% to 6.15%	5.5% to 6.86%
Rate of increase in compensation	8% to 10.0%	0.0% [NEXT YEAR], 5% to 10.0% [THEREAFTER]
II. Reconciliation of net defined benefit (asset)/liability		
(a) Reconciliation of present value of defined benefit obligation		
Opening Defined Benefit Obligation	103.87	73.90
Interest Cost	6.81	4.93
Current Service Cost	94.57	61.64
Actuarial (Gains) / Losses	(62.27)	(36.60)
Closing Defined Benefit Obligation	**142.98**	**103.87**
(b) Reconciliation of net defined benefit (asset)/liability		
Present value of obligation as at the end of year	142.98	103.87
Fair value of plan assets as at the end of year	-	-
Funded status	142.98	103.87
Recognised in Balance Sheet - (Asset) / Liability	**142.98**	**103.87**
III. Actuarial (Gain)/Loss on Obligation		
Due to Demographic Assumption	(49.87)	(1.63)
Due to Financial Assumption	8.15	2.63
Due to Experience	(20.54)	(37.60)
Net Actuarial (Gain)/ Loss on obligation	**(62.27)**	**(36.60)**
IV. Actual Return on Plan Assets		
Actual Interest Income		
Expected Interest Income		
Return on Plan Assets excluding Interest Income	-	

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
V. Net Interest		
Interest Expense	6.81	4.58
Interest Income	-	0.35
Net Interest Exp/(Income)	**6.81**	**4.93**
VI. Expenses Recognised in Profit and Loss account under		
Employee benefit expenses		
Current Service Cost	94.56	61.64
Net Interest Exp/(Income)	6.81	4.93
Past Service Cost (vested benefits)	-	-
Expenses recognised in Profit and Loss Account	**101.38**	**66.57**
VII. Remeasurements recognised in Other Comprehensive Income		
Net Actuarial (Gain)/ Loss on obligation	(62.27)	(36.60)
Return on Plan Assets excluding Interest Income	-	-
Total Actuarial (Gain)/ Loss recognised in OCI	**(62.27)**	**(36.60)**
VIII. Others		
Weighted average duration of defined benefit obligation	2 to 22 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

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Change in rate of Discount Rate + 100 basis points	136.26	94.16
Change in rate of Discount Rate- 100 basis points	150.33	115.33
Change in rate of Salary Escalation Rate + 100 basis points	149.93	112.00
Change in rate of Salary Escalation Rate - 100 basis points	136.49	96.14
Change in rate of Attrition Rate + 100 basis points	56.41	67.71
Change in rate of Attrition Rate - 100 basis points	58.90	73.32

The Expected Payout

Particulars	As at March 31, 2022	As at March 31, 2021
Year 1	6.56	5.87
Year 2	9.05	4.61
Year 3	12.50	6.01
Year 4	13.58	7.32
Year 5	15.09	7.19
Year 6 to year 10	123.48	44.15

Notes:

1 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.

2 **Details compensated absences**

Particulars	March 31, 2022	March 31, 2021
Amount Recognised as compensated absences in statement of profit and loss	26.72	21.24
Provision for compensated absences	124.15	97.44

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 Group 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.

39 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 2022 and 31 March 2021

Particulars	Year ended March 2022		Year ended March 2021	
	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	8,48,125	72	20,50,000	72
Granted during the year	10,22,000	72	50,000	72
Vested during the year	1,46,875	72	-	-
Exercised during the year	-	-	-	-
Lapsed during the year	3,40,625	-	12,51,875	-
Options outstanding at the end of the year	15,29,500	72	8,48,125	72
	25,000	90		
Options available for grant	16,04,875	-	14,00,000	72

Weighted average remaining contractual life for options outstanding as at 31st March 2022 is 2 year 5 months (Previous year 1 years and 10 month).

CIHL EMPLOYEE STOCK OPTION PLAN 2018

In the extraordinary general meeting held on 8 August 2018, the shareholders approved the issue of 12,500,000 options under the Scheme titled "CIHL EMPLOYEE STOCK OPTION PLAN 2018" (ESOP SCHEME).

The ESOP Scheme allows the issue of options to employees of the Company and its Holding Company (whether in India or abroad). Each option comprises one underlying equity share.

