

Saturday, August 31, 2019

Ref. No. CIFL/BSE-26/2019-20

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

Ref:- Scrip Code – BSE – 530879

Sub: Submission of the Annual Report for the financial year 2018-19 along with Notice of 25th Annual General Meeting of Capital India Finance Limited ("Company") scheduled to be held on September 27, 2019

Dear Sir/Madam,

Pursuant to Regulations 30 and 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to submit the copy of Annual Report for the financial year 2018-19 ("Annual Report") along with the Notice of 25th Annual General Meeting ("AGM") of the Company scheduled to be held on Friday, September 27, 2019 at the "Magnolia" Habitat World, at India Habitat Centre, Lodhi Road, New Delhi-110003 at 09:00 A.M.

The Annual Report and the Notice of AGM can also be accessed from the website of the Company at www.capitalindia.com.

We request you to take the aforesaid on record and oblige.

Thanking you,
For Capital India Finance Limited


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



Encl: As above

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

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

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E : info@capitalindia.com
CIN No: L74899DL1994PLC128577
(Capital India Finance Ltd - Formerly known as Bhilwara Tex-Fin Ltd)

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



CAPITALINDIA

Rediscover Business

CAPITAL INDIA FINANCE LIMITED

(formerly known as Bhilwara Tex-Fin Ltd)

25th ANNUAL REPORT 2018-19



CAPITAL INDIA FINANCE LIMITED

(formerly known as Bhilwara Tex-Fin Limited)

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

KEY MANAGERIAL PERSONNEL (KMP)

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

AUDIT COMMITTEE

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

NOMINATION AND REMUNERATION COMMITTEE

Mrs. Promila Bhardwaj [*]	: Chairperson
Mr. Yogendra Pal Singh	: Member
Mr. Vineet Kumar Saxena	: Member

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Vinod Somani	: Chairman
Mrs. Promila Bhardwaj [*]	: Member
Mr. Vineet Kumar Saxena	: Member

INVESTMENT COMMITTEE

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

RISK MANAGEMENT COMMITTEE

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

ASSET-LIABILITY COMMITTEE

Mrs. Promila Bhardwaj [*]	: Chairperson
Mr. Keshav Porwal	: Member
Mr. Amit Sahai Kulshreshtha	: Member

MANAGEMENT COMMITTEE

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

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CREDIT COMMITTEE

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

SECURITIES ISSUANCE COMMITTEE

Mrs. Promila Bhardwaj	:	Chairperson
Mr. Vinod Somani	:	Member
Mr. Keshav Porwal	:	Member
Mr. Amit Sahai Kulshreshtha	:	Member

IT STRATEGY COMMITTEE

Mrs. Promila Bhardwaj	:	Chairperson
Mr. Amit Sahai Kulshreshtha	:	Member
Mr. Vineet Kumar Saxena	:	Member
Mr. Manish Gupta	:	Member

STATUTORY AUDITORS

M/s Deloitte Haskins & Sells LLP,
Chartered Accountants,
Indiabulls Finance Centre Tower 3, 27th – 32nd Floor
Senapati Bapat Marg, Elphinstone Road (West), Mumbai-400013

SECRETARIAL AUDITORS

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

INTERNAL AUDITORS

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

REGISTRAR & SHARE TRANSFER AGENT

Karvy Fintech Private Limited,
(formerly known as KCPL Advisory Services Pvt. Ltd.),
Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad – 500 032

*resigned with effect from April 1, 2019.

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BOARD'S REPORT

To,

The Members,
CAPITAL INDIA FINANCE LIMITED
(formerly known as Bhilwara Tex-Fin Limited)

Your Board of Directors (“Board”) take pride in presenting their 25th Annual Report together with the Audited Financial Statements (both on standalone and consolidated basis) (“Financial Statements”) for the Financial Year ended on March 31, 2019 (“FY 2018-19” or “period under review”). The summarised consolidated and standalone financial performance of your Company is as follows:

1. FINANCIAL HIGHLIGHTS

(Amount in Rupees)

Particulars	Consolidated		Standalone	
	Year ended 31 st March, 2019	Year ended 31 st March, 2018	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Total Income	59,40,53,091	26,04,60,113	56,26,31,821	25,70,90,477
Total Expenditure	49,27,91,427	21,61,13,566	41,69,96,713	21,06,34,455
Profit before tax	10,12,61,664	4,43,46,547	14,56,35,108	4,64,56,022
Provision for tax (including Deferred Tax)	4,25,36,291	1,64,59,174	4,36,80,839	1,69,69,426
Profit after tax	5,87,25,373	2,78,87,373	10,19,54,269	2,94,86,596
Add: Profit and Loss account balance brought forward from previous year	2,46,36,542	26,46,488	2,62,35,765	26,46,488
Transfer to Special Reserve under Section 45-IC of the RBI Act, 1934	2,03,90,854	58,97,319	2,03,90,854	58,97,319
Dividend on equity shares	35,02,700	-	35,02,700	-
Tax on Dividend	7,13,069	-	7,13,069	-
Surplus carried to Balance Sheet	5,87,55,292	2,46,36,542	10,35,83,411	2,62,35,765

2. RESERVES

In order to comply with the provisions of Section 45-IC of the Reserve Bank of India Act, 1934, (“RBI Act, 1934”) the Company has transferred Rs. 2,03,90,854 (Rupees Two crores three lakhs ninety thousand eight hundred and fifty four only) to Special Reserve Funds and has also made a provision of Rs. 2,80,18,945 (Rupees Two crores eighty lakhs eighteen thousand nine hundred and forty five only) for Employee Stock Options and Rs. 1,82,90,836 (Rupees One crore eighty two lakhs ninety thousand eight hundred and thirty six only) for Standard Assets during the period under review. Total provisions for Standard Assets of the Company as at the end of FY 2018-19 is Rs. 2,24,48,586 (Rupees Two crores twenty four lakhs forty eight thousand five hundred eighty six only).

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

3. SHARE CAPITAL

During the period under review, pursuant to the allotment of 3,96,83,000 (Three crores ninety six lakhs eighty three thousand) equity shares of the Company having face value of Rs. 10 (Rupees Ten only) each on preferential allotment basis, at a price of Rs. 63 (Rupees Sixty three only) (including a share premium of Rs. 53 (Rupees Fifty three only) per equity share aggregating to Rs. 2,50,00,29,000 (Rupees Two hundred fifty crores and twenty nine thousand only) and the allotment of 3,45,48,560 (Three crores forty five lakhs forty eight thousand five hundred and sixty) equity shares of the Company having face value of Rs. 10 (Rupees Ten only) each on rights basis, at a price of Rs. 72 (Rupees Seventy two only) each (including a share premium of Rs. 62 (Rupees Sixty two only) each) for an aggregate amount of Rs. 2,48,74,96,320 (Rupees Two hundred forty eight crores seventy four lakhs ninety-

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six thousand three hundred and twenty only), the paid-up share capital of the Company have been increased from Rs. 3,50,27,000 (Rupees Three crores fifty lakhs and twenty seven thousand only) to Rs. 77,73,42,600 (Rupees Seventy seven crores seventy three lakhs forty two thousand and six hundred only).

4. INFORMATION ON THE STATE OF AFFAIRS OF THE COMPANY

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

During the period under review, on standalone basis, the Company's total income was Rs. 56,26,31,821 (Rupees Fifty six crores twenty six lakhs thirty one thousand eight hundred and twenty one only) as compared to Rs. 25,70,90,477 (Rupees Twenty five crores seventy lakhs ninety thousand four hundred and seventy seven only) during the previous financial year and the Company has earned a Profit Before Tax of Rs. 14,56,35,108 (Rupees Fourteen crores fifty six lakhs thirty five thousand one hundred and eight only) as compared to Rs. 4,64,56,022 (Rupees Four crores sixty four lakhs fifty six thousand and twenty two only) during the previous financial year.

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

5. CHANGE IN NATURE OF BUSINESS

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

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

During the period under review, the Company does not have any Holding/Joint Venture/Associate Company and has the following 5 (five) subsidiaries:

S.No.	Name of Subsidiary	Percentage of Shareholding
1	Capital India Home Loans Limited	100%
2	Capital India Asset Management Private Limited	100%
3	Capital India Wealth Management Private Limited	100%
4	CIFL Holdings Private Limited	100%
5	CIFL Investment Manager Private Limited	100%

Note:

- As required under Rule 8 (1) of the Companies (Accounts) Rules, 2014, the Board's Report has been prepared on Standalone Financial Statements and a Report on the Performance and Financial Position of each of the subsidiaries, as included in the Consolidated Financial Statements, is presented herewith in Form AOC-I as **Annexure-I**.
- In terms of Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"), the Board adopted a Policy for Determining Material Subsidiary ("**Material Subsidiary Policy**") in terms of which none of the subsidiaries are material subsidiaries of the Company. Details of the Material Subsidiary Policy are given in the Corporate Governance Report which is annexed to and forms an integral part of this Board's Report.
- The standalone audited financial statements of each of the subsidiaries are available on the website of the Company at <https://capitalindia.com> under the "Investors" tab. Members interested in obtaining a copy of the standalone audited financial statements of the subsidiaries may write to the Company Secretary at the Registered Office of the Company.
- In accordance with the third proviso of Section 136 (1) of the Companies Act, 2013 and rules made thereunder, the Annual Report of the Company, containing therein its Financial Statements would be placed on the website of the Company at <https://capitalindia.com> ("**Website**") under the "Investors" tab.

7. DIVIDEND

Your Directors recommend a final dividend of Rs. 0.40 (Forty paise) per equity share for the FY 2018-19. The final dividend on 7,77,34,260 (Seven crores seventy seven lakhs thirty four thousand two hundred and sixty) equity

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shares, if approved by the members of the Company at the ensuing Annual General Meeting, would entail an outflow of Rs. 3,10,93,704 (Rupees Three crores ten lakhs ninety three thousand seven hundred and four only) towards dividend and Rs. 63,91,417 (Rupees Sixty three lakhs ninety one thousand four hundred and seventeen only) towards dividend distribution tax @20.56%, resulting in a total outflow of Rs. 3,74,85,121 (Rupees Three crores seventy four lakhs eighty five thousand one hundred and twenty one only).

8. INTERNAL CONTROL SYSTEM AND INTERNAL FINANCIAL CONTROLS

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

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

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

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

9. DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

i. Board of Directors

As on March 31, 2019, the Board of the Company consists of following 8 (eight) Directors:

Sr.No	Name	DIN	Designation	Details
1.	Mr. Vinod Somani	00327231	Independent Director	Appointed as an Additional Director in the capacity of Non – Executive Independent Director by the Board w.e.f. December 20, 2017 and as an Independent Director by the shareholders in their Annual General Meeting held on June 2, 2018.
2.	Mr. Yogendra Pal Singh	08347484	Additional Director - Independent	Appointed as an Additional Director in the capacity of Non – Executive Independent Director by the Board w.e.f. February 13, 2019.
3.	Mrs. Promila Bhardwaj*	06428534	Independent Director	Appointed as an Additional Director in the capacity of Non – Executive Independent Director by the Board w.e.f. December 20, 2017 and as an Independent Director by the shareholders in their Annual General Meeting held on June 2, 2018.

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Sr.No	Name	DIN	Designation	Details
4.	Mr. Keshav Porwal	06706341	Managing Director	Appointed as an Additional Director in the capacity of Managing Director by the Board w.e.f. November 27, 2017 and as Managing Director by the shareholders in their Annual General Meeting held on June 2, 2018.
5.	Mr. Amit Sahai Kulshreshtha	07869849	Executive Director & CEO	Appointed as an Additional Director in the capacity of Executive Director & CEO by the Board w.e.f. November 27, 2017 and as an Executive Director & CEO by the shareholders in their Annual General Meeting held on June 2, 2018.
6.	Mr. Vineet Kumar Saxena	07710277	Non-Executive Director	Appointed as an Additional Director of the Company in the capacity of Non – Executive Director by the Board w.e.f. November 27, 2017 and as Non – Executive Director by the shareholders in their Annual General Meeting held on June 2, 2018.
7.	Ms. Shraddha Suresh Kamat	07555355	Non-Executive Director	Appointed as an Additional Director of the Company in the capacity of Women Non-Executive Director by the Board w.e.f. November 27, 2017 and as Women Non-Executive Director by the shareholders in their Annual General Meeting held on June 2, 2018.
8.	Mr. Subodh Kumar	07781250	Non-Executive Director	Appointed as an Additional Director of the Company in the capacity of Non – Executive Director by the Board w.e.f. November 27, 2017 and as Non – Executive Director by the shareholders in their Annual General Meeting held on June 2, 2018.

* Mrs. Promila Bhardwaj resigned from the position of Independent Director with effect from April 1, 2019.

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

ii. Fit and Proper Criteria

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

iii. Directorships ceased during the year:

Mr. Achal Kumar Gupta resigned from the position of Independent Director w.e.f. February 13, 2019 due to his personal reasons. Mr. Rahul Rameshkumar Jain retired from the position of Non-Executive Director w.e.f. June 2, 2018, consequent to his unwillingness to continue as Director on retirement by rotation.

iv. Declaration of Independence:

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

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

v. Retirement by Rotation

In accordance with the provisions of the Companies Act, 2013 and rules made thereunder, and the Articles of Association of the Company, Mr. Amit Sahai Kulshreshtha, Executive Director & Chief Executive Officer of the Company, is liable to retire by rotation at the ensuing Annual General Meeting and has offered his

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candidature for re-appointment as a Director of the Company at the ensuing Annual General Meeting.

vi. Key Managerial Personnel

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

As on March 31, 2019, the Company has the following KMPs in accordance with the provisions of the Companies Act, 2013 and rules made thereunder:

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

vii. Board Meetings

During the period under review, 7 (seven) Board meetings were held and the intervening gap between the meetings were within the period prescribed under the Companies Act, 2013 and rules made thereunder.

viii. Committees of the Board

The following are the Committees constituted by the Board:

- i) Audit Committee;
- ii) Nomination & Remuneration Committee;
- iii) Stakeholder Relationship Committee;
- iv) Investment Committee;
- v) Risk Management Committee;
- vi) Asset-Liability Committee;
- vii) Management Committee;
- viii) Credit Committee;
- ix) Securities Issuance Committee; and
- x) IT Strategy Committee.

ix. Composition of the Committees:

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

S.No	Committee meeting	Composition
1	Audit Committee	Mr. Vinod Somani (Chairman)
		Mr. Yogendra Pal Singh (Member) ¹
		Mr. Vineet Kumar Saxena (Member)
		Mr. Achal Kumar Gupta ²
2	Nomination & Remuneration Committee	Mrs. Promila Bhardwaj (Chairperson) ³
		Mr. Yogendra Pal Singh (Member) ¹
		Mr. Vineet Kumar Saxena (Member)
		Mr. Vinod Somani ⁴
		Mr. Achal Kumar Gupta ²

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3	Stakeholders Relationship Committee	Mr. Vinod Somani (Chairman)
		Mrs. Promila Bhardwaj (Member) ⁵
		Mr. Vineet Kumar Saxena (Member)
		Mr. Achal Kumar Gupta ⁴
4	Investment Committee	Mr. Vineet Kumar Saxena (Chairman) ⁶
		Mr. Keshav Porwal (Member)
		Mr. Amit Sahai Kulshreshtha (Member)
		Mr. Achal Kumar Gupta ⁷
5	Risk Management Committee	Mr. Achal Kumar Gupta (Chairman) ⁸
		Mr. Keshav Porwal (Member)
		Mr. Amit Sahai Kulshreshtha (Member)
6	Asset-Liability Committee	Mrs. Promila Bhardwaj (Chairperson) ³
		Mr. Keshav Porwal (Member)
		Mr. Amit Sahai Kulshreshtha (Member)
		Mr. Vinod Somani ⁹
7	Management Committee	Mr. Keshav Porwal (Chairman)
		Mr. Amit Sahai Kulshreshtha (Member)
		Mr. Vineet Kumar Saxena (Member)
8	Credit Committee	Mr. Vinod Somani (Chairman) ³
		Mr. Keshav Porwal (Member)
		Mr. Amit Sahai Kulshreshtha (Member)
		Mr. Vineet Kumar Saxena (Member)
9	Securities Issuance Committee	Mrs. Promila Bhardwaj (Chairperson)
		Mr. Vinod Somani (Member)
		Mr. Keshav Porwal (Member)
		Mr. Amit Sahai Kulshreshtha (Member)
10	IT Strategy Committee	Mrs. Promila Bhardwaj (Chairperson)
		Mr. Amit Sahai Kulshreshtha (Member)
		Mr. Vineet Kumar Saxena (Member)
		Mr. Manish Gupta (Member)

¹ Appointed as member w.e.f. March 27, 2019.

