

**INDEPENDENT AUDITOR’S 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 ended June 30, 2020 (“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.

4. The Statement includes the results of the following entities:

Parent:

- a. Capital India Finance Limited

Subsidiaries:

- b. Capital India Home Loans Limited
- c. Capital India Asset Management Private Limited
- d. Capital India Wealth Management Private Limited
- e. CIFL Holdings Private Limited
- f. CIFL Investment Manager Private Limited
- g. Rapipay Fintech Holding Private Limited
- h. Rapipay Fintech Private Limited



**Deloitte
Haskins & Sells LLP**

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 7 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 draw attention to Note 7 to the Statement, which fully describes that the Group has recognised impairment on financial assets to reflect the adverse business impact and uncertainties arising from COVID-19 pandemic. Such estimates are based on current facts and circumstances and may not necessarily reflect the future uncertainties and events arising from the full impact of the COVID-19 pandemic. Our conclusion on the Statement is not modified in respect of this matter.
7. 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. 249.79 lakhs for the quarter ended June 30, 2020, total net loss after tax of Rs.125.59 lakhs and total comprehensive loss of Rs. 125.59 lakhs for the quarter ended June 30, 2020, 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.
8. 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 for the quarter ended June 30, 2020, total net loss after tax of Rs.0.20 lakhs and total comprehensive loss of Rs. 0.20 lakhs for the quarter ended June 30, 2020, 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)



Pallavi A. Gorakshakar
(Partner)
Membership No. 105035
UDIN: 20105035AAAAGZ9541

Place: Mumbai
Date: July 31, 2020

CAPITAL INDIA FINANCE LIMITED

Regd.off : 2nd floor, DLF Centre, Sansad Marg, New Delhi 110001, P.: 011-49546000
CIN: L74899DL1994PLC128577, Website : www.capitalindia.com, Email : secretarial@capitalindia.com

(Rs. In lakhs)

Statement of Consolidated Unaudited Financial Results for the quarter ended June 30, 2020

S.No.	Particulars	Quarter Ended			Year ended
		June 30, 2020	March 31, 2020	June 30, 2019	March 31, 2020
		Unaudited	Refer Note 8	Unaudited	Audited
	Revenue from operations				
(i)	Interest income	2,520.56	2,800.95	2,633.62	10,742.06
(ii)	Fees and commission income	205.05	364.77	42.26	672.75
(iii)	Net gain on fair value changes	9.87	29.15	50.38	225.33
(iv)	Sale of devices	9.23	11.27	-	29.87
(v)	Other operating income	27.71	11.40	213.00	227.30
(I)	Total revenue from operations	2,772.42	3,217.54	2,939.26	11,897.31
(II)	Other income	0.58	0.15	1.57	2.17
(III)	Total Income (I+II)	2,773.00	3,217.69	2,940.83	11,899.48
	Expenses				
(i)	Finance costs	383.13	527.10	365.72	1,669.51
(ii)	Impairment of financial assets (Refer Note 7)	121.55	998.51	31.57	1,394.60
(iii)	Loss on derecognition of financial assets	-	-	-	130.00
(iv)	Cost of materials consumed	7.54	17.30	-	27.08
(v)	Employee benefits expenses	1,075.51	967.84	824.87	3,824.51
(vi)	Depreciation and amortization	339.78	294.09	263.36	1,151.97
(vii)	Others expenses	234.15	457.85	245.85	1,267.57
(IV)	Total Expenses	2,161.66	3,262.69	1,731.37	9,465.24
(V)	Profit/(Loss) before tax (III-IV)	611.34	(45.00)	1,209.46	2,434.24
(VI)	Tax expense :				
	(1) Current tax	232.57	382.81	429.90	1,440.49
	(2) Deferred tax	(27.97)	(258.27)	(67.74)	(392.31)
(VII)	Profit/(Loss) for the period / year (V-VI)	406.74	(169.54)	847.30	1,386.06
	Profit/(Loss) for the period / year attributable to:				
	Owners of the Company	468.18	(39.62)	847.30	1,723.08
	Non-controlling interest	(61.44)	(129.92)	-	(337.02)
(VIII)	Other Comprehensive Income (Net of tax)	-	12.22	-	12.22
(IX)	Total Comprehensive Income / (Loss) (VII+VIII)	406.74	(157.32)	847.30	1,398.28
	Total comprehensive income / (loss) for the period / year attributable to:				
	Owners of the Company	468.18	(28.03)	847.30	1,734.67
	Non-controlling interest	(61.44)	(129.29)	-	(336.39)
(X)	Paid-up equity share capital (Face value of 10/- each)	7,773.43	7,773.43	7,773.43	7,773.43
(XI)	Other equity				44,341.29
(XII)	Earnings per share (not annualised):				
	(a) Basic (Rs.)	0.60	(0.05)	1.09	2.22
	(b) Diluted (Rs.)	0.59	(0.05)	1.08	2.19
	(c) Face value per equity share (Rs)	10.00	10.00	10.00	10.00

Notes :-

- These consolidated financial results have been prepared in accordance with the recognition and measurement principles of Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act 2013 ('the Act') read with relevant rules issued thereunder and guidelines issued by the Reserve Bank of India (RBI). The figures have been presented in accordance with the format prescribed for financial statements for an 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 results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on July 31, 2020.
- The auditors have carried out Limited Review of the consolidated financials results for the quarter ended June 30, 2020, as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements)
- During the quarter ended June 30, 2020, the Company has issued 500 Secured Redeemable, Non-Convertible Debentures of the face value of Rs. 10 Lakhs each issued at par. These Debentures are fully secured by pari passu charge by hypothecation of book debts including coupon.