As per the ESOP Scheme, the Board grants the options to the employees deemed eligible. The Exercise Price for the Options shall be determined by the Board/NRC which shall not be less than the face value of the Shares of the Company as on date of Grant. The options granted vest not earlier than minimum period of 1 (One) year and not later than maximum period of 5 (Five) years from the date of Grant. The Board/NRC at its discretion may grant Options specifying Vesting Period ranging from minimum and maximum period as afore-stated. The Exercise Period in respect of Vested Options shall be period as specified in the Grant Letter, which period shall not be more than 5 (Five) years from the date of Vesting of Options.

Movement in the options outstanding under the Employees Stock Option Plan for the year ended 31 March 2022 and 31 March 2021.

Particulars	Year ended March 2022		Year ended March 2021	
	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	61,00,000	10	82,80,000	10
Granted during the year	30,81,721	10	14,25,000	10
Vested during the year	14,57,500	10	24,80,000	10
Exercised during the year	1,10,000	10	25,000	10
Lapsed during the year	32,06,721	10	35,80,000	10
Options outstanding at the end of the year	58,65,000	10	61,00,000	10
Options available for grant	64,75,000	10	63,50,000	10

Weighted average remaining contractual life for options outstanding as at 31 March 2022 is 13 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 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Risk-free interest rate	4.34% - 5.70%	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	22.40% to 31.03%	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 2022, the Group recorded an employee stock compensation of Rs. 849.49 Lakhs (Previous year Rs.79.77 Lakhs) in the Statement of Profit and Loss.

40 Disclosure Pursuant to Ind AS 116 "Leases"

The following is the movement in lease liabilities during the year ended March 31, 2022 and March 31, 2021

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Opening balance	3,033.45	2,093.65
Additions during the year	2,586.07	1,646.32
Deletions during the year	(1,172.72)	-
Adjustment on Account of Lease Modification	-	(4.75)
Finance cost accrued during the year	379.19	244.54
Payment of lease liabilities	(1,231.06)	(946.31)
Closing balance	**3,594.93**	**3,033.45**

Maturity analysis of Lease Liabilities (Undiscounted basis)

Particulars	As at 31 March 2022	As at 31 March 2021
Not later than 1 year	1,122.53	1,184.66
Later than 1 year and not later than 5 years	3,250.80	2,158.29
Later than 5 years	66.13	302.15
Total	**4,439.45**	**3,645.10**

Amount recognised in statement of Profit & Loss account during the year

Particulars	As at 31 March 2022	As at 31 March 2021
Rent expense recognised for short term and low value leases	198.64	51.58

Note:

1 The Company does not have variable lease payments (31st March, 2021 - NIL)

2 The Company has not subleased right of use asset during the year (31st March, 2021 - NIL)

3 The total actual cash flow of the company for leases covered under IND AS 116 "Accounting for leases is 1231.06 for the year ended 31st March, 2022 (31st March, 2021 - 946.31)

4 The Company does not have any significant restrictions or covenants imposed by leases (31st March, 2021 - NIL)

5 The Company does not have any commmitted undiscounted leases that has not yet commenced as at 31st March, 2022 (31st March, 2021 - NIL)

41 **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 2022	For the year ended 31st March 2021
Current tax:		
In respect of current year	439.19	759.30
In respect of prior years	-	-
Deferred Tax:		
Deferred tax relating to origination and reversal of temporary differences	(126.57)	107.64
Total Income Tax recognised in profit or loss		
Current tax	439.19	759.30
Deferred tax	(126.57)	107.64
Total	**312.62**	**866.94**

(ii) **Income Tax recognised in Other comprehensive income**

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Deferred tax related to items recognised in Other comprehensive income during the year:		
Remeasurement of defined employee benefits	(15.67)	(9.21)
Total Income tax recognised in Other comprehensive income	**(15.67)**	**(9.21)**

(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 2022	For the year ended 31st March 2021
Profit before Tax	(1,756.64)	1,475.43
Enacted income tax rate (%)	25.17%	25.17%
Income tax expense calculated at applicable income tax rate	(442.15)	371.37
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Expenses that are not deductible for tax purposes	544.93	428.42
Deductions available under income tax	226.72	(39.88)
Other Temporary differences	109.69	-0.60
Income Tax expense recognised in profit and loss	439.19	759.30
Deferred Tax recognised in profit and loss	(126.57)	107.64
Tax recognised in profit and loss	**312.62**	**866.93**
Actual effective income tax rate (%)	**17.80%**	**58.76%**

The Group has recognised Deferred Tax Assets arising from deductible temporary differences to the extent there is an evidence of future taxable profit.