² Ceased to be member w.e.f. February 13, 2019.

³ Appointed as Chairperson/Chairman w.e.f. May 3, 2018.

⁴ Ceased to be member w.e.f. May 3, 2018.

⁵ Appointed as member w.e.f. May 3, 2018.

⁶ Re-designated as Chairman w.e.f. March 27, 2019.

⁷ Ceased to be Chairman w.e.f. February 13, 2019.

⁸ Re-designated as Chairman in the capacity of Independent Expert with effect from March 27, 2019 consequent to resignation from the position of Independent Director on February 13, 2019.

⁹ Ceased to be Chairman w.e.f. May 3, 2018.

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x. Board and Committee Meetings

Details of meetings of Board and Committees are as below:

S. No	Board of Directors / Committee	No. of meetings	Date of Meetings
1.	Board of Directors (Board)	7	May 3, 2018
			July 25, 2018
			August 7, 2018
			October 6, 2018
			November 1, 2018
			December 9, 2018
			February 13, 2019
2	Audit Committee (AC)	5	May 3, 2018
			August 7, 2018
			October 6, 2018
			November 1, 2018
			February 13, 2019
3	Stakeholder Relationship Committee (SRC)	1	May 3, 2018
4	Nomination & Remuneration Committee (NRC)	4	May 3, 2018
			August 7, 2018
			November 1, 2018
			February 13, 2019
5	Risk Management Committee (RMC)	3	August 7, 2018
			December 9, 2018
			February 13, 2019
6	Asset-Liability Committee (ALCO)	3	August 7, 2018
			December 9, 2018
			February 13, 2019
7	Investment Committee (IC)	2	November 1, 2018
			February 13, 2019
8	IT Strategy Committee (IT)	2	November 1, 2018
			March 28, 2019
9	Securities Issuance Committee (SIC)	2	June 2, 2018
			June 8, 2018
10	Management Committee (MC)	14	April 2, 2018
			May 5, 2018
			June 20, 2018
			July 20, 2018
			August 27, 2018
			October 12, 2018
			November 21, 2018
			December 10, 2018
			December 26, 2018
			January 10, 2019
			February 4, 2019
March 7, 2019			
March 27, 2019			
March 30, 2019			
11	Credit Committee (CC)	Nil	Nil

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

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

Name of Director	Board	AC	NRC	SRC	RMC	IC	SIC	MC	IT	ALCO
Mr. Vinod Somani	7/7	5/5	1/1	1/1			2/2			
Mr. Achal Kumar Gupta*	5/7	4/5	3/4	1/1	3/3	1/2				
Mrs. Promila Bhardwaj	6/7		3/3				0/2		1/2	3/3
Mr. Yogendra Pal Singh**	1/1									
Mr. Keshav Porwal	7/7				3/3	2/2		13/14		3/3
Mr. Amit Sahai Kulshreshtha	7/7				3/3	2/2	2/2	13/14	2/2	3/3
Mr. Vineet Kumar Saxena	5/7	5/5	3/4	1/1			2/2	14/14	2/2	
Ms. Shraddha Suresh Kamat	1/7									
Mr. Subodh Kumar	1/7									
Mr. Rahul Rameshkumar Jain***	1/1									
Mr. Manish Gupta									2/2	

* Resigned as Independent Director w.e.f. February 13, 2019.

** Appointed as an Additional Director (Independent) w.e.f. February 13, 2019.

*** Retired from the position of Non-Executive Director w.e.f. June 2, 2018, consequent to his unwillingness to continue as Director on retirement by rotation.

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

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

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

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

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

11 REMUNERATION OF THE EMPLOYEES

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

The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Companies Act, 2013, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. In terms of Section 136 of the Companies Act, 2013, the said annexure is open for inspection at the Registered Office and Corporate Office of the Company. Any Member interested in obtaining a copy of the same may write to the Company Secretary.

12 PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

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

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

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

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

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

14 MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

15 DIRECTORS RESPONSIBILITY STATEMENT

The Board acknowledges the responsibility for ensuring compliance with the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013 in preparation of the Financial Statements for the financial year ended on March 31, 2019 and state:

- a. that in the preparation of Annual Accounts for the Financial Year ended as at March 31, 2019, 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

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Company at the Financial Year ended as at March 31, 2019 and of the profit and loss of the Company for the Financial Year ended on March 31, 2019;

- c. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud or other irregularities;
- d. that the Directors have prepared the annual accounts on a going concern basis;
- e. that the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f. there is a proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

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

16 PUBLIC DEPOSITS

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

17 PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

18 AUDITORS

a) STATUTORY AUDITORS:

Pursuant to the provisions of Section 139 of the Companies Act, 2013, M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Regn. No.: 117366W/W-100018), were appointed as the Statutory Auditors of the Company at the 24th Annual General Meeting ("AGM") of the Company for a period from the conclusion of the said 24th AGM till the conclusion of the 29th AGM of the Company.

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

b) SECRETARIAL AUDITORS

The Board had appointed M/s Naveen Garg & Associates, Company Secretaries, as the Secretarial Auditors of the Company to undertake the Secretarial Audit for the financial year 2018-19 in terms of the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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

c) INTERNAL AUDITORS

The Board had appointed M/s Aneja Associates, Chartered Accountants, as the Internal Auditors to undertake internal audit of the Company for the financial year 2018-19 in terms of the provisions of Section 138 of the Companies Act, 2013 and rules made thereunder.

19 COST RECORDS

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

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20 EXTRACT OF ANNUAL RETURN

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

21 CORPORATE GOVERNANCE REPORT

It has always been the Company’s endeavor to excel through better Corporate Governance and fair and transparent practices. The report on Corporate Governance for the financial year 2018-19 is appended to this Annual Report.

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

22 RELATED PARTY TRANSACTIONS

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

All related party transactions entered are disclosed in Note 28 of Financial Statements of the Company forming part of this Annual Report.

The Policy on Related Party Transactions is placed on the website of the Company at URL <https://capitalindia.com>.

23 CODE OF CONDUCT

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

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

24 VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

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

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

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

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

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

26 PREVENTION OF INSIDER TRADING

The Company has adopted an Insider Trading Policy with a view to regulate the trading in securities by the designated persons of the Company. The Insider Trading Policy requires pre-clearance for dealing in the Company’s shares

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and prohibits the purchase or sale of Company shares by the designated persons while in possession of unpublished price sensitive information in relation to the Company and during the period when the trading window is closed. The Board is responsible for the implementation of the Insider Trading Policy.

The Insider Trading Policy can be accessed from the website of the Company at URL <https://capitalindia.com>.

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

a) CONSERVATION OF ENERGY

- (i) Steps taken or impact on conservation of energy - The operations of your Company are not energy-intensive. However, adequate measures have been initiated for conservation of energy.
- (ii) Steps taken by the Company for utilising alternate source of energy – though the operations of the Company are not energy intensive, the Company shall explore alternative source of energy, as and when the necessity arises.
- (iii) Capital investment on energy conservation equipment - Nil

b) TECHNOLOGY ABSORPTION

- (i) Efforts made towards technology absorption - The minimum technology required for the business has been absorbed.
- (ii) Benefits derived like product improvement, cost reduction, product development or import substitution - Not Applicable
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - Not Applicable
 - (a) the details of technology imported;
 - (b) the year of import;
 - (c) whether the technology has been fully absorbed; and
 - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof
- (iv) Expenditure incurred on Research and Development - Not Applicable

c) FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review, there were following foreign exchange transactions:

- 1. Earnings: Nil
- 2. Outgo: Rs. 9,42,300/-

28 FRAUD REPORTING

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

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

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

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

30 MATERIAL CHANGES AND COMMITMENTS, IF ANY

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

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31 CORPORATE SOCIAL RESPONSIBILITY

During the period under review, the provisions of Section 135 and Schedule VII to the Companies Act, 2013, and rules made thereunder, pertaining to Corporate Social Responsibility (“CSR”) is not applicable to the Company. Therefore, the details of expenditures on CSR activities are not furnished by the Company.

32 CREDIT RATING

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

33 CONSOLIDATED FINANCIAL STATEMENTS

The audited consolidated financial statements for the financial year ended on March 31, 2019 are provided in this Annual Report which have been prepared in accordance with the relevant Accounting Standards issued by the Institute of Chartered Accountants of India.

34 RISK MANAGEMENT

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

35 HUMAN RESOURCE-INITIATIVES

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

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

36 LISTING OF SECURITIES

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

37 STATEMENT ON COMPLIANCES OF APPLICABLE SECRETARIAL STANDARDS

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

38 EMPLOYEE STOCK OPTIONS SCHEME

In order to motivate, incentivize and reward employees, your Company has instituted the Employee Stock Option Scheme in the name of CIFL Employee Stock Option Plan - 2018 (“**CIFL ESOP Plan**”). The Nomination & Remuneration Committee monitors the CIFL ESOP Plan. The CIFL ESOP Plan is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“**SEBI SBEB Regulations**”). Relevant disclosures pursuant to SEBI SBEB Regulations, as on March 31, 2019 are available on the Website at URL <https://capitalindia.com>. A certificate from M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Statutory Auditors of the Company), with respect to the implementation of CIFL ESOP Plan would be placed before the members at the ensuing Annual General Meeting (“**AGM**”) of the Company and a copy of the same shall be available for inspection at the registered office and the corporate office of the Company during the working hours.

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

39 GENERAL DISCLOSURES

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

- a) The Company has not bought back any of its securities;
- b) The Company has not issued any bonus share;
- c) The Company has not issued any sweat equity shares;

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- d) The Company has not issued equity shares with differential rights as to dividend, voting or otherwise;
- e) The Company is not liable to transfer amount of dividend lying in the unpaid dividend account to Investor Education and Protection Fund (IEPF) pursuant to provisions of Section 125 of the Companies Act, 2013; and
- f) There was no revision in the financial statements between the end of the financial year and the date of this report.

40 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

(formerly known as Bhilwara Tex-Fin Limited)

Sd/-

Keshav Porwal
Managing Director
DIN – 06706341

Sd/-

Amit Sahai Kulshreshtha
Executive Director & CEO
DIN – 07869849

Place: Mumbai

Date: May 10, 2019

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Annexure – I

Form AOC-1

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

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

Part-A: Subsidiaries

(Amount in rupees)

Sr. No.	Name of subsidiary companies	Capital India Home Loans Limited	Capital India Wealth Management Private Limited	Capital India Asset Management Private Limited	CIFL Holdings Private Limited	CIFL Investment Manager Private Limited
1	The date since when the subsidiary was acquired	11 August 2017	29 August 2017	12 September 2017	18 September 2017	14 September 2017
2	Reporting year for the subsidiary	31 March 2019	31 March 2019	31 March 2019	31 March 2019	31 March 2019
3	Reporting currency and exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
4	Share Capital	40,00,00,000	2,00,000	5,00,000	2,00,000	2,00,000
5	Reserves & surplus	(4,42,49,065)	(1,35,985)	(1,71,149)	(1,35,960)	(1,35,960)
6	Total Assets	37,03,63,364	74,015	3,38,851	74,040	74,040
7	Total Liabilities	1,46,12,429	10,000	10,000	10,000	10,000
8	Investments	18,50,52,870	-	-	-	-
9	Turnover	3,14,21,270	-	-	-	-
10	Profit before tax	(4,39,22,305)	(1,04,000)	(1,39,139)	(1,04,000)	(1,04,000)
11	Provision for tax	(11,44,548)	-	-	-	-
12	Profit after tax	(4,27,77,757)	(1,04,000)	(1,39,139)	(1,04,000)	(1,04,000)
13	Proposed dividend	0%	0%	0%	0%	0%
14	% of shareholding	100%	100%	100%	100%	100%

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Part B: Associates & Joint Ventures

Not Applicable

Additional information:

(Amount in rupees)

Sr. No.	Name of subsidiary companies	Net Assets (i.e. Total Assets Less Total Liabilities)		Share in profit & loss	
		As a % of Consolidated Assets	Amount	As a % of profit or loss	Amount
	Parent				
	Capital India Finance Limited	93.53%	5,14,90,32,359	173.61%	10,19,54,269
	Subsidiaries				
	<i>Indian:</i>				
1	Capital India Home Loans Limited	6.46%	35,57,50,935	(72.84%)	(4,27,77,757)
2	Capital India Wealth Management Private Limited	0.00%	64,015	(0.18%)	(1,04,000)
3	Capital India Asset Management Private Limited	0.01%	3,28,851	(0.24%)	(1,39,139)
4	CIFL Holdings Private Limited	0.00%	64,040	(0.18%)	(1,04,000)
5	CIFL Investment Manager Private Limited	0.00%	64,040	(0.18%)	(1,04,000)
	<i>Foreign:</i>				
	None				
	Minority interest in all subsidiaries	NA	-	NA	-
	Associates (Investments as per the Equity method)	NA	-	NA	-
	Joint Ventures (as per proportionate consolidation / investment as per the Equity method)	NA	-	NA	-

For and on behalf of Board of Directors

Capital India Finance Limited

(formerly known as Bhilwara Tex-Fin Limited)

Sd/-
Keshav Porwal
Managing Director
DIN - 06706341

Sd/-
Amit Sahai Kulshreshtha
Executive Director & CEO
DIN - 07869849

Sd/-
Neeraj Toshniwal
CFO
PAN - ACCPT2249N

Sd/-
Rachit Malhotra
Company Secretary &
Compliance Officer
M. No. A39894

CAPITAL INDIA FINANCE LIMITED

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Annexure II

Particulars of employees for the year ended on March 31, 2019 as required under Section 197 of the Companies Act, 2013 read with Rule 5 of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014:

The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	Name of the Director	Ratio to the median
	Amit Sahai Kulshreshtha	7.6:1
	Keshav Porwal	7.6:1
The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	Name of Director/CS/CFO	% increase
	Neeraj Toshniwal	4.17%
The percentage increase in the median remuneration of employees in the financial year	There was no substantial increase in the remuneration of employees during the Financial year 2018-19	
The number of permanent employees on the rolls of Company	46	
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	There was no substantial increment given at overall organization level.	
Affirmation that the remuneration is as per the remuneration policy of the company	Yes; the remuneration is as per the remuneration policy of the company.	