Amit Sahni



5 Consolidated Segment information in accordance with the Ind AS 108 – Operating Segments of the Group is as under:

Sr. No.	Particulars	Quarter Ended			Year ended
		June 30, 2020	March 31, 2020	June 30, 2019	March 31, 2020
		Unaudited	Refer Note 8	Unaudited	Audited
1	Segment Revenue				
	Lending business	2,523.21	2,882.45	2,940.83	11,292.31
	Prepaid Payment Instrument business	249.79	335.24	-	607.17
	Total Segment Revenue	2,773.00	3,217.69	2,940.83	11,899.48
2	Segment Results (Profit before Tax)				
	Lending business	778.98	365.86	1,209.73	3,346.63
	Prepaid Payment Instrument business	(167.43)	(409.32)	-	(904.81)
	Others	(0.21)	(1.54)	(0.27)	(7.58)
	Total Segment Results	611.34	(45.00)	1,209.46	2,434.24
3	Segment Assets				
	Lending business	70,125.45	65,191.67	67,693.27	65,191.67
	Prepaid Payment Instrument business	6,193.04	5,439.35	-	5,439.35
	Unallocated	1,096.08	1,087.49	343.43	1,087.49
	Others	6.40	7.76	5.45	7.76
	Total Segment Assets	77,420.97	71,726.27	68,042.15	71,726.27
4	Segment Liabilities				
	Lending business	19,589.50	15,035.56	15,938.05	15,035.56
	Prepaid Payment Instrument business	4,561.21	3,642.07	-	3,642.07
	Unallocated	183.46	383.34	320.96	383.34
	Others	2.37	3.50	0.51	3.50
	Total Segment Liabilities	24,336.54	19,064.47	16,259.52	19,064.47

Note : Business Segments have been identified and reported taking into account the nature of products and services, the organisation structure, the internal business reporting system and the guidelines prescribed by the RBI.

- 6 The Board of Directors of the Group, in their meeting held on January 27, 2020, have approved the amalgamation of Rapipay Fintech Holding Private Limited with Rapipay Fintech Private Limited. The Board believes this will simplify the corporate structure and consolidate its similar businesses under single entity. Further, the Group has filed a first motion application on March 2, 2020 with National Company Law Tribunal in this respect, under section 230 to 232 and other applicable provisions of the Companies Act, 2013 read with Companies (Compromise, Arrangements and Amalgamations) Rules, 2016 and the National Company Law Tribunal Rules.
- 7 The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities.

The Reserve Bank of India (RBI) has issued guidelines relating to COVID-19 Regulatory Package dated March 27, 2020, April 17, 2020 and May 23, 2020 and in accordance therewith, the Group has advanced a moratorium of one month to six months on the payment of principal instalments and/ or interest, as applicable, falling due between March 1, 2020 and August 31, 2020 to the eligible borrowers.

Further, the Group has, based on all information currently available and based on the policy approved by the Board of Directors, determined the provision for expected credit losses on financial assets as at June 30, 2020. Given the uncertainty over the potential macro-economic impact, the Group's management has considered internal and external information upto the date of approval of these financial results. Accordingly, the Group has made a total provision of Rs. 1,900.26 Lakhs for expected credit losses on financial assets as at June 30, 2020 after considering the Management overlays. Based on the current indicators of future economic conditions, the Group considers this provision to be adequate and expects to recover the carrying amount of these financial assets.

Given the uncertainty over the potential macro-economic condition, the impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Group will continue to monitor any material changes to the future economic conditions, the effect of which, if any, will be given in the respective period.

- 8 The figures for the quarter ended March 31, 2020 are the balancing figures between the annual audited figures for the year then ended and the year to date figures for the nine months period ended December 31, 2019 which is approved by the Board of Directors of the Company and subjected to limited review by the statutory auditors.

By order of the Board
Capital India Finance Limited

Amit Sahai Kulshreshtha

Amit Sahai Kulshreshtha
Executive Director & CEO
DIN: 07869849

Place: Mumbai
Date: July 31, 2020



**INDEPENDENT AUDITOR'S 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 ended June 30, 2020 ("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.



**Deloitte
Haskins & Sells LLP**

5. We draw attention to Note 8 to the Statement, which fully describes that the Company has recognised impairment on financial assets to reflect the adverse business impact and uncertainties arising from COVID-19 pandemic. Such estimates are based on current facts and circumstances and may not necessarily reflect the future uncertainties and events arising from the full impact of the COVID-19 pandemic.