(iv) **Movement in temporary differences**

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Credit / (Charge) in the Statement of Profit and Loss during the year		
Provision for Expected Credit Loss	87.60	(41.43)
Provision for employee benefits	(11.10)	24.86
Unamortised processing fee	35.59	0.99
Depreciation	88.20	36.21
Loan given to Staff at concessional rate	(0.59)	0.07
Amortization adjustment on Lease deposits	(18.05)	6.54
Preliminary expenses & Accumulated losses	(2.24)	0.75
Lease Liability	51.48	4.96
Interest adjustments on Lease deposits	25.30	(6.62)
Unamortised borrowing cost	(88.99)	(135.97)
Unrealised gain on MF	-	2.00
On Fair value of DA pool	(45.15)	
Net deferred tax asset at on acquisition of RFPL	-	-
Total (a)	**122.08**	**(107.64)**
Credit / (Charge) in the other comprehensive income during the period		
Provisions - employee benefits (b)	(15.67)	(9.21)
Total (a)+(b)	**106.41**	**(116.86)**

42 Disclosure with respect to foreign exchange activity

Till the previous period, the Company had presented the revenue from foreign exchange activity as "Sale of foreign currencies" and "Purchase of foreign currencies" for/ from customers as "Cost of material consumed". Now based on further interpretation of Ind AS 115 "Revenue from Contracts with Customer" and based on business model of the Company to arrange foreign currency for customers, the Company has decided to reflect the margins earned on such transactions as revenue. Accordingly, figures for the previous reporting periods have been restated as under:

Particulars	Quarter ended March 31, 2021	Year ended March 31, 2021
	(Refer Note 17)	(Audited)
Sale of Foreign Currency	26,269.34	26,269.34
Cost of materials consumed	26,110.13	26,110.13
Foreign exchange services	159.21	159.21
Impact on PAT	Nil	Nil
Impact on EPS- Basic & Diluted	Nil	Nil

43 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.

The Capital to Risk Weighted Asset Ratio (CRAR) of Group Company:

Items	As at March 31, 2022	As at March 31, 2021
i. CRAR (%)	46.21%	69.40%
ii. CRAR - Tier I capital (%)	45.04%	68.24%
iii. CRAR - Tier II capital (%)	1.17%	1.16%
iv.Levearge coverage ratio	823.85%	745.65%

As per RBI Prudential norms, the minimum CRAR requirement for NBFCs is 15% and the Holding company and major subsidiaries has maintained CRAR well above the regulatory norms throughout the year.

Regulatory capital-related information is presented as 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 Holding company comprises of share capital, share premium, reserves , Tier II capital comprises of provision on loans that are not credit-impaired, as per RBI Notification dated 31 March 2020 provision created under stage 1 is eligible for Tier II capital. There were no changes in the capital management process during the periods presented.

44 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.

a) Maximum exposure to the Credit risk

This table below shows the Group's maximum exposure to the credit risk.

Particulars	Mar-22	Mar-21
Financial Assets at amortised cost - Loans & Advances (Gross)	1,14,406.44	70,644.04
Less : Impairment loss allowances	2,125.23	1,776.18
Financial Assets at amortised cost - Loans & Advances (Net)	1,12,281.21	68,867.86
Receivables	936.77	681.15
Total	**1,13,217.97**	**69,549.01**

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 47 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, 2022	As at March 31, 2021
Stage 1	**Gross Stage 1 (DPD< 30 days) Performing asset and 12 month ECL**	92,645.02	67,605.49
	Less : Impairment loss allowance	492.06	813.55
	Net Stage 1 Assets	92,152.96	66,791.94
	ECL Prov. Coverage	0.53%	1.20%
Stage 2	**Gross Stage 2 (30>DPD< 90 days) Under performing assets increase in credit risk and Lifetime ECL**	21,448.92	3,004.27
	Less : Impairment loss allowance	1,481.15	945.14
	Net Stage 2 Assets	19,967.77	2,059.13
	ECL Prov. Coverage	6.91%	31.46%
Stage 3	**Gross Stage 3 (DPD>90) Non-performing assets credit impaired and lifetime ECL**	312.49	34.28
	Less : Impairment loss allowance	152.02	17.50
	Net Stage 3 Assets	160.47	16.78
	ECL Prov. Coverage	48.65%	51.04%
	Total Loans & Adv	1,14,406.44	70,644.04
	Less : Impairment loss allowance	2,125.23	1,776.18
	Net Loans & Advances	1,12,281.21	68,867.86
	ECL Prov. Coverage	1.86%	2.51%