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Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

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

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

To,

The Members,

CAPITAL INDIA FINANCE LIMITED

(formerly known as Bhilwara Tex-Fin Limited)

CIN:-L74899DL1994PLC128577

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

Based on my verification of the Company’s books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of the secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended March 31, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place, to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019, according to the provisions of:

- (i) The Companies Act, 2013 (the “**Act**”) and the rules made thereunder, including any modification or re-enactment for the time being in force;
- (ii) The Securities Contracts (Regulation) Act, 1956 (“**SCRA**”) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (“**SEBI Act**”):-
 - (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (iv) The Securities and Exchange Board of India (Share based Employee Benefits) Regulation, 2014;
 - (v) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable);
 - (vi) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client (Not Applicable);
 - (vii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable);

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- (viii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable) and
- (ix) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015.
- (vi) I have relied on the representation made by the Company and its officer for system and mechanism framed by the Company for compliances under the following Acts, Laws & Regulations of the Company:
- Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Provisions of Employee State Insurance Act, 1948
 - Workmen's Compensation Act, 1923, Equal Remuneration Act, 1976, and all other allied labour laws, as informed / confirmed to me;
 - Income Tax Act, 1961;
 - Finance Act, 1994;
 - Prevention of Money Laundering Act, 2002;
 - Goods and Service Tax Act, 2017
 - Maharashtra Shops and Establishments Act, 1948;
 - Delhi Shops and Commercial Establishment Act, 1954;
 - Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
 - Reserve Bank of India Act, 1934 and rules, regulations, circulars, notification issued by Reserve Bank of India from time to time for Non-Banking Finance Company;

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

- (i) Secretarial Standard issued by The Institute of Company Secretaries of India; and
- (ii) The Uniform Listing Agreement entered into by the Company with BSE Limited as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015.

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

I further report that:-

- 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/Committee Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance and a system exist for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting;
- All decision of the Board of Directors and Committees were carried with requisite majority while the dissenting members' views are captured and recorded as part of the minutes.

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

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

- Allotment of 3,96,83,000 (Three Crores Ninety Six Lakhs Eighty Three Thousand) equity shares of the Company having face value of Rs. 10/- (Rupees Ten only) each on preferential allotment basis through private placement, at a price of Rs. 63/- (Rupees Sixty-Three only) (including a premium of Rs. 53/- (Rupees Fifty-

CAPITAL INDIA FINANCE LIMITED

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Three only) per equity share aggregating to Rs. 2,50,00,29,000/- (Rupees Two Hundred Fifty crores Twenty-Nine Thousand only);

- Allotment of 3,45,48,560 (Three Crore Forty-Five Lakhs Forty-Eight Thousand Five Hundred and Sixty) equity shares of the Company having face value of Rs. 10/- (Rupees Ten only) each on rights basis through rights issue, at a price of Rs. 72/- (Rupees Seventy Two Only) each (including a share premium of Rs. 62/- (Rupees Sixty Two only) each) for an aggregate amount of Rs. 248,74,96,320 (Rupees Two Hundred Forty-Eight Crore Seventy-Four Lakhs Ninety-Six Thousand Three Hundred and Twenty only). Consequent to the aforesaid allotment, the Company had attained the status of systemically important non-deposit taking non-banking financial company, in terms of clause 112 of the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, and
- Grant of employee stock options pursuant to the CIFL Employee Stock Option Plan, 2018, in the following manner:
 - a) 14,90,000 (Fourteen Lakhs and Ninety Thousand) options exercisable into not more than 14,90,000 (Fourteen Lakhs and Ninety Thousand) equity shares of the Company of face value of Rs. 10/- (Rupees Ten only) each, fully paid-up, vide resolution passed by the Nomination & Remuneration Committee of the Board of Directors in its meeting dated November 01, 2018;
 - b) 1,00,000 (One Lakh) options exercisable into not more than 1,00,000 (One Lakh) equity shares of the Company of face value of Rs. 10/- (Rupees Ten Only) each, fully paid-up, vide resolution passed by the Nomination & Remuneration Committee through circulation dated November 02, 2018; and
 - c) 45,000 (Forty Five Thousand) options exercisable into not more than 45,000 (Forty Five Thousand) equity shares of the Company of face value of Rs. 10/- (Rupees Ten only) each, fully paid-up vide resolution passed by the Nomination & Remuneration Committee of the Board of Directors in their meeting dated February 13, 2019;

For Naveen Garg & Associates
(Company Secretaries)
Sd/-
(Naveen Garg)
Proprietor
Membership No: - 32159
CP No: -11815

Date:- May 10, 2019

Place:- New Delhi

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

CAPITAL INDIA FINANCE LIMITED

(formerly known as Bhilwara Tex-Fin Limited)

“Annexure A”

To,

The Members,
CAPITAL INDIA FINANCE LIMITED
(formerly known as Bhilwara Tex-Fin Limited)
CIN:-L74899DL1994PLC128577

Our Secretarial Audit Report for the Financial Year March 31, 2019 is to be read along with this letter.

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

Auditor's Responsibility

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

Disclaimer

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

For Naveen Garg & Associates
(Company Secretaries)

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

Date:- May 10, 2019

Place:- New Delhi

CAPITAL INDIA FINANCE LIMITED

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Annexure-III

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2019

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

I. REGISTRATION AND OTHER DETAILS:

CIN	:	L74899DL1994PLC128577
Registration Date	:	16/11/1994
Name of the Company	:	Capital India Finance Limited (formerly known as Bhilwara Tex-Fin Limited)
Category / Sub-Category of the Company	:	Company Limited by Shares
Address of the Registered office and contact details	:	2 nd Floor, DLF Centre, Sansad Marg, New Delhi-110001 Phone: 011-49546000
Whether listed company	:	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Karvy Fintech Private Limited (formerly known as KCPL Advisory Services Private Limited) Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana - 500032 Contact No: +91 040 - 67162222 Fax No: +91 40 23001153 E-mail: venu.sp@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S.No	Name and Description of main products/ Services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Financing & Investments – granting loans	65923	100.00%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% Of Shares Held	Applicable Section
1	Capital India Home Loans Limited	U65990DL2017PLC322041	Subsidiary	100%	Section 2(87)(ii)
2	Capital India Asset Management Private Limited	U65999DL2017PTC323549	Subsidiary	100%	Section 2(87)(ii)
3	Capital India Wealth Management Private Limited	U65999DL2017PTC322881	Subsidiary	100%	Section 2(87)(ii)
4	CIFL Holdings Private Limited	U65990DL2017PTC323832	Subsidiary	100%	Section 2(87)(ii)
5	CIFL Investment Manager Private Limited	U65929DL2017PTC323719	Subsidiary	100%	Section 2(87)(ii)

CAPITAL INDIA FINANCE LIMITED

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

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)									
d) Bodies Corp	22,32,300	-	22,32,300	63.73	5,67,75,720	-	5,67,75,720	73.04	9.31
e) Bank/FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (1):	22,32,300	-	22,32,300	63.73	5,67,75,720	-	5,67,75,720	73.04	9.31
(2) Foreign									
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-
SUB TOTAL: (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	22,32,300	-	22,32,300	63.73	5,67,75,720	-	5,67,75,720	73.04	9.31
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1):	-	-	-	-	-	-	-	-	-
(2) Non Institutions									
a) Bodies corporate	7,42,448	4,900	7,47,348	21.34	1,64,60,391	4,900	1,64,65,291	21.18	(0.16)
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.2 lakhs	63,152	2,66,200	3,29,352	9.40	1,80,273	1,97,540	3,77,813	0.49	(8.91)
ii) Individuals shareholders holding nominal share capital in excess of Rs. 2 lakhs	1,92,800	-	1,92,800	5.50	41,15,001	-	41,15,001	5.29	(0.21)
c) Others (specify)									
i) Non-Resident Indian	-	-	-	-	-	-	-	-	-
ii) Clearing Member	-	400	-	0	-	400	-	-	-
iii) Clearing House	500	-	-	0	-	-	-	-	0.00
SUB TOTAL (B)(2):	9,98,900	2,71,500	12,69,500	36.24	2,07,55,665	2,02,840	2,09,58,105	26.96	(9.28)
Total Public Shareholding (B)= (B)(1)+(B)(2)	9,98,900	2,71,500	12,69,500	36.24	2,07,55,665	2,02,840	2,09,58,105	26.96	(9.28)
C. Shares held by Custodian for GDRs & ADRs									
	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	32,31,200	2,71,500	35,01,800	100.00	7,75,31,385	2,02,840	7,77,33,825	100.00	0.03

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ii. Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Capital India Corp LLP (formerly known as Trident Holding LLP)	22,32,300	63.73	-	5,67,75,720	73.04	-	9.31
	Total	22,32,300	63.73	-	5,67,75,720	73.04	-	9.31

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total share of the Company	No. of shares	% of total share of the Company
1.	CAPITAL INDIA CORP LLP				
	At the beginning of the year	22,32,300	63.73	-	-
	Addition: Allotment of equity shares pursuant to preferential allotment on June 8, 2018	2,73,83,000	-	2,96,15,300	-
	Addition: Allotment of equity shares pursuant to rights issue on January 24, 2019	2,71,60,420	-	5,67,75,720	73.04
	At the End of the year	-	-	5,67,75,720	73.04

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total share of the Company	No. of shares	% of total share of the Company
	For each of Ten Shareholders				
	At the beginning of the year	9,72,100	1.25%	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):*	-	-	1,96,26,798	25.25%
	At the End of the year(or on the date of separation, if separated during the year)	-	-	2,05,98,898	26.50%

*Change is pursuant to preferential allotment of equity shares and rights issue of equity shares by the Company during the financial year 2018-19. The aforesaid information is based on List of top ten shareholders as on March 31, 2019.

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v. Shareholding of Directors and Key Managerial Personnel:

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

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (in Rs.):

	Secured Loans excluding deposits	Unsecured	Deposits	Total
Indebtedness at the beginning of the financial year				
i) Principal Amount	Nil	7,00,00,000	NA	7,00,00,000
ii) Interest due but not paid	Nil	Nil		Nil
iii) Interest accrued but not due	Nil	55,27,033		55,27,033
Total (i+ii+iii)	Nil	7,55,27,033	NA	7,55,27,033
Change in Indebtedness during the financial year				
Addition	1,76,95,93,500	1,25,00,00,000	NA	3,01,95,93,500
Reduction	50,16,24,509	-1,26,50,00,000	NA	-1,76,66,24,509
Net Change	1,26,79,68,991	-1,50,00,000	NA	1,25,29,68,991
Indebtedness at the end of the financial year				
i) Principal Amount	1,26,79,68,991	5,50,00,000	NA	1,32,29,68,991
ii) Interest due but not paid	Nil	Nil		Nil
iii) Interest accrued but not due	1,05,92,204	99,72,294		2,05,64,498
Total (i+ii+iii)	1,27,85,61,195	6,49,72,294	NA	1,34,35,33,489

CAPITAL INDIA FINANCE LIMITED

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VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particular of Remuneration	Name of MD/WTD/ Manager		Total
		Keshav Porwal (MD)	Amit Sahai Kulshreshtha (Executive Director & CEO)	
1	Gross salary Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,10,00,000	1,05,37,400	2,15,37,400
	Value of perquisites u/s 17(2) Income-tax Act, 1961			
	Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission -as % of profit -others, specify	NIL	NIL	NIL
5.	Others (Company contribution towards PF)	NIL	4,62,000	4,62,000
	Total	1,10,00,000	1,09,99,400	2,19,99,400
	Ceiling as per the Act	1,68,00,000	1,68,00,000	

Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors							Total
		Vinod Somani	Achal Kumar Gupta*	Promila Bhardwaj	Yogendra Pal Singh**	Vineet Kumar Saxena	Shraddha Suresh Kamat	Subodh Kumar	
1	Independent Directors								
	(a) Fee for attending board/committee meetings	10,15,000	9,20,000	8,45,000	1,00,000	NIL	NIL	NIL	28,80,000
	(b) Commission	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	(c) Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Total (1)	10,15,000	9,20,000	8,45,000	1,00,000	NIL	NIL	NIL	28,80,000
2	Other Non Executive Directors								
	(a) Fee for attending board committee meetings	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	(b) Commission	-	-	-	-	-	-	-	-
	(c) Others, please specify.	-	-	-	-	-	-	-	-
	Total (2)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Total (B)=(1+2)	10,15,000	9,20,000	8,45,000	1,00,000	NIL	NIL	NIL	28,80,000
	Total Managerial Remuneration (A)+(B)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Overall Ceiling as per the Act.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

* Mr. Achal Kumar Gupta resigned from the position of Independent Director from the close of business hours of February 13, 2019.

** Mr. Yogendra Pal Singh appointed as Additional Director (Independent) with effect from February 13, 2019.

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

Sl. No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total
		Rachit Malhotra (CS)	Neeraj Toshniwal (CFO)	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	24,65,604	61,90,731	86,56,335
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	32,400	32,400
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	N.A.	N.A.	N.A.
3	Sweat Equity	N.A.	N.A.	N.A.
4	Commission - as % of profit - others, specify	N.A.	N.A.	N.A.
5	Others (Company contribution towards PF)	1,09,404	3,15,000	4,24,404
	Total	25,75,008	65,38,131	91,13,139

VII. Penalty / Punishment/ Compounding of offences

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

CAPITAL INDIA FINANCE LIMITED

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MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

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

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

The Company primarily focuses on two business segments – Mid Corporate and Emerging Corporate / Small and Medium Enterprises (SME) for its financing activities. Mid-Corporates are the entities generating Revenue of more than INR 250 crores or an asset base of more than INR 100 crores. Emerging corporates / SME are entities generating revenue less than INR 250 crores or an asset base of less than INR 100 crores. The Product portfolio of the Company primarily consists of Working Capital Loan, Project Finance, Loan Against Property, Project Finance – Real Estate and Structured Finance.

The Company’s product suite is as follows:

Working Capital Loan

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

Project Finance

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

Loan Against Property

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

Project Finance – Real Estate

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

Structured Finance

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

CAPITAL INDIA FINANCE LIMITED

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Our Strengths

We believe the following are our principal strengths:

Experienced, highly motivated and dedicated management team

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

Institutional philosophy of prudent risk management controls through streamlined procedures

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

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

Our Strategies

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

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

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

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

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RISK MANAGEMENT

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

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

POSSIBLE THREATS

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

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

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

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

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CORPORATE GOVERNANCE REPORT

1. CORPORATE GOVERNANCE PHILOSOPHY

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

2. BOARD OF DIRECTORS

As at March 31, 2019, the Board of Directors (“Board”) consists of 8 (eight) Directors comprising 2 (two) executive directors, 3 (three) non-executive independent directors, 1 (one) non-executive woman director and 2 (two) non-executive directors. The composition of the Board is in conformity with the Companies Act, 2013 and rules made thereunder (“the Act”), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) enjoining specified combination of executive, non-executive and independent directors with at least one woman director.

During the period under review, 7 (seven) meetings of the Board were held on May 3, 2018, July 25, 2018, August 7, 2018, October 6, 2018, November 1, 2018, December 9, 2018 and February 13, 2019.

