

INDEPENDENT AUDITORS' REVIEW REPORT ON REVIEW OF INTERIM STANDALONE FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF CAPITAL INDIA FINANCE LIMITED

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **CAPITAL INDIA FINANCE LIMITED** ("the Company"), for the quarter and nine months ended ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.



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5. The previously issued financial information of the Company for the quarter and nine months ended 31 December 2018 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006. These previously issued financial information have been adjusted to comply with Indian Accounting Standards ("Ind AS") and included in this Statement as comparative financial information. The adjustments made to the previously issued financial information to comply with Ind AS have been reviewed by us. Our conclusion on the Statement is not modified in respect of this matter.

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



A handwritten signature in black ink, appearing to read "Rukshad N. Daruvala".

Rukshad N. Daruvala
Partner
Membership No. 111188
UDIN: 20111188AAAA BQ 6330

MUMBAI, 14 February 2020

(Rs. in Lakhs)

Statement of Standalone Unaudited Financial Results for the quarter and nine months ended December 31, 2019

S.No.	Particulars	Quarter Ended			Nine months Ended	
		December 31, 2019	September 30, 2019	December 31, 2018	December 31, 2019	December 31, 2018
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
	Revenue from operations					
(i)	Interest income	2,465.12	2,627.70	1,390.05	7,683.92	2,617.75
(ii)	Fee income	4.29	14.04	76.49	59.09	674.12
(iii)	Net gain on fair value changes	37.32	48.94	50.96	114.30	187.36
(iv)	Other operating income	-	-	-	18.00	-
(I)	Total revenue from operations	2,506.73	2,690.68	1,517.50	7,875.31	3,479.23
(II)	Other income	-	0.04	4.55	1.61	4.55
(III)	Total Income (I+II)	2,506.73	2,690.72	1,522.05	7,876.92	3,483.78
	Expenses					
(i)	Finance costs	281.74	319.95	328.60	947.89	531.99
(ii)	Employee benefit expenses	625.68	624.10	366.04	1,875.59	943.63
(iii)	Depreciation & amortisation	195.05	192.96	191.52	580.08	539.43
(iv)	Impairment of financial assets	149.50	203.70	(63.27)	377.49	77.40
(v)	Administration and other expenses	110.69	155.25	186.47	469.30	503.89
(IV)	Total Expenses	1,362.66	1,495.96	1,009.36	4,250.35	2,596.34
(V)	Profit before tax (III-IV)	1,144.07	1,194.76	512.69	3,626.57	887.44
(VI)	Tax expenses					
(1)	Current tax	328.56	299.23	184.69	1,057.68	313.83
(2)	Deferred tax	(33.97)	(21.89)	(24.09)	(110.72)	(33.58)
(VII)	Profit for the period (V-VI)	849.48	917.42	352.09	2,679.61	607.19
(VIII)	Other comprehensive income	-	-	-	-	-
(IX)	Total Comprehensive Income (VII+VIII)	849.48	917.42	352.09	2,679.61	607.19
(X)	Paid-up equity share capital (Face value of 10/- each)	7,773.43	7,773.43	4,318.57	7,773.43	4,318.57
(XI)	Earnings per share (not annualised):					
(a)	Basic (Rs.)	1.09	1.18	1.06	3.45	1.82
(b)	Diluted (Rs.)	1.08	1.16	0.80	3.40	1.81
(c)	Face value per equity share (Rs)	10.00	10.00	10.00	10.00	10.00

Notes :-

- The Company has adopted Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act 2013 (the Act) read with the Companies (Indian Accounting Standards) Rules, 2015 from April 1, 2019 and the effective date of such transition is April 1, 2018. Such transition has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder and guidelines issued by the Reserve Bank of India (RBI) (Collectively referred to as "the Previous GAAP"). The figures have been presented in accordance with the format prescribed for financial statements for a Non-Banking Financial Companies (NBFC) whose financial statements are drawn up in compliance of the Companies (Indian Accounting Standards) Rules 2015, in Division III of Notification No. GSR 1022 (E) dated October 11, 2018, issued by the Ministry of Corporate Affairs, Government of India.
- The statement of standalone unaudited financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on February 14, 2020.
- The auditors have carried out Limited Review of the financials results for the quarter and nine months ended December 31, 2019, as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, as amended.
- The main business of the Company is financing activity. Further, all activities are carried out within India. As such, there are no separate reportable segments as per the Indian Accounting Standard 108 (Ind AS) on Operating Segment.
- There are no exceptional/ extraordinary items during the above mentioned periods.
- The Government of India vide Ordinance No. 15 of 2019 dated September 20, 2019 amended the income tax provisions by inserting section 115BAA. As per the amended provisions, the Company has opted to pay tax at rate of 22% plus applicable surcharge and cess subject to the conditions mentioned under the amended provisions and recognised the effect of change by revising the annual effective income tax rate.
- During the nine months ended December 31, 2019 the Nomination and Remuneration Committee of the Board of Directors, granted 4,15,000 stock options representing equal number of equity shares of face value of Rs. 10 each in the Company to the eligible employees under the CIFL Employee Stock Option Plan 2018.
- The Company had acquired a wholly owned subsidiary - Rapipay Fintech Holding Private Limited ("RFHPL") by making investment in equity shares of Rs 1 lakh on September 20, 2019 and converting the investment in Optionally Convertible Debentures alongwith interest of Rs 935.51 lakhs into Equity shares as per the terms of the agreement on September 21, 2019. The investment in equity shares of RFHPL as at December 31, 2019 was Rs 936.51 lakhs. Further the company has invested Rs. 500 lakhs in equity shares of Rapipay Fintech Private Limited ("RFPL") during the quarter ended December 31, 2019, which is a subsidiary of RFHPL.
- The Statement does not include Ind AS compliant results for the previous year ended March 31, 2019 as the same are not mandatory as per SEBI's circular dated July 5, 2016.
- The Net profit reconciliation between the figures reported under Previous GAAP and Ind AS is as under:

Sr. No.	Particulars	(Rs. in Lakhs)	
		Quarter ended December 31, 2018	Nine months ended December 31, 2018
		(Unaudited)	(Unaudited)
	Net profit after tax as per Previous GAAP	260.31	592.13
a	Expected credit losses/ reversal thereof on applicable financial instruments	81.12	3.74
b	Others	10.66	11.32
	Net profit after tax as per Ind AS	352.09	607.19
	Other Comprehensive Income (net of tax)	-	-
	Total Comprehensive Income as per Ind AS	352.09	607.19

Place: New Delhi
 Date : February 14, 2020



By order of the Board
 Capital India Finance Limited

Amit Sahni Kulshreshtha

Amit Sahni Kulshreshtha
 Executive Director & CEO
 DIN: 07869849



INDEPENDENT AUDITORS' REVIEW REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF CAPITAL INDIA FINANCE LIMITED

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **CAPITAL INDIA FINANCE LIMITED** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), for the quarter and nine months ended 31 December 2019 ("the Statement") being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of Parent's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

Attention is drawn to Note 2 to the Statement which states that the consolidated figures for the corresponding quarter and nine months ended 31 December 2018, as reported in the accompanying Statement have been approved by the Parent's Board of Directors, but have not been subjected to review.



4. The Statement includes the results of the following entities:
 - a. Capital India Home Loans Limited
 - b. Capital India Asset Management Private Limited
 - c. Capital India Wealth Management Private Limited
 - d. CIFL Holdings Private Limited
 - e. CIFL Investment Manager Private Limited
 - f. Rapipay Fintech Holding Private Limited
 - g. Rapipay Fintech Private Limited

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We did not review the interim financial results of two subsidiaries included in the consolidated unaudited financial results, whose interim financial results reflect total revenues of Rs. 242.97 lakhs and Rs. 271.93 lakhs for the quarter and nine months ended 31 December 2019 respectively, total net loss after tax and total comprehensive loss of Rs. 329.81 lakhs and Rs. 328.56 lakhs for the quarter and nine months ended 31 December 2019 respectively, as considered in the Statement. These interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above. Our conclusion on the Statement is not modified in respect of this matter.



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7. The consolidated unaudited financial results includes the interim financial results of four subsidiaries which have not been reviewed by their auditors, whose interim financial results reflect total revenue of Nil and Nil for the quarter and nine months ended 31 December 2019 respectively, total net loss after tax and total comprehensive loss of Rs. 0.08 lakhs and Rs. 1.25 lakhs for the quarter and nine months ended 31 December 2019 respectively, as considered in the Statement. According to the information and explanations given to us by the Management, these interim financial statements are not material to the Group. Our Conclusion on the Statement is not modified in respect of our reliance on the interim financial results certified by the Management.

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



A handwritten signature in black ink, appearing to read "Rukshad N. Daruvala".

Rukshad N. Daruvala
Partner
Membership No. 111188
UDIN:2011188AAAABR9062

MUMBAI, 14 February 2020

(Rs. in Lakhs)