Credit impairment charge to the income statement

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
New and increased provisions (incl. write off)	348.04	3.47
Total charge to the income statement	**348.04**	**3.47**

Write-offs still under enforcement activity

No write off during the year

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 March 31, 2020	**48,976.33**	**9,634.17**	**-**	**58,610.50**	**796.73**	**976.12**	**-**	**1,772.85**
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	-	51,255.20	1,306.33	126.35	-	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	**67,605.51**	**3,004.27**	**34.29**	**70,644.04**	**813.55**	**945.14**	**17.50**	**1,776.18**
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	(23,624.35)	23,624.35	-	-	(466.96)	466.96	-	-
- Transferred to lifetime ECL credit – impaired	(44.94)	(11.49)	56.43	-	-	(4.86)	4.86	-
Increase due to financial assets originated	70,542.06	4,742.12	232.23	75,516.44	371.52	994.91	132.16	1,498.62
Decrease due to loans derecognised on full payment	(21,833.26)	(9,910.33)	(10.46)	(31,754.04)	(226.06)	(921.01)	(2.50)	(1,149.57)
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, 2022	**92,645.02**	**21,448.92**	**312.49**	**1,14,406.44**	**492.06**	**1,481.15**	**152.02**	**2,125.23**

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 2021-2022 Group has Credit impaired assets of Rs 254.05 Lakhs (as on 31 March 2021 Rs.17.50 Lakhs).

e) **Credit Concentration**

The Group's loan portfolio is primarily concentrated on real estate, as detailed below.

Particulars	As at 31st March 2022	As at 31st March 2021
Real Estate	24.53%	30.90%
Others	75.47%	69.10%

ii) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting the obligations associated with its financial liabilities that are selected by delivering cash or other financial assets. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The respective BOD of the group through its respective committees monitors liquidity functions. They review Asset Liability strategy and Balance Sheet management in relation to asset and liability profile. They ensures that the objectives of liquidity management are met by monitoring the gaps in the various time buckets, deciding on the source and mix of liabilities, setting the maturity profile of the incremental assets and liabilities etc.

Key principles adopted in the Group's approach to managing liquidity risk include:

a) Monitoring the Group's liquidity position on a regular basis, using a combination of contractual and behavioural modelling of balance sheet and cash flow information.
b) Maintaining a high quality liquid asset portfolio.
c) Operating a prudent funding strategy which ensures appropriate diversification and limits maturity concentrations.

The Group's principal sources of liquidity are cash and cash equivalents, Overdraft facilities from Banks, liquid asset portfolio like Mutual funds and the cash flow that is generated from operation.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include interest accrued till the reporting date.

As at 31st March 2022	Contractual cash flows				
	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Borrowings (Includes Interest accrued but not due)	60,565.94	22,726.75	29,240.66	8,073.53	525.00
Debt securities (Includes Interest accrued but not due)	12,191.26	7,191.26	5,000.00	-	-
Trade and Other Payables	1,127.19	1,127.19	-	-	-
Other Financial Liabilities	13,732.59	13,732.59	-	-	-
Lease Liability	3,594.93	836.06	1,533.65	959.92	265.30
	91,211.91	**45,613.86**	**35,774.31**	**9,033.45**	**790.30**

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)	17,484.13	10,066.40	5,947.99	1,233.00	236.75
Debt securities	12,191.26	691.26	11,500.00	-	-
Trade and Other Payables	413.60	413.60	-	-	-
Other Financial Liabilities	9,989.80	9,989.80	-	-	-
Lease Liability	3,033.45	934.58	1,720.01	303.91	74.95
	43,112.24	**22,095.64**	**19,168.00**	**1,536.91**	**311.70**

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 2022	31st March 2021	31st March 2022	31st March 2021
Borrowings that are re-priced	0.25%	0.25%	(156.02)	(45.16)
Loans that are re-priced	0.25%	0.25%	288.52	116.71

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 Group 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 Group exposue to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