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

Sr. No.	Name, Designation and DIN of Director	No. of Board meetings held during the tenure of director/ financial year 2018-19	No. of Board meetings attended during the financial year 2018-19	Whether attended the last Annual General meeting	Shareholding in the Company as on March 31, 2019	Number of Directorships in other Companies as on March 31, 2019 [#]	Committee Membership and Chairmanship in other Companies as on March 31, 2019 [§]	Names of the listed entities where the director is a director and the category of directorship
1.	Mr. Vinod Somani Chairman (Independent Director) (00327231)	7	7	Yes	Nil	Nil	Nil	N.A.
2.	Mr. Yogendra Pal Singh Independent Director (08347484)	1	1	N.A.	Nil	Nil	Nil	N.A.
3.	Mr. Achal Kumar Gupta Independent Director (02192183)	7	5	Yes	Nil	N.A.	N.A.	N.A.
4.	Ms. Promila Bhardwaj Independent Director (06428534)	7	6	No	Nil	2	1	Sindhu Tradelinks Limited – ID Apex Capital and Finance Limited – ID
5.	Mr. Keshav Porwal Managing Director (06706341)	7	7	Yes	N.A.	Nil	Nil	N.A.
6.	Mr. Amit Sahai Kulshreshtha Executive Director & chief Executive Officer (07869849)	7	7	Yes	N.A.	Nil	Nil	N.A.

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Sr. No.	Name, Designation and DIN of Director	No. of Board meetings held during the tenure of director/ financial year 2018-19	No. of Board meetings attended during the financial year 2018-19	Whether attended the last Annual General meeting	Shareholding in the Company as on March 31, 2019	Number of Directorships in other Companies as on March 31, 2019 [#]	Committee Membership and Chairmanship in other Companies as on March 31, 2019 ^{\$}	Names of the listed entities where the director is a director and the category of directorship
7.	Mr. Vineet Kumar Saxena Non-Executive Director (07710277)	7	5	Yes	Nil	Nil	Nil	N.A.
8.	Ms. Shraddha Suresh Kamat Woman Non-Executive Director (07555355)	7	1	No	Nil	Nil	Nil	N.A.
9.	Mr. Subodh Kumar Non-Executive Director (07781250)	7	1	Yes	Nil	Nil	Nil	N.A.
10.	Mr. Rahul Rameshkumar Jain**** Non-Executive Director (07541089)	1	1	Yes	Nil	N.A.	N.A.	N.A.

* Mr. Yogendra Pal Singh appointed as Additional Director - Independent with effect from February 13, 2019.

** Mr. Achal Kumar Gupta resigned from the position of Independent Director with effect from February 13, 2019.

*** Mrs. Promila Bhardwaj resigned from the position of Independent Director with effect from April 1, 2019.

**** Mr. Rahul Rameshkumar Jain retired from the position of Non-Executive Director w.e.f. June 2, 2018, consequent to his unwillingness to continue as Director on retirement by rotation.

includes directorship in other listed entities only.

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

Inter-se relationship among Directors

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

Key Board skills/expertise/competencies

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

- Leadership experience and ability in inspiring, motivating other officials together with practical understanding of the business of the Company.
- Experience and ability to identify opportunities and threats to the Company and to develop strategies, *inter-alia* to grow revenue and market share, build brand awareness and equity.
- Strong understanding of corporate finance, accounts and performance management principles.
- Familiarity with diverse business functions such as finance, risk, investment etc.
- Experience and ability to acknowledge corporate governance and best management practices.
- An entrepreneurial mindset with outstanding organizational and leadership skills.

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- 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.

Declaration of Independence

Your Board confirm that, in its opinion, the independent directors fulfill the conditions specified in the Listing Regulations and are independent of the management.

Cessation of an Independent Director

During the period under review, Mr. Achal Kumar Gupta has resigned from the position of Independent Director w.e.f. February 13, 2019 due to his personal reasons. Your Board confirms that there are no other material reasons for the resignation of Mr. Achal Kumar Gupta other than those provided by him in his resignation letter.

3. COMMITTEES OF THE BOARD

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

a) Audit Committee

The Audit Committee has been constituted in terms of the provisions of Section 177 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 and the applicable provisions of the Listing Regulations.

As on March 31, 2019, the Audit Committee comprises the following members:

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

Meetings

During the period under review, 5 (five) meetings of the Audit Committee were held on May 3, 2018, August 7, 2018, October 6, 2018, November 1, 2018 and February 13, 2019.

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

Sr. No.	Name of the member	Position in Committee	No. of Committee meetings held during the tenure of member/financial year 2018-19	No. of Committee meetings attended during the financial year 2018-19
1.	Mr. Vinod Somani	Chairman	5	5
2.	Mr. Yogendra Pal Singh [†]	Member	N.A.	N.A.
3.	Mr. Achal Kumar Gupta ^{**}	Member	5	4
4.	Mr. Vineet Kumar Saxena	Member	5	5

[†] Mr. Yogendra Pal Singh was appointed as member w.e.f. March 27, 2019.

^{**} Mr. Achal Kumar Gupta ceased to be member w.e.f. February 13, 2019.

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Terms of Reference

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

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

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

1. To investigate any activity within its terms of reference;
2. To seek information from any employee;
3. To obtain outside legal or other professional advice;
4. To secure attendance of outsiders with relevant expertise, if it considers necessary;
5. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
6. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
7. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
8. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956 or Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions; and
 - g. Qualifications in the draft audit report.
9. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
10. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
11. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
12. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
13. Discussion with the internal auditors on any significant findings and follow up there on;
14. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

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15. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
16. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
17. To review the functioning of the Whistle Blower mechanism, in case the same is existing;
18. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate; and
19. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

b) Nomination & Remuneration Committee

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

As on March 31, 2019, the Nomination & Remuneration Committee comprises the following members:

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

Meetings

During the period under review, 4 (four) meetings of the Nomination & Remuneration Committee were held on May 3, 2018, August 7, 2018, November 1, 2018 and February 13, 2019.

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

Sr. No.	Name of the member	Position in Committee	No. of Committee meetings held during the tenure of member/financial year 2018-19	No. of Committee meetings attended during the financial year 2018-19
1.	Mrs. Promila Bhardwaj*	Chairperson	3	3
2.	Mr. Yogendra Pal Singh**	Member	N.A.	N.A.
3.	Mr. Vineet Kumar Saxena	Member	4	3
4.	Mr. Vinod Somani*	Chairman	1	1
5.	Mr. Achal Kumar Gupta***	Member	4	3

* Mrs. Promila Bhardwaj ceased to be Chairperson and Mr. Vinod Somani ceased to be Chairman, of the Nomination & Remuneration Committee w.e.f. May 3, 2018.

**Mr. Yogendra Pal Singh was appointed as member w.e.f. March 27, 2019.

*** Mr. Achal Kumar Gupta ceased to be member w.e.f. February 13, 2019.

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Terms of Reference

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

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

Annual Performance Evaluation

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

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

c) Stakeholders Relationship Committee

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

As on March 31, 2019, the Stakeholders Relationship Committee comprises the following members:

Sl. No.	Committee meeting	Composition
1	Stakeholders Relationship Committee	Mr. Vinod Somani (Chairman)
		Mrs. Promila Bhardwaj (Member)
		Mr. Vineet Kumar Saxena (Member)

Meetings

During the period under review, 1 (one) meeting of the Stakeholders Relationship Committee was held on May 3, 2018.

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

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Sr. No.	Name of the member	Position in Committee	No. of Committee meetings held during the tenure of member/financial year 2018-19	No. of Committee meetings attended during the financial year 2018-19
1.	Mr. Vinod Somani	Chairman	1	1
2.	Mr. Achal Kumar Gupta*	Member	1	1
3.	Mr. Vineet Kumar Saxena	Member	1	1
4.	Mrs. Promila Bhardwaj**	Member	N.A.	N.A.

* Ceased to be member w.e.f. May 3, 2018.

** Appointed as member w.e.f. May 3, 2018.

Terms of Reference

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

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

4. REMUNERATION PAID TO DIRECTORS

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

Details of remuneration paid to Directors of the Company for the Financial Year ended on March 31, 2019 is as under:

Sr. No	Name	Sitting Fees	Salary	Perquisites and Benefits	Details of Stock options	Shares in profit/ Incentive	Total (in Rs.)
1.	Mr. Vinod Somani	10,15,000	-	-	-	-	10,15,000
2.	Mr. Achal Kumar Gupta *	9,20,000	-	-	-	-	9,20,000
3.	Mr. Yogendra Pal Singh**	1,00,000	-	-	-	-	1,00,000
4.	Ms. Promila Bhardwaj***	8,45,000	-	-	-	-	8,45,000
5.	Mr. Keshav Porwal	-	1,10,00,000	-	-	-	1,10,00,000
6.	Mr. Amit Sahai Kulshreshtha	-	1,09,99,400	-	-	-	1,09,99,400
7.	Mr. Vineet Kumar Saxena	-	-	-	-	-	-
8.	Ms. Shraddha Suresh Kamat	-	-	-	-	-	-
9.	Mr. Subodh Kumar	-	-	-	-	-	-
10.	Mr. Rahul Rameshkumar Jain#	-	-	-	-	-	-

* Mr. Achal Kumar Gupta had resigned from the position of an Independent Director w.e.f. February 13, 2019.

** Mr. Yogendra Pal Singh was appointed as an Additional Director (Independent) w.e.f. February 13, 2019.

*** Mrs. Promila Bhardwaj had resigned from the position of an Independent Director w.e.f. April 1, 2019.

Mr. Rahul Rameshkumar Jain retired from the position of Non-Executive Director w.e.f. June 2, 2018, consequent to his unwillingness to continue as Director on retirement by rotation.

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Notes:

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

Tenure of Service of Executive Directors

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

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

5. GENERAL BODY MEETINGS

Annual General Meeting

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

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

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Sr. No.	Year of Annual General Meeting	Place	Time	Brief description of Special Resolutions passed, if any
2.	2017	Farm House of Kapil Constructions Private Limited, Anandgram (Near Rajokari), Church Road Extension, Mata Amritanandmayi Math, Abdul Gaffar Khan Marg, New Delhi – 110070	11:00 A.M.	(i) Re-appointment of Mr. Samai Singh as an Independent Director of the Company; (ii) Approval for ratifying related party transaction entered between the Company and Sainik Mining and Allied Services during the financial year 2016-17; and (iii) Approval for charging fees from the members/shareholders to make delivery of the documents/papers etc. through requested mode of delivery to the members/shareholders.
3.	2016	Farm House of Kapil Constructions Private Limited, Anandgram (Near Rajokari), Church Road Extension, Mata Amritanandmayi Math, Abdul Gaffar Khan Marg, New Delhi – 110070	10:30 A.M.	Nil

Extra-ordinary General Meeting

No Extra-ordinary General Meeting was held during the financial year ended on March 31, 2019.

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: August 7, 2018

Voting period: August 25, 2018 to September 23, 2018

Date of declaration of results: September 25, 2018

Date of approval: September 23, 2018

Sr. No.	Particulars	No. of votes with assent	% of Assent	No. of votes with Dissent	% of Dissent
1.	Approval of 'CIFL Employee Stock Option Plan 2018'	3,59,73,443	100.00	Nil	0.00
2.	Approval of grant of Employee Stock Options to the employees of the Subsidiary(ies) of the Company under 'CIFL Employee Stock Option Plan 2018'	3,59,73,443	100.00	Nil	0.00
3.	Approval of grant of options equal to or exceeding 1% of issued capital to identified employees	3,59,73,443	100.00	Nil	0.00
4.	Approval to make investment(s), give loans, guarantees and provide securities beyond the limits specified under Section 186 of the Companies Act, 2013	3,59,73,443	100.00	Nil	0.00

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

6. MEANS OF COMMUNICATION

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

7. VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

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

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

During the FY 2018-19, no such complaint of unethical or improper activity has been received by the Company. None of the person has been denied access to the Audit Committee.

8. CODE OF CONDUCT

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

I declare that all the members of the Board and senior management personnel have affirmed compliance with the Code of Conduct for the financial year ended on March 31, 2019.

For and on behalf of the Board of
Capital India Finance Limited
(formerly known as Bhilwara Tex-Fin Limited)

Place: Mumbai
Date: May 10, 2019

Amit Sahai Kulshreshtha
Executive Director & Chief Executive Officer

CAPITAL INDIA FINANCE LIMITED

(formerly known as Bhilwara Tex-Fin Limited)

9. COMPLIANCE CERTIFICATE FROM THE PRACTICING COMPANY SECRETARY

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

10. DISCRETIONARY REQUIREMENTS

A. Non-Executive Chairman

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

B. Unqualified financial statements

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

C. Separate posts of chairperson and chief executive officer

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

D. Reporting of Internal Auditor

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

A. GENERAL SHAREHOLDERS INFORMATION

A. Company Registration Details

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

B. Annual General Meeting

The 25th Annual General Meeting ("AGM") of the Company would be held on the day, date, time and venue as mentioned in the Notice convening the said AGM.

C. Financial Year

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

D. Dividend and its Payment

Dividend of Rs.0.40 per share (previous year Re.1 per share) amounting to Rs. 3,74,85,121 (previous year Rs. 42,15,769) inclusive of tax thereon of Rs. 63,91,417 (Previous year Rs. 7,13,069) is proposed on equity shares. The recommended dividend will be accounted for when approved by the shareholders in their Annual General Meeting.

E. Listing of Shares on Stock Exchange and Stock Code

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

Annual Listing Fees for the financial year 2019-20 have been duly paid to BSE.

F. Registrar and Share Transfer Agent

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

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Karvy Fintech Private Limited
(formerly known as KCPL Advisory Services Private Limited)
Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District,
Nanakramguda, Hyderabad, Telangana - 500032
Contact No: +91 040 - 67162222
Fax No: +91 40 23001153
E-mail: venu.sp@karvy.com

G. Share Transfer System

As on March 31, 2019, 99.74% of equity shares of the Company are in dematerialised form. Transfers of equity shares in dematerialised form are done through depositories with no involvement of the Company. With regard to transfer of equity shares in physical form, the share transfer instruments, received in physical form, are processed by our Registrar & Share Transfer Agent, to whom the authority has been delegated by the Board, and the share certificates are dispatched within a period of 15 days from the date of receipt thereafter subject to the documents being complete and valid in all respects. The Company obtains a half-yearly certificate from a Company Secretary in practice in respect of the share transfers as required under Regulation 40(9) of Listing Regulations and files a copy of the said certificate with the stock exchange, where the shares of the Company are listed. A summary of transfer/transmission of equity shares of the Company, so approved, is placed on quarterly basis at the Board meetings.

H. Distribution of Shareholding

The shareholding distribution of equity shares as on March 31, 2019, is given hereunder:

Shareholding between	No. of shareholders	% of Total	Total Shares	Amount (in Rs.)	% of Amount
1 to 10,000	618	98.25	3,59,642	35,96,420	0.46
10,001 to 1,00,000	4	0.64	83,878	8,38,780	0.11
1,00,001 & above	7	1.11	7,72,90,740	77,29,07,400	99.43
Total	629	100.00	7,77,34,260	77,73,42,600	100.00

I. Dematerialisation of Shares and Liquidity

As on March 31, 2019, the number of equity shares held in dematerialised form was 7,75,31,420 (99.74%) and in physical form was 2,02,840 (0.26%) of the total equity share capital of the Company. To enable us to serve the shareholders better, we request our shareholders whose shares are in physical mode to get their shares dematerialised and update their bank accounts and email ids with respective DPs. The Company does not have any GDRs/ADRs or any Convertible instruments having any impact on equity.