Statement of Consolidated Unaudited Financial Results for the quarter and nine months ended December 31, 2019						
S.No.	Particulars	Quarter Ended			Nine months ended	
		December 31, 2019	September 30, 2019	December 31, 2018	December 31, 2019	December 31, 2018
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
	Revenue from operations					
(i)	Interest income	2,588.12	2,719.37	1,408.40	7,941.11	2,671.93
(ii)	Fee income	19.62	14.04	76.49	75.92	749.12
(iii)	Net gain on fair value changes	63.02	64.78	52.73	178.17	199.89
(iv)	Sale of services	224.21	26.45	-	250.66	-
(v)	Other operating income	18.42	2.47	-	233.89	-
(I)	Total revenue from operations	2,913.39	2,827.11	1,537.62	8,679.75	3,620.94
(II)	Other income	0.08	0.37	4.55	2.02	4.55
(III)	Total Income (I+II)	2,913.47	2,827.48	1,542.17	8,681.77	3,625.49
	Expenses					
(i)	Finance costs	420.11	356.57	348.78	1,142.40	552.17
(ii)	Employee benefit expenses	1,147.54	884.26	483.09	2,856.67	1,242.07
(iii)	Depreciation & amortisation	318.06	276.46	200.93	857.88	552.31
(iv)	Impairment on financial assets	156.14	338.39	(63.27)	526.10	77.40
(v)	Administration and Other expenses	341.26	232.38	196.19	819.49	561.38
(IV)	Total Expenses	2,383.11	2,088.06	1,165.72	6,202.54	2,985.33
(V)	Profit before tax (III-IV)	530.36	739.42	376.45	2,479.23	640.16
(VI)	Tax expense :					
	(1) Current tax	328.56	299.23	184.69	1,057.68	313.83
	(2) Deferred tax	(36.62)	(29.68)	(26.44)	(134.04)	(35.89)
(VII)	Profit for the period (V-VI)	238.42	469.87	218.20	1,555.59	362.22
	Profit for the period attributable to:					
	Owners of the Company	414.66	500.72	218.20	1,762.69	362.22
	Non-controlling interest	(176.24)	(30.85)	-	(207.10)	-
(VIII)	Other comprehensive income	-	-	-	-	-
(IX)	Total Comprehensive Income (VII+VIII)	238.42	469.87	218.20	1,555.59	362.22
	Total comprehensive income for the period attributable to:					
	Owners of the Company	414.66	500.72	218.20	1,762.69	362.22
	Non-controlling interest	(176.24)	(30.85)	-	(207.10)	-
(X)	Paid-up equity share capital (Face value of 10/- each)	7,773.43	7,773.43	4,318.57	7,773.43	4,318.57
(XI)	Earnings per share (not annualised):					
	(a) Basic (Rs.)	0.53	0.64	0.51	2.27	1.09
	(b) Diluted (Rs.)	0.53	0.64	0.50	2.24	1.08
	(c) Face value per equity share (Rs.)	10.00	10.00	10.00	10.00	10.00

Notes :-

- The Group has adopted Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 from April 1, 2019 and the effective date of such transition is April 1, 2018. Such transition has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder and guidelines issued by the Reserve Bank of India ('RBI') and National Housing Bank ('NHB') (Collectively referred to as "the Previous GAAP"). The figures have been presented in accordance with the format prescribed for financial statements for a Non-Banking Financial Companies (NBFC) whose financial statements are drawn up in compliance of the Companies (Indian Accounting Standards) Rules 2015, in Division III of Notification No. GSR 1022 (E) dated October 11, 2018, issued by the Ministry of Corporate Affairs, Government of India.
- The statement of consolidated unaudited financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on February 14, 2020. The auditors have carried out Limited Review of the consolidated financials results for the quarter and nine months ended December 31, 2019, as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, as amended.
- The main business of the Group is financing activity. Further, all activities are carried out within India. As such, there are no separate reportable segments as per the Indian Accounting Standard 108 (Ind AS) on Operating Segment.
- During the nine months ended December 31, 2019 the Nomination and Remuneration Committee of the Board of Directors, granted 4,15,000 stock options representing equal number of equity shares of face value of Rs. 10 each in the Company to the eligible employees under the CIFL Employee Stock Option Plan 2018.
- The Government of India vide Ordinance No. 15 of 2019 dated September 20, 2019 amended the income tax provisions by inserting section 115BAA. As per the amended provisions, the Company has opted to pay tax at rate of 22% plus applicable surcharge and cess subject to the conditions mentioned under the amended provisions and recognised the effect of change by revising the annual effective income tax rate.
- The Company had acquired a wholly owned subsidiary - Rapipay Fintech Holding Private Limited ('RFHPL') by making investment in equity shares of Rs 1 lakh on September 20, 2019 and converting the investment in Optionally Convertible Debentures alongwith interest of Rs 935.51 lakhs into Equity shares as per the terms of the agreement on September 21, 2019. The investment in equity shares of RFHPL as at December 31, 2019 was Rs 936.51 lakhs. Further the company has invested Rs. 500 lakhs in equity shares of Rapipay Fintech Private Limited ('RFPL') during the quarter ended December 31, 2019, which is a subsidiary of RFHPL.
- The Statement does not include Ind AS compliant results for the previous year ended March 31, 2019 as the same are not mandatory as per SEBI's circular dated July 5, 2016.
- There are no exceptional/ extraordinary items during the above mentioned periods.
- The Net profit reconciliation between the figures reported under Previous GAAP and Ind AS is as under:

(Rs. in Lakhs)			
Sr. No.	Particulars	Quarter ended	
		December 31, 2018	
		Unaudited	Unaudited
	Net profit after tax as per Previous GAAP	125.94	350.58
a	Expected credit losses/ reversal thereof on applicable financial instruments	81.12	3.74
b	Others	11.14	7.90
	Net profit after tax as per Ind AS	218.20	362.22
	Other Comprehensive income (net of tax)	-	-
	Total Comprehensive Income as per Ind AS	218.20	362.22

Place: New Delhi
 Date : February 14, 2020



By order of the Board
 Capital India Finance Limited

Amit Sahai Kulshreshtha

Amit Sahai Kulshreshtha
 Executive Director & CEO
 DIN : 07869849