Particulars	31st March 2022				31st March 2021			
	EUR	GBP	USD	Others	EUR	GBP	USD	Others
Foreign currencies in hand	29.02	12.26	207.69	319.68	3.92	7.15	11.65	17.25
Net exposure	**29.02**	**12.26**	**207.69**	**319.68**	**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 2022		31st March 2021		31st March 2022		31st March 2021	
	Strengthening	Weakening	Strengthening	Weakening	Strengthening	Weakening	Strengthening	Weakening
Effect in INR								
0.75% movement*								
EUR	0.22	(0.22)	0.03	(0.03)	-	-	-	-
GBP	0.09	(0.09)	0.05	(0.05)	-	-	-	-
USD	1.56	(1.56)	0.09	(0.09)	-	-	-	-
Others	2.40	(2.40)	0.13	(0.13)	-	-	-	-

*Holding all other variables constant

45 Impairment of Goodwill

The Group tests goodwill for impairment annually on March 31. During the year ended March 31, 2022, the testing did not result in any impairment in the carrying amount of goodwill.

46 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, 2022	Carrying Amount		
	FVTPL	Amortised Cost	Total
Financial Assets			
Cash and cash equivalents	-	19,808.98	19,808.98
Other Bank Balances	-	15,272.68	15,272.68
Trade and other receivables	-	936.77	936.77
Loans & Advances	-	1,10,738.31	1,10,738.31
Others financial assets	-	2,820.27	2,820.27
Total	**-**	**1,49,577.01**	**1,49,577.01**
Financial liabilities			
Trade and Other Payables	-	1,127.19	1,127.19
Debt Securities	-	12,191.26	12,191.26
Borrowings	-	60,565.94	60,565.94
Lease liabilities	-	3,594.93	3,594.93
Other Financial Liabilities	-	13,732.59	13,732.59
Total	**-**	**91,211.91**	**91,211.91**

As at March 31, 2021	Carrying Amount		
	FVTPL	Amortised Cost	Total
Financial Assets			
Cash and cash equivalents	-	14,204.29	14,204.29
Other Bank Balances	-	8,596.36	8,596.36
Trade receivables	-	681.15	681.15
Loans & Advances	-	68,474.98	68,474.98
Others financial assets	-	4,231.17	4,231.17
Total	**-**	**96,187.95**	**96,187.95**
Financial liabilities			
Trade and Other Payables	-	413.60	413.60
Debt Securities	-	12,191.26	12,191.26
Borrowings	-	17,484.13	17,484.13
Lease liabilities	-	3,033.45	3,033.45
Other Financial Liabilities	-	9,989.80	9,989.80
Total	**-**	**43,112.25**	**43,112.25**

47 COVID Impact

The impairment provision as on March 31, 2022 aggregates Rs. 1,815.24 lakh (as on March 31, 2021 - Rs. 1,632.18 lakh) which includes potential impact on account of the pandemic Covid 19 of Rs. 892.06 lakh (as on March 31, 2021 - Rs. 1,012.20 lakh). Based on the current indicators of future economic conditions, the Company considers these provisions to be adequate.

Given the dynamic and evolving nature of the Covid-19 pandemic, the estimates of the reporting periods include the possible impact of known events till date and are subject to uncertainty caused by resurgence Covid-19 pandemic and related events.

48 Addittional Disclosure

a) There have been no events after the balance sheet date that require disclosure in these consolidated financial statements.

b) The Board of Directors, at their meeting held on 14 April 2022, approved the acquisition of Kuants Wealth Private Limited from Capital India Corp Private Limited, by way of purchase of the entire shareholding through a share purchase agreement dated 14 April 2022.

49 The Financial Statements have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 30th April, 2022.

50 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.

For Singhi & Co.
Chartered Accountants
Firm Registration No. : 302049E

Milind Agal
Partner
Membership No. : 123314

Place: Mumbai
Date: 30th April, 2022

For and on behalf of the board
Capital India Finance Limited

Dr. Harsh Kumar Bhanwala
Executive Chairman
DIN : 06417704
Place: Delhi

Keshav Porwal
Managing Director
DIN : 06706341
Place: Mumbai

Neeraj Toshniwal
Chief Financial Officer
Place: Mumbai
Date: 30th April, 2022

Rachit Malhotra
Company Secretary
Place: Delhi

ANNUAL REPORT 2021-22

CAPITAL INDIA FINANCE LIMITED

CIN: L74899DL1994PLC128577
(Incorporated under the Companies Act, 1956)

Registerd Office: 2nd Floor, DLF Centre, Sansad Marg, New Delhi – 110001
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