J. Compliances under Listing Regulations

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

K. CEO & CFO Certification

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

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

There has been no deviation from the Accounting Standards in preparation of annual financial statements for the financial year 2018-19.

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(formerly known as Bhilwara Tex-Fin Limited)

M. Investor Correspondence

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

During the year ended on March 31, 2019, the Company has received 3 (three) investors complaints and those were resolved satisfactorily. There was no pending investor complaint as at March 31, 2019.

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

The Company does not have any exposure to commodity price risks during the financial year ended on March 31, 2019.

O. Plant location

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

P. Address for Correspondence

Registered Office:

2nd Floor, DLF Centre, Sansad Marg,
New Delhi – 110001
Tel: +91 (11) 49546000
Email: secretarial@capitalindia.com
Website: <https://capitalindia.com>

Corporate Office:

A-1402, One BKC, A-Wing, 14th Floor, G-Block,
Bandra Kurla Complex, Bandra (East), Mumbai,
Maharashtra – 400051
Tel: +91 (22) 45036000

Q. Disclosures

- i) The Company has 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 at URL <https://capitalindia.com>.
- ii) The Company has complied with the requirements of the Stock Exchange(s), Securities and Exchange Board of India (“SEBI”) and other statutory authorities on all matters relating to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchange(s), SEBI or other statutory authorities relating to the above.
- iii) The Company has complied with all the mandatory requirements of Corporate Governance as prescribed under the Listing Regulations.
- iv) Your Board had approved a Policy for determining material subsidiaries. The policy can be accessed from the Website at URL <https://capitalindia.com>.
- v) Details of utilization of funds raised through preferential allotment are provided below:

The Company has allotted 3,96,83,000 (Three crores ninety six lakhs eighty three thousand) equity shares having face value of Rs.10 (Rupees Ten only) each on preferential basis through private placement, at a price of Rs. 63 (Rupees Sixty three only) each (including a premium of Rs. 53 (Rupees Fifty three only) each) aggregating to Rs.2,50,00,29,000 (Rupees Two hundred fifty crores and twenty nine thousand only). The same has been utilised by the Company in accordance with the letter of offer issued in this regard.
- vi) 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

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appointed or continuing as directors of companies by SEBI/the Ministry of Corporate Affairs or any such statutory authority(ies).

- vii) Your Board had accepted, all the recommendations of the Committee(s) of the Board during the financial year ended on March 31, 2019.
- viii) The details of the total fees for services paid by the Company and its subsidiaries, on a consolidated basis, to M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Statutory Auditors of the Company) and all entities in the network firm/network entity of which the statutory Auditors are part of, are provided below:

Auditor's remuneration (net of GST credit availed) *	As at March 31, 2019
Audit fees	17,68,000
Certification	5,86,000
Other services	2,50,000
Total	26,04,000

* Excludes fees of Rs. 59,95,000 in respect of funds raised through rights issue, adjusted against securities premium.

- xi) The Company has framed a Policy on Prevention of Sexual Harassment at Workplace in accordance with the applicable laws for all employees of the Company to inter alia ensure that the employees are not subject to any form of sexual harassment and to constitute the Internal Complaints Committee. Your company is fully committed to protect the rights of any women, of any age, whether employed or not, who alleges to have been subjected to any act of sexual harassment within the Company's premises. Your Company provides a safe and healthy work environment. There were no cases of sexual harassment reported during the year ended on March 31, 2019.

R. Credit Rating

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

S. Equity Shares in the Suspense Account

There were no outstanding equity shares in the Unclaimed Suspense account of the Company, as on March 31, 2019.

T. Stock Market Price at BSE Limited (BSE)

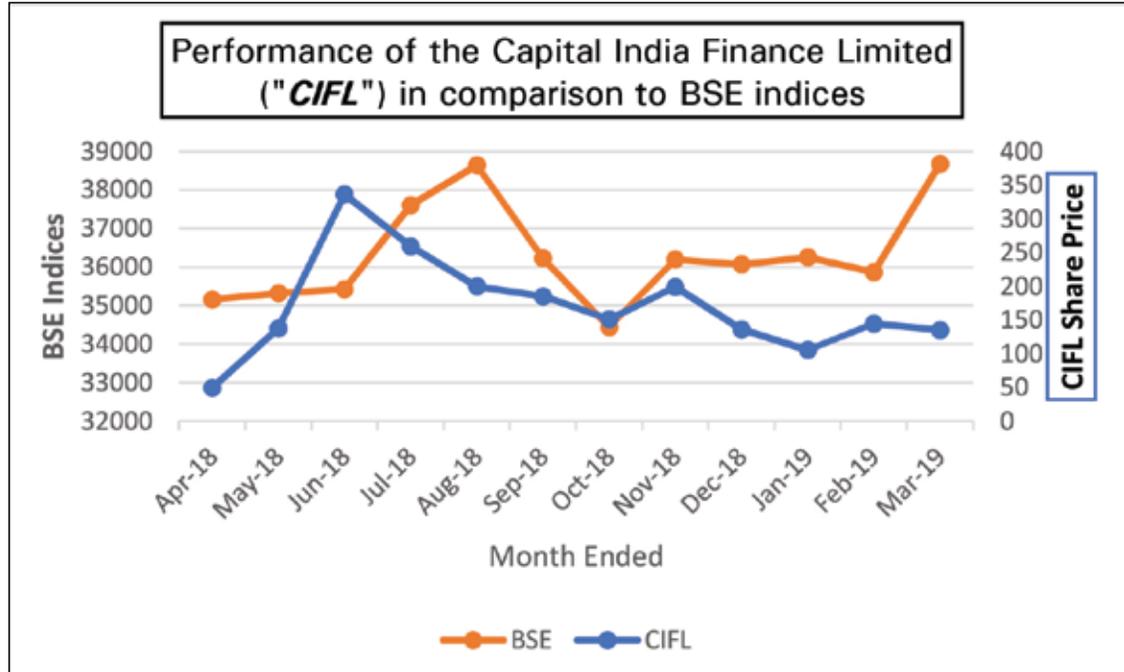
The monthly high and low market prices of equity shares at the BSE Limited (BSE) for the year ended on March 31, 2019 are as under:

Month	High Price (INR)	Low Price (INR)	No. of Shares Traded
Apr-18	49.65	49.65	5500
May-18	137.4	52.1	7970
Jun-18	350.2	142	19470
Jul-18	329.8	259.1	1468
Aug-18	253.95	167.1	19408
Sep-18	211.95	164.35	4787
Oct-18	177	110.75	5950
Nov-18	215.2	152	3503
Dec-18	196.25	136.1	8425
Jan-19	129.3	90.7	32572
Feb-19	150	90.25	24496
Mar-19	158	125	12702

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



V. Green Initiative

Pursuant to Section 101 and 136 of the Act read with the Companies (Management and Administration) Rules, 2014 and Companies (Accounts) Rules, 2014, the Company can send notice of Annual General Meeting, financial statements and other communications in electronic form. Your Company is sending the Annual Report including the notice of Annual General Meeting, audited financial statements (both standalone and consolidated) and the Board's Report, along with their annexures for the Financial Year 2018-19, in the electronic mode, to the shareholders who have registered their email ids with the Company and/or their respective Depository Participants (DPs). Shareholders who have not registered their e-mail ids so far are requested to register their e-mail ids. Those holding shares in demat form can register their e-mail ids with their concerned DPs. Shareholders who hold shares in physical form are requested to register their e-mail ids with the Company, by sending a letter, duly signed by the first/sole holder quoting details of Folio No. The Annual Report containing audited financial statements (both standalone and consolidated) and Board's Report, along with their annexures and other important information, for the Financial Year 2018-19 is available in downloadable form on the Website at URL <https://capitalindia.com>.

Except as set out above, the Company has not adopted the non-mandatory requirements as to any of the other matters recommended under Part E of Schedule II of Regulation 27(1) of the Listing Regulations. This Corporate Governance Report of the Company for the financial year ended on 31st March, 2019 is in compliance with the requirements of Corporate Governance as prescribed under Regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations, to the extent applicable to the Company.

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

(i) Mr. Amit Sahai Kulshreshtha (DIN: 07869849)

Mr. Amit Sahai Kulshreshtha, Executive Director & Chief Executive Officer, shall retire by rotation in the AGM of the Company and being eligible, proposed himself for re-appointment. The Board recommends his re-appointment at the ensuing Annual General Meeting of the Company.

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(ii) Mr. Yogendra Pal Singh (DIN:08347484)

The tenure of Mr. Yogendra Pal Singh as an Additional Director in the capacity of Independent Director shall expire at the AGM. The Board recommends the appointment of Mr. Singh as an Independent Director of the Company.

The details are as under:

Particulars	Mr. Amit Sahai Kulshreshtha	Mr. Yogendra Pal Singh
Date of Birth	09/07/1975	01/07/1955
Date of first Appointment	27/11/2017	13/02/2019
Qualification	Bachelor's of Technology in Metallurgical Engineering from Banaras Hindu University, Postgraduate diploma in Management from IIM Kozhikode and LLB from University of Mumbai.	B.A. (Hons.) English Literature, LLB
Expertise in specific functional area	Management & Finance	Administration
Directorships held in Other Listed Companies in India	None	None
Chairman/ Member of Committee of the Board of other Listed Companies in which they are Director	None	None
Shareholding in the Company	Nil	Nil
Inter-se Relationship between Directors	Nil	Nil

CAPITAL INDIA FINANCE LIMITED

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CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,

The Members,
CAPITAL INDIA FINANCE LIMITED
(formerly known as Bhilwara Tex-Fin Limited)
2nd Floor, DLF Centre, Sansad Marg,
New Delhi – 110001

1. We have examined the compliance of conditions of Corporate Governance by the **Capital India Finance Limited** (formerly known as Bhilwara Tex-Fin Limited) (“the **Company**”) for the year ended on 31st March 2019, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraph C, D and E of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”).

Management’s Responsibility

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

Auditors’ Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

Opinion

5. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraph C, D and E of Schedule V to the Listing Regulations during the year ended 31st March 2019.
6. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Arun Gupta & Associates
Company Secretaries

Place: New Delhi
Date: May 8, 2019

Arun Kumar Gupta
Proprietor
Membership No. 21227
C.P. No. 8003

CAPITAL INDIA FINANCE LIMITED

(formerly known as Bhilwara Tex-Fin Limited)

CEO & CFO CERTIFICATE

To,

The Shareholders and Board of Directors,
Capital India Finance Limited
(formerly known as Bhilwara Tex-Fin Limited)

Sub: CEO & CFO Certificate under Regulation 33(2)(a) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, for the financial year ended on March 31, 2019

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

- A. We have reviewed the financial statements (both on standalone and consolidated basis) and cash flow statements for the financial year ended on March 31, 2019 (hereinafter referred to as "Year") and to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There is, to the best of our knowledge and belief, no transaction(s) entered into by the Company during the Year which are fraudulent, illegal or violative of the Code of Conduct of the Company.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the Company's internal control systems pertaining to the financial reporting and that we have disclosed to the Auditors' and the Audit Committee of the Board, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee of the Board:
 - i. that there are no significant changes in internal control over financial reporting during the Year; and
 - ii. that there are no significant changes in accounting policies during the Year and that the same have been disclosed in the notes to these statements; and
- E. To the best of our knowledge and belief, there are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-
Amit Sahai Kulshreshtha
Executive Director &
Chief Executive Officer

Sd/-
Neeraj Toshniwal
Chief Financial Officer

Date: May 10, 2019
Place: Mumbai

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INDEPENDENT AUDITORS' REPORT

To the Members of Capital India Finance Limited Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Capital India Finance Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2019, and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2019, and its profit and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Sr. No.	Key Audit Matter	Auditors' Response
1	<p>Identification of non-performing assets (loans) in accordance with the Reserve Bank of India ("the RBI") guidelines</p> <p>(Refer Note 2.7 and 11 to the financial statements)</p> <p>The Company has given loans and advances amounting to Rs. 5,55,96,46,487 as at 31st March 2019. Identification of non-performing assets (loans and advances) in accordance with relevant Prudential Regulations issued by the RBI in respect of asset classification pertaining to loans and advances (herein after referred as "Relevant RBI guidelines") is a key audit matter due to the current processes at the Company which requires manual interventions, management estimates and judgment and level of regulatory and other stakeholders focus.</p> <p>Accordingly, our audit was focused on asset classification pertaining to advances due to the materiality of the balances.</p>	<p>Our audit approach included testing the design, operating effectiveness of internal controls and substantive audit procedures in respect of asset classification pertaining to loans and advances. In particular:</p> <ul style="list-style-type: none">• we have evaluated the Company's internal control system in adhering to the Relevant RBI guidelines regarding asset classification pertaining to loans and advances;• we have identified and tested the design and implementation as well as operational effectiveness of key control pertaining to monthly monitoring of overdue positions by business and finance team;• we have test checked loans and advances to examine the validity of the recorded amounts, loan documentations, examined the manual statement of accounts, indicators of impairment and compliance with asset classification pertaining to loans and advances; and• evaluated the management judgment, governance process and review controls over asset classification and discussed the asset classifications with senior management including the Chief Executive Officer, Chief Financial Officer and Head of Credit and Risk.

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Information Other than the Financial Statements and Auditors' Report Thereon

- The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the Directors' Report including annexures to Directors' Report, Management Discussion and Analysis Report and Report on Corporate Governance but does not include the standalone financial statements and our auditors' report thereon.
- Our opinion on the standalone financial statements does not cover the other information and accordingly, we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

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

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast

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

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, as applicable.
 - e) On the basis of the written representations received from the directors as on 31st March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

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(formerly known as Bhilwara Tex-Fin Limited)

- i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Sd/-
Rukshad N. Daruvala
(Partner)
(Membership No. 111188)

Place: MUMBAI,
Date: 10th May 2019

CAPITAL INDIA FINANCE LIMITED

(formerly known as Bhilwara Tex-Fin Limited)

ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT

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

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

We have audited the internal financial controls over financial reporting of **Capital India Finance Limited** (“the Company”) as of 31st March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that are operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

CAPITAL INDIA FINANCE LIMITED

(formerly known as Bhilwara Tex-Fin Limited)

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting are operating effectively as at 31st March 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sd/-
Rukshad N. Daruvala
(Partner)
(Membership No. 111188)

Place: MUMBAI
Date: 10th May 2019

CAPITAL INDIA FINANCE LIMITED

(formerly known as Bhilwara Tex-Fin Limited)

ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT

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

- i) In respect of the Company’s fixed assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) Some of the fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause 3(i)(c) of the Companies (Auditor’s Report) Order, 2016 (“the CARO 2016”) is not applicable.
- ii) The Company does not have any inventory and hence reporting under clause 3(ii) of the CARO 2016 is not applicable.
- iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 (“the Act”).
- iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause 3(iv) of the CARO 2016 is not applicable.
- v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and hence directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder are not applicable.
- vi) Having regard to the nature of the Company’s business / activities, reporting under clause 3(vi) of the CARO 2016 is not applicable.
- vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has been regular in depositing undisputed statutory dues including Provident Fund, Income-tax, Goods and Services Tax, cess and other material statutory dues applicable to the appropriate authorities.
We are informed that the provisions of ESIC and Custom Duty are not applicable to the Company.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Goods and Services Tax, cess and other material statutory dues in arrears as on 31st March 2019 for a period of more than six months from the date they became payable.
 - (c) There are no dues of Income-tax and Goods and Services Tax as on 31st March, 2019 on account of disputes.
- viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks. The Company has not taken any loans or borrowings from government. The Company has not issued any debentures.
- ix) In our opinion and according to the information and explanations given to us, money raised by way of further public offer and the term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds.
- x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the CARO 2016 is not applicable.