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)



Pallavi A. Gorakshakar
(Partner)
Membership No. 105035
UDIN: 20105035AAAAGY5237

Place: Mumbai
Date: July 31, 2020

Statement of Standalone Unaudited Financial Results for the quarter ended June 30, 2020

S.No.	Particulars	Quarter Ended			Year ended
		June 30, 2020 (Unaudited)	March 31, 2020 Refer Note 5	June 30, 2019 (Unaudited)	March 31, 2020 (Audited)
	Revenue from operation				
(i)	Interest income	2,260.71	2,593.32	2,591.09	10,277.24
(ii)	Fees and commission income	-	42.10	40.76	101.19
(iii)	Net gain on fair value changes	2.38	8.68	46.03	140.98
(I)	Total revenue from operations	2,263.09	2,644.10	2,677.88	10,519.41
(II)	Other income	-	3.02	1.57	4.63
(III)	Total Income (I+II)	2,263.09	2,647.12	2,679.45	10,524.04
	Expenses				
(i)	Finance costs	317.59	346.46	346.20	1,294.35
(ii)	Employee benefits expense	620.68	418.33	625.81	2,293.91
(iii)	Depreciation & amortisation	221.45	192.13	192.08	772.22
(iv)	Impairment of financial assets (Refer Note 8)	109.55	961.50	24.29	1,338.98
(v)	Other expenses	124.46	230.89	203.36	700.19
(IV)	Total Expenses	1,393.73	2,149.31	1,391.74	6,399.65
(V)	Profit before tax (III-IV)	869.36	497.81	1,287.71	4,124.39
(VI)	Tax Expenses				
(1)	Current tax	232.57	382.81	429.90	1,440.49
(2)	Deferred tax	(13.73)	(243.64)	(54.86)	(354.36)
(VII)	Profit for the period / year (V-VI)	650.52	358.64	912.67	3,038.26
(VIII)	Other Comprehensive Income	-	7.08	-	7.08
(IX)	Total comprehensive income (VII+VIII)	650.52	365.72	912.67	3,045.34
(X)	Paid up Equity Share Capital (Face value of Rs 10/- each)	7,773.43	7,773.43	7,773.43	7,773.43
(XI)	Other equity				46,184.35
(XII)	Earnings per share (not annualised):				
(a)	Basic (Rs.)	0.84	0.46	1.17	3.91
(b)	Diluted (Rs.)	0.83	0.46	1.16	3.86
(c)	Face value per equity share (Rs)	10.00	10.00	10.00	10.00

Notes :-

- These Financial Results have been prepared in accordance with the recognition and measurement principles of Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act 2013 ('the Act') read with relevant rules issued thereunder and guidelines issued by the Reserve Bank of India (RBI). The figures have been presented in accordance with the format prescribed for financial statements for an 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 results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on July 31, 2020.
- The auditors have carried out Limited Review of the financial results for the quarter ended June 30, 2020, as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements)
- 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 Segments.
- The figures for the quarter ended March 31, 2020 are the balancing figures between the annual audited figures for the year then ended and the year to date figures for the nine months period ended December 31, 2019 which is approved by the Board of Directors of the Company and subjected to limited review by the statutory auditors.
- During the quarter ended June 30, 2020 the Company has invested Rs. 500 Lakhs by subscribing 50 Lakhs equity shares at face value of Rs. 10 each of its subsidiary, Capital India Home Loans Limited.
- During the quarter ended June 30, 2020, the Company has issued 500 Secured Redeemable, Non-Convertible Debentures of the face value of Rs. 10 Lakhs each issued at par. These Debentures are fully secured by pari passu charge by hypothecation of book debts including coupon.
- The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities.

The Reserve Bank of India (RBI) has issued guidelines relating to COVID-19 Regulatory Package dated March 27, 2020, April 17,2020 and May 23, 2020 and in accordance therewith, the Company has advanced a moratorium of one month to six months on the payment of principal instalments and/ or interest, as applicable, falling due between March 1, 2020 and August 31, 2020 to the eligible borrowers.

Further, the Company has, based on all information currently available and based on the policy approved by the Board of Directors, determined the provision for expected credit losses on financial assets as at June 30, 2020. Given the uncertainty over the potential macro-economic impact, the Company's management has considered internal and external information upto the date of approval of these financial results. Accordingly, the Company has made a total provision of Rs. 1,843.26 Lakhs for expected credit losses on financial assets as at June 30, 2020 after considering the Management overlays. Based on the current indicators of future economic conditions, the Company considers this provision to be adequate and expects to recover the carrying amount of these financial assets.

Given the uncertainty over the potential macro-economic condition, the impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Company will continue to monitor any material changes to the future economic conditions, the effect of which, if any, will be given in the respective period.

By order of the Board
Capital India Finance Limited

Amit Sahai Kulshreshtha

Amit Sahai Kulshreshtha
Executive Director & CEO
DIN: 07869849

Place: Mumbai
Date: July 31, 2020