CAPITAL INDIA FINANCE LIMITED

(formerly known as Bhilwara Tex-Fin Limited)

- xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations given to us, the Company has made private placement of shares during the year under review.
- In respect of the above issue, we further report that:
- a) the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and
 - b) the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application.
- xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its subsidiary company or persons connected with him and hence provisions of section 192 of the Act are not applicable.
- xvi) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

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

Sd/-
Rukshad N. Daruvala
(Partner)
(Membership No. 111188)

Place: MUMBAI
Date: 10th May 2019

CAPITAL INDIA FINANCE LIMITED

(formerly known as Bhilwara Tex-Fin Limited)

Balance sheet as at 31st March 2019

(All figures are in rupees, except otherwise stated)

Particulars	Notes	As at 31st March 2019	As at 31st March 2018
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	3	77,73,42,600	3,50,27,000
(b) Reserves and surplus	4	4,37,16,89,759	3,39,91,874
		<u>5,14,90,32,359</u>	<u>6,90,18,874</u>
(2) Advance towards share application money		-	1,25,00,00,000
(3) Non-current liabilities			
(a) Long-term borrowings	5	81,95,53,842	7,00,00,000
(b) Other long-term liabilities	7	3,59,04,647	98,38,674
(c) Long-term provisions	8	1,50,91,574	5,24,823
		<u>87,05,50,063</u>	<u>8,03,63,497</u>
(4) Current liabilities			
(a) Short-term borrowings	5	50,34,15,149	-
(b) Trade payables	6		
(i) Total outstanding dues of micro enterprises and small enterprises		7,82,062	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		90,44,791	33,60,421
(c) Other current liabilities	7	5,35,54,937	13,68,34,973
(d) Short term provisions	8	3,89,32,021	48,86,408
		<u>60,57,28,960</u>	<u>14,50,81,802</u>
Total		<u>6,62,53,11,382</u>	<u>1,54,44,64,173</u>
II. ASSETS			
(1) Non-current assets			
(a) Property, plant & equipment			
(i) Tangible assets	9	13,36,00,017	8,29,98,797
(ii) Intangible assets	9	3,99,242	2,36,740
(iii) Capital work in progress		84,52,705	2,35,21,665
(b) Non-current investments	10	45,36,00,000	15,04,00,000
(c) Deferred tax assets (net)	13	2,92,21,050	28,04,004
(d) Long-term loans and advances	11	3,03,90,78,768	12,95,50,596
(e) Other non-current assets	12	84,40,673	-
		<u>3,67,27,92,455</u>	<u>38,95,11,802</u>
(2) Current assets			
(a) Trade receivables	14	-	32,40,000
(b) Cash and bank balances	15	26,19,11,154	16,75,65,758
(c) Short-term loans and advances	11	2,58,54,12,989	97,06,59,938
(d) Other current assets	12	10,51,94,784	1,34,86,675
		<u>2,95,25,18,927</u>	<u>1,15,49,52,371</u>
Total		<u>6,62,53,11,382</u>	<u>1,54,44,64,173</u>

Notes 1 to 35 forms part of the Standalone Financial Statements

In terms of our report attached

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

For and on behalf of the board
Capital India Finance Limited

Sd/-
Rukshad N. Daruvala
Partner
Membership No.: 111188

Sd/-
Keshav Porwal
Managing Director
DIN: 06706341

Sd/-
Amit Sahai Kulshreshtha
Executive Director & CEO
DIN: 07869849

Sd/-
Neeraj Toshniwal
Chief Financial Officer

Sd/-
Rachit Malhotra
Company Secretary

Place: Mumbai
Date: 10th May 2019

Place: Mumbai
Date: 10th May 2019

Place: Mumbai
Date: 10th May 2019

CAPITAL INDIA FINANCE LIMITED

(formerly known as Bhilwara Tex-Fin Limited)

Statement of profit and loss for the year ended 31st March 2019

(All figures are in rupees, except otherwise stated)

Particulars	Notes	Year ended 31st March 2019	Year ended 31st March 2018
I. Revenue from operations	16	53,70,27,764	25,70,89,358
II. Other income	17	2,56,04,057	1,119
III. Total revenue		56,26,31,821	25,70,90,477
IV. Expenses			
Employee benefit expenses	18	17,25,75,742	3,18,56,101
Finance costs	19	7,80,81,117	10,36,46,805
Depreciation & amortisation expenses	9	2,89,57,123	42,91,639
Other expenses	20	13,73,82,731	7,08,39,910
Total expenses		41,69,96,713	21,06,34,455
V. Profit before tax (III-IV)		14,56,35,108	4,64,56,022
VI. Tax expense			
(1) Current tax		7,00,45,740	1,97,73,430
(2) Deferred tax		(2,64,17,046)	(28,04,004)
(3) Income tax for earlier year		52,145	-
VII. Profit for the year (V-VI)		10,19,54,269	2,94,86,596
Earnings per equity share	21		
[face value Rs. 10 each]			
- Basic		2.42	8.42
- Diluted		2.40	8.42

Notes 1 to 35 forms part of the Standalone Financial Statements
In terms of our report attached

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

For and on behalf of the board
Capital India Finance Limited

Sd/-
Rukshad N. Daruvala
Partner
Membership No.: 111188

Sd/-
Keshav Porwal
Managing Director
DIN: 06706341

Sd/-
Amit Sahai Kulshreshtha
Executive Director & CEO
DIN: 07869849

Sd/-
Neeraj Toshniwal
Chief Financial Officer

Sd/-
Rachit Malhotra
Company Secretary

Place: Mumbai
Date: 10th May 2019

Place: Mumbai
Date: 10th May 2019

Place: Mumbai
Date: 10th May 2019

CAPITAL INDIA FINANCE LIMITED

(formerly known as Bhilwara Tex-Fin Limited)

Cash flow statement for the year ended 31st March 2019

(All figures are in rupees, except otherwise stated)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
A. CASH FROM OPERATING ACTIVITIES:		
Net profit before tax and extraordinary items	14,56,35,108	4,64,56,022
Adjustments for:		
Depreciation and amortisation expenses	2,89,57,123	42,91,639
Provision for employee benefits	2,59,65,720	12,53,481
Expenses on employee stock option plan	2,80,18,945	-
Rent equalisation	(12,01,950)	60,35,092
Profit on sale of property, plant and equipment	(10,750)	-
Provision for standard assets	1,82,90,836	10,41,140
Operating profit before working capital changes	24,56,55,032	5,90,77,374
Adjustments for changes in working capital:		
(Increase) in loans and advances	(4,53,03,41,473)	(20,07,66,956)
Decrease in trade receivables	32,40,000	7,92,000
Increase in trade payables	64,66,432	55,33,030
(Increase)/ Decrease in other assets	(10,03,01,796)	19,73,228
(Decrease)/ Increase in other liabilities	(5,60,12,114)	11,97,99,936
Cash used in operations	(4,43,12,93,919)	(1,35,91,388)
Income tax paid	(5,96,81,828)	(2,54,66,065)
Net Cash (used in) operating activities (A)	(4,49,09,75,747)	(3,90,57,453)
B) CASH FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(6,86,25,476)	(12,05,54,987)
Proceeds from sale of property, plant and equipment	39,84,342	-
Purchase of non current investments	(30,32,00,000)	(15,04,00,000)
Investment in bank deposits (having original maturity of more than 3 months)	(1,25,00,000)	-
Net Cash (used in) investing activities (B)	(38,03,41,134)	(27,09,54,987)
C) CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from issue of equity shares at premium	4,98,75,25,320	-
Share issue expenses	(3,32,69,280)	-
Payment of dividend and dividend distribution tax thereon	(40,62,755)	-
Proceeds from advance towards share application money	-	1,25,00,00,000
Repayment of advance towards share application money	(1,25,00,00,000)	-
Proceeds from long term borrowings	1,26,95,93,501	-
Proceeds from short term borrowings	1,75,00,00,000	40,01,00,000
Repayment of long term borrowings	(1,66,24,509)	(1,30,68,00,000)
Repayment of short term borrowings	(1,75,00,00,000)	(40,01,00,000)
Net cash generated from/ (used in) financing activities (C)	4,95,31,62,277	(5,68,00,000)
D) Net increase/ (decrease) in cash and cash equivalents (A+B+C)	8,18,45,396	(36,68,12,440)
E) Cash and cash equivalents as at the beginning of the year	16,75,65,758	53,43,78,198
F) Cash and cash equivalents as at the end of the year	24,94,11,154	16,75,65,758

CAPITAL INDIA FINANCE LIMITED

(formerly known as Bhilwara Tex-Fin Limited)

Cash flow statement for the year ended 31st March 2019

(All figures are in rupees, except otherwise stated)

Cash and cash equivalents comprises:

Particulars	As at 31st March 2019	As at 31st March 2018
Cash in hand	-	7,601
Cheques in hand	25,12,381	25,00,000
Balances with banks		
- in current accounts*	24,68,98,773	58,157
- in deposit accounts	-	16,50,00,000
	24,94,11,154	16,75,65,758

* Includes balance in unclaimed dividend account amounting to Rs. 1,53,014 not available for use by the Company.

Notes 1 to 35 forms part of the Standalone Financial Statements
In terms of our report attached

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

For and on behalf of the board
Capital India Finance Limited

Sd/-
Rukshad N. Daruvala
Partner
Membership No.: 111188

Sd/-
Keshav Porwal
Managing Director
DIN: 06706341

Sd/-
Amit Sahai Kulshreshtha
Executive Director & CEO
DIN: 07869849

Sd/-
Neeraj Toshniwal
Chief Financial Officer

Sd/-
Rachit Malhotra
Company Secretary

Place: Mumbai
Date: 10th May 2019

Place: Mumbai
Date: 10th May 2019

Place: Mumbai
Date: 10th May 2019

CAPITAL INDIA FINANCE LIMITED

(formerly known as Bhilwara Tex-Fin Limited)

Notes to the financial statements for the year ended 31st March 2019

(All figures are in rupees, except otherwise stated)

1 Background

Capital India Finance Limited (formerly known as Bhilwara Tex-fin Limited) ('the Company') is a public company domiciled in India and incorporated on 16 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 w.e.f. 28th January 2019.

2 Significant accounting policies

2.1 Basis of accounting and preparation of financial statements

The accompanying financial statements are prepared and presented in accordance with Indian Generally Accepted Accounting Principles ('GAAP') under the historical cost convention, on the accrual basis of accounting, unless otherwise stated, and comply in all material aspects with the Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 (the 'Act') read with Companies Accounting Standard 2006, as amended and the guidelines issued by RBI for Non-Banking Financial (Non deposit taking) Companies from time to time ("RBI guidelines"). The financial statements are presented in Indian rupees.

2.2 Use of Estimates

The preparation of financial statements is in conformity with the Generally Accepted Accounting Principles ('GAAP') in India requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and disclosure of contingent liabilities on the date of the financial statements. The Management believes that the estimates made in the preparation of financial statements are prudent and reasonable. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

2.3 Operating cycle

Based on the nature of activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2.4 Property, plant & equipment, depreciation and amortisation

Tangible assets

- a) Tangible assets are carried at cost of acquisition less accumulated depreciation and / or accumulated impairment loss, if any. The cost of an item of tangible asset comprises its 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. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

Acquired intangible assets

- b) Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

Leasehold improvements

- c) Leasehold improvement includes all expenditure incurred on the leasehold premises that have future economic benefits. Leasehold improvements are amortised over the period of lease.

Leasehold improvements are amortised over the primary life of the lease.

CAPITAL INDIA FINANCE LIMITED

(formerly known as Bhilwara Tex-Fin Limited)

Notes to the financial statements for the year ended 31st March 2019

(All figures are in rupees, except otherwise stated)

Depreciation and amortisation

- d) Depreciation / amortisation is provided over the useful life of the assets, pro rata for the period of use, on a straight-line method. The useful life estimates prescribed in Part C of Schedule II to the 2013 Act have been considered as useful life for tangible assets except for Vehicles, in such case the life of the assets has been assessed as per the estimates of the management. Acquired intangible assets are amortised over a period as per management estimates of their useful life. Pursuant to this policy, the useful life estimates in respect of the following assets are as follows:

Tangible assets	Estimated useful life
Computers & printers	3 Years
Furniture & fixtures	10 Years
Office equipments	5 Years
Vehicles	5 Years

Acquired intangible assets

Computer software	3 Years
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Leasehold improvements are amortised over the primary life of the lease.

- e) 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.

Gains / losses on disposal of assets

- f) Losses arising from retirement or gains or losses arising from disposal of tangible and intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss.

2.5 Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit which the asset belongs to, is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

2.6 Leases

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Amount due under the operating leases are charged to the Statement of Profit and Loss, on a straight - line basis over the lease term in accordance with AS-19 'Leases' as prescribed by Companies (Accounting Standards) Rules, 2006. Initial direct costs incurred specifically for operating leases are recognised as expense in the year in which they are incurred.

2.7 Loans and advances

Loans and advances are stated at the amount advanced, as reduced by the amounts received up to the balance sheet date. Loans are classified as performing and non performing advances (NPAs) based on RBI guidelines. NPAs are classified into sub-standard, doubtful and loss assets, as required by the RBI guidelines. Interest on NPAs is not recognised in the Statement of Profit and Loss until recovered.

CAPITAL INDIA FINANCE LIMITED

(formerly known as Bhilwara Tex-Fin Limited)

Notes to the financial statements for the year ended 31st March 2019

(All figures are in rupees, except otherwise stated)

2.8 Provisioning/ Write-off on assets

Provisioning/ Write-off on overdue assets

The provisioning / write-off on overdue assets is as per the management estimates, subject to the minimum provision required as per Master Direction-Non Banking Financial Company-Systemically Important Non-Deposit taking Company ('RBI') Directions, 2016.

Provision on standard assets

Provision on standard assets has been made @ 0.40% which is in accordance with RBI guidelines.

2.9 Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as non current investments.

Current investments are accounted for and valued as per Accounting Standard (AS) 13 - 'Accounting for Investments' and in accordance with the RBI guidelines, are stated at the lower of cost and fair value, by category of investments. Unquoted current investments in units of Mutual Funds are valued as per Net Asset Value of the Plan as per RBI guidelines.

Non-current investments are accounted for and valued as per Accounting Standard (AS) 13 - 'Accounting for Investments' are stated at cost except where there is a diminution other than temporary, for which provision is made.

Profit or loss on sale of investments is determined on a first in first out basis. Any reduction in the carrying amount and any reversals of such reductions are charged or credited to Statement of Profit and Loss.

2.10 Revenue recognition

Revenue is recognised on accrual basis, when no significant uncertainty as to determination or realization exists.

Interest income from loan is recognised on accrual basis. In case of non performing assets, interest income is recognised on receipt basis as per RBI guidelines. Penal interest is recognised on receipt basis.

Advisory fees is recognised as income on an accrual basis on completion of services as per the terms of the contract.

Processing fees on loan disbursed is amortised over the tenure of loan.

Documentation charges collected from clients are recognised as income upfront on due basis.

Dividend income is recognised when the company's right to receive payment is established. Dividend from the units of mutual funds is recognised on receipt basis in accordance with the RBI guidelines.

Gain/Loss on sale of units of mutual funds is recognised on trade date basis.

Interest income on fixed deposit is recognised on time proportionate basis.

2.11 Retirement and other employee benefits

Employee benefits include provident fund, gratuity fund and compensated absences.

Defined contribution plans

The Company's contribution to provident fund is considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined Benefit Plans

- a) The Company accounts for its defined benefit obligations for non-funded gratuity benefits on the basis of an independent actuarial valuation based on the projected unit credit method carried out as at the year end.

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- b) The employees of the Company are entitled to compensated absences and leave encashment as per the policy of the Company, the liability in respect of which is provided, on the basis of an independent actuarial valuation based on the projected unit credit method carried out as at the year end.

In respect of the Company's defined benefit plan, actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised in the Statement of Profit and Loss as income or expense in the period in which they are occurred. Past service cost is recognised immediately to the extent the benefits are already vested and otherwise is amortised on straight line basis over the average period until the benefits become vested.

2.12 Finance costs

Finance costs consists of interest and other borrowing cost that an entity incurs in connection with borrowing of funds. Ancillary and other borrowing costs are amortised on straight line basis over the tenure of the underlying loan.

2.13 Share issue expenses

Share issue expenses related to issuance of equity shares are debited against securities premium account in accordance with the provisions of Section 52 of the Companies Act, 2013.

2.14 Foreign currency transactions

Foreign exchange transactions are recorded at the spot rate on the date of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the Statement of Profit and Loss for the period.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date; the resultant exchange differences are recognised in the Statement of Profit and Loss.

Non monetary assets and liabilities are carried at historical cost using exchange rates as on the date of the respective transactions.

2.15 Taxation

Income tax expense comprises current tax including minimum alternate tax ("MAT") (i.e. amount of tax for the period determined in accordance with the Income Tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised to the extent there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

MAT paid in accordance to the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax in future years and is recognised as tax credit in Statement of Profit and Loss.

2.16 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

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2.17 Employee share based payment

The Company has formulated Employee Stock Option Schemes (ESOS) in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (“SEBI Guidelines”). The Schemes provide for grant of options to employees of the Company and its subsidiaries to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period. In accordance with the SEBI Guidelines; the excess, if any, of the closing market price on the day prior to the grant of the options under ESOS over the exercise price is amortised on a straight-line basis over the vesting period.

2.18 Earnings per share

The basic earnings per share is computed by dividing the net profit / loss after tax attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. For the purpose of calculating diluted earnings per share, the net profit for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.19 Cash and cash equivalents (for the purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.20 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.21 Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive management in deciding how to allocate resources and in assessing performance.

2.22 Goods & services tax

Goods & services tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

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3. Share capital

	As at 31st March 2019		As at 31st March 2018	
	Number	Amount	Number	Amount
Authorised share capital				
Equity shares of Rs. 10 each	20,40,00,000	2,04,00,00,000	20,40,00,000	2,04,00,00,000
Preference shares of Rs. 10 each	1,00,00,000	10,00,00,000	1,00,00,000	10,00,00,000
	21,40,00,000	2,14,00,00,000	21,40,00,000	2,14,00,00,000
Issued, subscribed and fully paid up				
Equity shares of Rs. 10 each	7,77,34,260	77,73,42,600	35,02,700	3,50,27,000
Total issued, subscribed and fully paid up share capital	7,77,34,260	77,73,42,600	35,02,700	3,50,27,000

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

	As at 31st March 2019		As at 31st March 2018	
	Number	Amount	Number	Amount
At the beginning of the year	35,02,700	3,50,27,000	35,02,700	3,50,27,000
Add: Allotment during the year*	7,42,31,560	74,23,15,600	-	-
Outstanding at the end of the year	7,77,34,260	77,73,42,600	35,02,700	3,50,27,000

*The Company has allotted 3,96,83,000 equity shares of the face value of Rs.10 each on preferential basis through private placement, at a price of Rs. 63 each (including a premium of Rs. 53 each) aggregating to Rs.2,50,00,29,000.

The Company has allotted 3,45,48,560 equity shares of Rs. 10 each, at a price of Rs. 72 each, (including a premium of Rs. 62 each), on rights basis aggregating to Rs. 2,48,74,96,320.

The proceeds has been utilised by the Company for the objects of the issue, other than temporary deployment.

b. Terms and rights attached to fully paid up equity shares:

The Company has only one type of equity shares having par value of Rs. 10 each. All shares rank pari passu with respect to dividend, voting rights and other terms. Each shareholder is entitled to one vote per share. The dividend proposed, if any, by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. The repayment of equity share capital in the event of liquidation and buy back of shares are possible subject to prevalent regulations. In the event of liquidation, normally the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their holdings.

c. Shares in the Company held by each shareholder holding more than 5% shares

	As at 31st March 2019		As at 31st March 2018	
	Number	%	Number	%
Equity shares of Rs. 10 each				
Capital India Corp LLP	5,67,75,720	73.04%	22,32,300	63.73%
DS Chewing Products LLP	56,16,800	7.23%	-	0.00%
Dharampal Satyapal Limited	48,97,800	6.30%	3,97,800	11.36%
Total	6,72,90,320	86.57%	26,30,100	75.09%

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d. Advance towards share application money:

During current year, the Company has refunded back an amount of Rs. 1,25,00,00,000 received from Capital India Corp LLP as advance against share application money towards its entitlement under the Rights issue of the Company.

4 Reserves and surplus

	As at 31st March 2019	As at 31st March 2018
a) General reserve		
Opening Balance	1,76,099	1,76,099
Add : Transfer during the year	-	-
Total	1,76,099	1,76,099
b) Statutory Reserve under Section 45-IC of the RBI Act, 1934		
Opening Balance	75,80,010	16,82,691
Add: Transfer during the year	2,03,90,854	58,97,319
Total	2,79,70,864	75,80,010
c) Securities premium		
Opening Balance	-	-
Add : Proceeds from issue of equity shares	4,24,52,09,720	-
Less: Share issue expenses	3,32,69,280	-
Total	4,21,19,40,440	-
d) Employee stock option outstanding account		
Opening Balance	-	-
Add: Amount recorded on grants	2,80,18,945	-
Total	2,80,18,945	-
e) Surplus in the statement of profit and loss		
Opening Balance	2,62,35,765	26,46,488
Add: Profit for the year	10,19,54,269	2,94,86,596
	12,81,90,034	3,21,33,084
Less: Transfer to Statutory Reserve under Section 45-IC of the RBI Act, 1934	2,03,90,854	58,97,319
Less: Dividend on equity shares	35,02,700	-
Less: Dividend tax thereon	7,13,069	-
Net Surplus in the statement of profit and loss	10,35,83,411	2,62,35,765
Total reserves and surplus	4,37,16,89,759	3,39,91,874

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(All figures are in rupees, except otherwise stated)

5. Borrowings

	As at 31st March 2019		As at 31st March 2018	
	Non-current	Current	Non-current	Current
Secured				
Term loan from banks	75,00,00,000	50,00,00,000	-	-
Vehicle loans	1,45,53,842	34,15,149	-	-
Unsecured				
Inter corporate deposits	5,50,00,000	-	7,00,00,000	-
	81,95,53,842	50,34,15,149	7,00,00,000	-

Additional information:

Details of Secured borrowings:

Security details

- Term loan from banks is secured against pari passu charge on standard asset portfolio of book debts and receivables.
- Vehicle loans is secured by way of hypothecation on vehicles.

Terms of repayment:

Particulars	Rate of interest	Repayment details
Term loan from banks	9.90%	10 Equated quarterly repayments starting at the end of 6 months from the disbursement date
Vehicle loans	8.5% - 8.71%	60 Equated Monthly Instalments

Details of Unsecured borrowings:

- Inter corporate deposits of Rs. 5,50,00,000 (31st March 2018: Rs. 7,00,00,000) is raised at an interest rate of 8% and repayable on 16th February 2022.

6. Trade payables

	As at 31st March 2019		As at 31st March 2018	
	Non-current	Current	Non-current	Current
(i) total outstanding dues of micro enterprises and small enterprises*	-	7,82,062	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	90,44,791	-	33,60,421
	-	98,26,853	-	33,60,421

* No interest has been paid/is payable by the Company during/for the year to these 'Suppliers'. The above information takes into account only those suppliers who have submitted their registration details or has responded to the inquiries made by the Company for this purpose. This has been relied upon by the Auditors.

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7. Other liabilities

	As at 31st March 2019		As at 31st March 2018	
	Non-current	Current	Non-current	Current
Interest accrued but not due on borrowings	99,72,294	1,05,92,204	55,27,033	-
Sundry deposits received from customers	-	83,40,014	-	-
Interest received in advance	-	87,590	-	-
Unamortised processing fee	2,21,07,235	2,44,22,779	-	-
Book overdraft	-	-	-	11,05,32,356
Rent equalisation	38,25,118	10,08,024	43,11,641	17,23,451
Unclaimed dividends	-	1,53,014	-	-
Statutory dues payable	-	89,51,312	-	2,22,87,697
Creditors for capital goods	-	-	-	22,91,469
	3,59,04,647	5,35,54,937	98,38,674	13,68,34,973

8. Provisions

Provision for employee benefits	28,60,416	2,43,58,785	1,35,934	11,17,547
Provision for standard assets	1,22,31,158	1,02,17,428	3,88,889	37,68,861
Provision for tax (net of advance tax of Rs. 6,56,89,932)	-	43,55,808	-	-
	1,50,91,574	3,89,32,021	5,24,823	48,86,408

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9. Property, plant and equipment

Particulars	Gross block (at Cost)			Accumulated depreciation / amortisation			Net block		
	As at 1st April 2018	Additions during the year	Deletions during the year	As at 31st March 2019	As at 1st April 2018	Depreciation/ Amortisation for the year	Adjustments during the year	As at 31st March 2019	As at 31st March 2018
Tangible assets									
Computer & printers	41,31,745	32,39,852	8,04,308	65,67,289	3,21,989	19,65,744	1,29,998	21,57,735	38,09,756
Office equipment	85,82,138	43,37,937	-	1,29,20,075	3,64,805	25,36,855	-	29,01,660	82,17,333
Furniture & fixtures	4,40,49,041	1,99,90,246	18,10,549	6,22,28,738	14,62,866	60,34,105	76,200	74,20,771	4,25,86,175
Leasehold improvements	3,05,04,265	2,53,68,760	-	5,58,73,025	21,18,732	1,44,76,363	-	1,65,95,095	2,83,85,533
Vehicles	-	3,04,34,303	16,00,000	2,88,34,303	-	37,83,220	35,068	37,48,152	2,50,86,151
Total tangible assets	8,72,67,189	8,33,71,098	42,14,857	16,64,23,430	42,68,392	2,87,96,287	2,41,266	3,28,23,413	8,29,98,797
Intangible assets									
Computer software	2,59,987	3,23,338	-	5,83,325	23,247	1,60,836	-	1,84,083	2,36,740
Total intangible assets	2,59,987	3,23,338	-	5,83,325	23,247	1,60,836	-	1,84,083	2,36,740
Grand total	8,75,27,176	8,36,94,436	42,14,857	16,70,06,755	42,91,639	2,89,57,123	2,41,266	3,30,07,496	8,32,35,537

Particulars	Gross block (at Cost)			Accumulated depreciation / amortisation			Net block		
	As at 1st April 2017	Additions during the year	Deletions during the year	As at 31st March 2018	As at 1st April 2017	Depreciation/ Amortisation for the year	Adjustments during the year	As at 31st March 2018	As at 31st March 2017
Tangible assets									
Computer & printers	-	41,31,745	-	41,31,745	-	3,21,989	-	3,21,989	38,09,756
Office equipment	-	85,82,138	-	85,82,138	-	3,64,805	-	3,64,805	82,17,333
Furniture & fixtures	-	4,40,49,041	-	4,40,49,041	-	14,62,866	-	14,62,866	4,25,86,175
Leasehold improvements	-	3,05,04,265	-	3,05,04,265	-	21,18,732	-	21,18,732	2,83,85,533
Total tangible assets	-	8,72,67,189	-	8,72,67,189	-	42,68,392	-	42,68,392	8,29,98,797
Intangible assets									
Computer softwares	-	2,59,987	-	2,59,987	-	23,247	-	23,247	2,36,740
Total intangible assets	-	2,59,987	-	2,59,987	-	23,247	-	23,247	2,36,740
Grand total	-	8,75,27,176	-	8,75,27,176	-	42,91,639	-	42,91,639	8,32,35,537

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10. Investments

(at cost, unless otherwise stated)

	As at 31st March 2019		As at 31st March 2018	
	Non-current	Current	Non-current	Current
Non Trade investments				
Investment in equity instruments (unquoted):				
- <i>In subsidiary companies</i>				
4,00,00,000 (31st March 2018: 1,50,00,000) equity shares @ Rs. 10/- each				
- Capital India Home Loans Limited	40,00,00,000	-	15,00,00,000	-
50,000 (31st March 2018: 10,000) equity shares @ Rs.10/- each				
- Capital India Asset Management Private Limited	5,00,000	-	1,00,000	-
20,000 (31st March 2018: 10,000) equity shares @ Rs.10/- each				
- Capital India Wealth Management Private Limited	2,00,000	-	1,00,000	-
- CIFL Holding Private Limited	2,00,000	-	1,00,000	-
- CIFL Investment Manager Private Limited	2,00,000	-	1,00,000	-
Investment in debentures (unquoted):				
- <i>In others</i>				
525 Zero coupon optionally convertible debentures issued by Rapipay Fintech Holding Private Limited @ Rs. 1 lakh each	5,25,00,000	-	-	-
	45,36,00,000	-	15,04,00,000	-

11. Loans and advances

(Secured, considered good)

Loans and advances relating to financing activity 2,99,52,89,438 2,38,10,58,385 9,72,22,223 83,22,15,257

(Unsecured, considered good)

Loans and advances relating to financing activity 1,00,00,000 17,32,98,663 - 11,00,00,000

Other loans and advances

- Advances to related parties (Refer Note 28) - 14,98,961 - 61,41,307

- Loans and advances to employees 8,64,265 7,77,188 12,68,640 6,48,000

- Advances to suppliers - 12,52,972 - 1,37,58,863

- Security deposits 2,53,85,630 1,26,02,482 1,84,25,210 -

- Balance with statutory authorities for GST - 1,07,49,305 - -

- Advance taxes (net of provision for tax of Rs. 2,15,99,961) 65,74,274 - 1,26,34,523 -

- Prepaid expenses 9,65,161 41,75,033 - 78,96,511

3,03,90,78,768 2,58,54,12,989 12,95,50,596 97,06,59,938

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12. Other assets

	As at 31st March 2019		As at 31st March 2018	
	Non-current	Current	Non-current	Current
Unamortised borrowing cost	84,40,673	61,60,327	-	-
Interest accrued and due	-	1,76,65,500	-	1,21,49,021
Interest accrued but not due	-	8,13,68,957	-	13,37,654
	84,40,673	10,51,94,784	-	1,34,86,675

	As at 31st March 2019	As at 31st March 2018
13 Deferred tax assets (net)		
Deferred tax asset comprises of:		
Provision for standard assets	65,37,030	11,45,564
Provision for employee benefits	95,33,350	3,45,365
Rent equalisation	14,07,410	16,62,819
Unamortised processing fee	1,35,49,540	-
Depreciation on fixed assets	24,45,530	-
Deferred tax liability comprises of:		
Depreciation on fixed assets	-	(3,49,744)
Unamortised borrowing cost	(42,51,810)	-
Deferred tax assets (net)	2,92,21,050	28,04,004

14 Trade receivables

(Unsecured, considered good)

Outstanding for a period exceeding six months from the date they are due for payment	-	-
Other receivables	-	32,40,000
	-	32,40,000

15 Cash and bank balances

Cash and cash equivalents

Cash on hand	-	7,601
Balances with banks		
- in current accounts	24,67,45,759	58,157
- in fixed deposits with original maturity less than 3 months	-	16,50,00,000
- in unclaimed dividend account	1,53,014	-
Cheques in hand	25,12,381	25,00,000
	24,94,11,154	16,75,65,758

Other bank balances

- In earmarked fixed deposits (balances held as security against bank guarantee)	1,25,00,000	-
(Other bank deposits with maturity less than 12 months)		
	26,19,11,154	16,75,65,758

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(All figures are in rupees, except otherwise stated)

	Year ended 31st March 2019	Year ended 31st March 2018
16 Revenue from operations		
Interest income		
- On loans	44,66,21,620	14,05,13,028
- On bank fixed deposits	71,40,046	5,76,330
Fee income	8,32,66,098	11,60,00,000
	53,70,27,764	25,70,89,358
17 Other income		
Income from mutual fund units	2,51,38,687	-
Interest on income tax refund	4,54,520	-
Misc. income	10,850	1,119
	2,56,04,057	1,119
18 Employee benefit expense		
Salaries, bonus and allowances	16,52,85,710	3,01,47,580
Contribution to provident and other funds	58,27,074	11,53,298
Staff welfare expenses	14,62,958	5,55,223
	17,25,75,742	3,18,56,101
19 Finance costs		
Interest expenses	7,36,21,977	10,36,02,230
Other borrowing cost	44,36,085	-
Bank charges	23,055	44,575
	7,80,81,117	10,36,46,805
20 Other expenses		
Rent	4,79,32,366	1,45,13,555
Rates & taxes	39,67,666	3,22,82,353
Repairs & maintenance	63,19,883	21,02,684
Office expenses	54,54,180	31,65,709
Electricity charges	15,60,533	4,95,003
Communication expenses	20,88,378	4,72,956
Printing & stationery	12,03,702	7,75,423
Insurance	11,43,697	-
Membership & subscription	30,21,374	10,69,700
Travelling & conveyance	1,07,75,913	60,95,331
Advertisement, marketing & business promotion expenses	52,97,889	14,76,265
Commission & brokerage	2,06,298	-
Auditor's remuneration (Refer note 22)	16,33,750	1,00,000
Legal & professional charges	1,96,93,370	45,19,253
Rating fee	19,07,500	-
Listing fee	2,82,310	2,97,220
Directors sitting fees	31,39,500	9,00,000
Provisions for standard assets	1,82,90,836	10,41,140
Donation	2,00,000	-
Miscellaneous expenses	32,63,586	15,33,318
	13,73,82,731	7,08,39,910

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Notes to the financial statements for the year ended 31st March 2019

(All figures are in rupees, except otherwise stated)

	Year ended 31st March 2019	Year ended 31st March 2018
21 Earnings per share		
Net profit attributable to equity shareholders (Rs.)	10,19,54,269	2,94,86,596
Weighted average number of equity shares outstanding during the year	4,21,34,493	35,02,700
Nominal value of an equity share (Rs.)	10	10
Basic earnings per share (in Rs.)	2.42	8.42
Weighted average number of equity shares under options	3,49,713	-
Total number of equity shares for diluted earnings per share	4,24,84,206	35,02,700
Diluted earnings per share (in Rs.)	2.40	8.42
	Year ended 31st March 2019	Year ended 31st March 2018
22 Auditor's remuneration (net of GST credit availed) *		
Audit fees	11,68,000	1,00,000
Certification	2,15,750	-
Other services	2,50,000	-
	16,33,750	1,00,000

* Excludes fees of Rs. 59,95,000 in respect of funds raised through rights issue, adjusted against securities premium.

23 Contingent liabilities

The Company has provided bank guarantee amounting to Rs. 1,24,37,482 as on 31st March 2019 to BSE Limited for rights issue of its shares. The Company has pledged fixed deposit with bank aggregating of Rs. 1,25,00,000 for obtaining the above bank guarantees. (31st March 2018: Nil)

There were no pending litigations which would impact the financial position of the company.

There are no long-term contracts including derivative contracts for which there were any material foreseeable losses.

24 Capital & other commitments

- Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for as at 31st March 2019 is Rs. 18,36,000. (31st March 2018: Rs. 2,28,08,925)

	Year ended 31st March 2019	Year ended 31st March 2018
25 Expenditure in foreign currency (on accrual basis)		
Legal & professional charges	9,42,300	-
	9,42,300	-

Amount incurred in foreign currency towards payment of capital advances as on 31st March 2019 - Nil (31st March 2018: Rs. 20,44,853)

Expenses incurred on foreign travel is billed by travel agent to the Company in Indian Rupees and hence not required to be disclosed.

There are no reportable earnings in foreign currency during the year ended 31st March 2019. (31st March 2018: Nil)

The Company do not have any exposures in foreign currency as at the Balance Sheet date.

CAPITAL INDIA FINANCE LIMITED

(formerly known as Bhilwara Tex-Fin Limited)

Notes to the financial statements for the year ended 31st March 2019

(All figures are in rupees, except otherwise stated)

26 Segment information

The Company is an NBFC registered with the Reserve Bank of India and is in the business of providing credit and related financial advisory services in India. Hence there are no separate reportable segments as per the Accounting Standard (AS) - 17 'Segment Reporting' specified under section 133 of the Companies Act 2013.

27 Leases (Operating Lease)

The registered office and corporate office are taken on operating lease. Both the office premises has a non-cancellable lease for 36 months. There are no subleases. Lease payments during the year are charged to Statement of Profit and Loss.

	31st March 2019	31st March 2018
Description		
Operating lease payments recognised during the year	4,79,32,366	1,45,13,555
Minimum Lease Obligations		
Not later than one year	4,60,85,279	4,60,85,279
Later than one year but not later than five years	1,94,93,054	6,55,78,333
Later than five years	-	-

28 Related party disclosures

Disclosures as required by the Accounting Standard 18 (AS – 18) "Related Party Disclosures" are given below :

(i) Names of related parties

Name of the related party	Nature of relationship
Capital India Home Loans Limited	Subsidiary Company
Capital India Asset Management Private Limited	Subsidiary Company
Capital India Wealth Management Private Limited	Subsidiary Company
CIFL Holdings Private Limited	Subsidiary Company
CIFL Investment Manager Private Limited	Subsidiary Company
Capital India Corp LLP	Enterprise having significant influence or control
Sahyog Homes Limited	Enterprise where key management personnel exercise significant influence
Mr. Keshav Porwal	Managing Director
Mr. Amit Sahai Kulshreshtha	Executive Director & CEO

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 follows:

Nature of the Transaction	Subsidiary Companies									
	Capital India Home Loans Limited		Capital India Asset Management Private Limited		Capital India Wealth Management Private Limited		CIFL Holdings Private Limited		CIFL Investment Manager Private Limited	
	31st March 2019	31st March 2018	31st March 2019	31st March 2018	31st March 2019	31st March 2018	31st March 2019	31st March 2018	31st March 2019	31st March 2018
Transactions during the year										
Reimbursement of expenses	89,52,732	49,82,686	-	26,935	-	26,935	-	26,935	-	26,935
Investment in equity shares	25,00,00,000	15,00,00,000	4,00,000	1,00,000	1,00,000	1,00,000	1,00,000	1,00,000	1,00,000	1,00,000
Closing balances										
Receivable	14,98,961	40,24,569	-	26,935	-	26,935	-	26,935	-	26,935

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Notes to the financial statements for the year ended 31st March 2019

(All figures are in rupees, except otherwise stated)

Nature of the Transaction	Enterprise having significant influence and control		Enterprise where key management personnel exercise significant influence		Key Managerial Personnel			
	Capital India Corp LLP		Sahyog Homes Limited		Mr. Keshav Porwal		Mr. Amit Sahai Kulshreshtha	
	31st March 2019	31st March 2018	31st March 2019	31st March 2018	31st March 2019	31st March 2018	31st March 2019	31st March 2018
Transactions during the year								
Interest income	-	-	-	1,08,01,729	-	-	-	-
Interest expense	-	52,79,454	-	-	-	-	-	-
Reimbursement of expenses	-	-	15,03,383	20,08,998	-	-	-	-
Remuneration paid	-	-	-	-	1,10,00,000	37,90,960	1,09,99,400	36,34,891
Advance towards share application money	-	1,25,00,00,000	-	-	-	-	-	-
Repayment of Advance towards share application money	1,25,00,00,000	-	-	-	-	-	-	-
Inter Corporate deposits taken#	-	15,00,00,000	-	-	-	-	-	-
Inter Corporate deposits repaid	-	15,00,00,000	-	-	-	-	-	-
Inter Corporate deposits given#	-	-	-	19,80,00,000	-	-	-	-
Inter Corporate deposits received back	-	-	-	19,80,00,000	-	-	-	-
Closing balances								
Advance towards share application money	-	1,25,00,00,000	-	-	-	-	-	-
Receivable	-	-	-	20,08,998	-	-	-	-

Maximum loan given / taken at any time during the year

\$ Includes allocated shared expenses

Investments in equity shares of subsidiaries have been disclosed under "Non-current investments" (Refer Note 10)

29 Gratuity and other post-employment benefit plans

a) Defined Contribution Plan

The Company has recognised Rs. 39,98,299 for the year ended 31st March 2019 in Statement of Profit and Loss under Company's Contribution to Provident Fund. (31st March 2018: Rs. 10,17,364)

b) Defined Benefit Plan

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 following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss and amounts recognised in the Balance Sheet for the gratuity plan.

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Notes to the financial statements for the year ended 31st March 2019

(All figures are in rupees, except otherwise stated)

	As at 31st March 2019	As at 31st March 2018
Statement of Profit and Loss		
Net employee benefit expense recognised in the employee cost		
Current service cost	11,11,426	1,35,934
Interest cost on benefit obligation	-	-
Expected return on plan assets	-	-
Net actuarial (gain) / loss recognised in the year	7,16,997	-
Amount not recognised as asset	-	-
Gratuity expense	18,28,423	1,35,934
Actual return on plan assets	-	-
Balance Sheet		
Benefit asset/ liability		
Present value of defined benefit obligation	19,64,357	1,35,934
Fair value of plan assets	-	-
Less: Amount not recognised as asset	-	-
Plan (asset) / liability	19,64,357	1,35,934
Changes in the present value of defined benefit obligation are as follows		
Opening defined benefit obligation	1,35,934	-
Current service cost	11,11,426	1,35,934
Interest cost	-	-
Past service cost	-	-
Benefits paid	-	-
Actuarial (gains)/ losses on obligation	7,16,997	-
Closing defined benefit obligation	19,64,357	1,35,934
The principal assumptions used in determining gratuity liability for the Company is shown below:		
Discount rate	7.79%	7.58%
Expected rate of return on assets	NA	NA
Employee turnover	5.00%	5.00%
Mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.	10.00%	5.00%

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Notes to the financial statements for the year ended 31st March 2019

(All figures are in rupees, except otherwise stated)

Amounts for the Current and previous four years are as follows:					
	As at 31st March 2019	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016	As at 31st March 2015
Defined benefit obligation	19,64,357	1,35,934	-	-	-
Plan Assets	-	-	-	-	-
Surplus / (deficit)	-	-	-	-	-
Experience adjustments on plan liabilities	3,21,799	-	-	-	-
Experience adjustments on plan assets	-	-	-	-	-

Notes:

Since the gratuity plan of the Company is not funded, the disclosure regarding change in fair value of plan assets and categories of plan assets are not required.

- c) The company has recognised Rs. 16,37,297 (31st March 2018: Rs. 11,17,547) for compensated absences in Statement of Profit and Loss for current year. The defined benefit obligation with respect to provision for compensated absences is Rs. 27,54,844 as at 31st March 2019 (31st March 2018: Rs. 11,17,547).

30 Employee Stock Option Plan

- a) 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 Board 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.

The difference between the fair price of the share underlying the options granted on the date of grant of option and the exercise price of the option (being the intrinsic value of the option) representing Stock compensation expense is expensed over the vesting period.

- b) Employee stock options details as on the balance sheet date are as follows:

	During the year ended 31st March 2019	
	Options (Numbers)	Weighted average exercise price per option (Rs.)
Option outstanding at the beginning of the year:	-	-
Granted during the year:	16,35,000	72
Vested during the year:	-	-
Exercised during the year:	-	-
Lapsed during the year:	-	-
Options outstanding at the end of the year:	16,35,000	72
Options available for grant:	18,65,000	72
Range of exercise price for options outstanding at the end of the year	72	

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Notes to the financial statements for the year ended 31st March 2019

(All figures are in rupees, except otherwise stated)

Weighted average remaining contractual life for options outstanding as at 31st March 2019 is 2 years and 1 month.

- c) The impact on Earnings per Share if the 'fair value' of the options (on the date of the grant) were considered instead of the 'intrinsic value' is as under:

Particulars	For the year ended 31st March 2019
Profit as reported	10,19,54,269
Add / (Less): stock based employee compensation (intrinsic value)	2,80,18,945
Add / (Less): stock based compensation expenses determined under fair value method for the grants issued (See Note d below)	(25,14,245)
Net Profit / (Loss) (proforma)	12,74,58,969
Basic earnings per share (as reported)	2.42
Basic earnings per share (proforma)	3.03
Diluted earnings per share (as reported)	2.40
Diluted earnings per share (proforma)	3.00

- d) 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 2019
Risk free interest rate	6.62% - 7.10%
Expected life	1 year to 4 years
Expected annual volatility of shares	18%
Expected dividend yield	0.00%

- 31 The Company has been classified as a Systemically Important Non-Deposit Accepting or Holding Non-Banking Financial Company w.e.f. 28th January 2019. 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) as at 31st March 2019

(Amount in Rs. crore)

S.No	Item	31st March 2019
1	CRAR (%)	81.22%
2	CRAR - Tier I capital (%)	80.86%
3	CRAR - Tier II Capital (%)	0.36%
4	Amount of subordinated debt raised as Tire-II capital	-
5	Amount raised by issued of Perpetual Debt Instruments	-

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(formerly known as Bhilwara Tex-Fin Limited)

Notes to the financial statements for the year ended 31st March 2019

(All figures are in rupees, except otherwise stated)

b. Investments		(Amount in Rs. crore)
S.No	Particulars	31st March 2019
1	Value of investments	
	(i) Gross value of investments	
	(a) in India	45.36
	(a) outside India	-
	(ii) Provision for depreciation	
	(a) in India	-
	(a) outside India	-
	(iii) Net value of investments	
	(a) in India	45.36
	(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

i. Exposure to Real Estate Sector		(Amount in Rs. crore)
Sr.No	Category	31st March 2019
a)	Direct exposure	
(i)	Residential Mortgages -	
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	11.60
(ii)	Commercial Real Estate -	
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development & construction etc.). Exposure would also include non-fund based (NFB) limits;	299.69
(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures -	
1	Residential,	-
2	Commercial Real Estate.	-
Total Exposure to Real Estate Sector		311.29

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Notes to the financial statements for the year ended 31st March 2019

(All figures are in rupees, except otherwise stated)

ii. Exposure to Capital Market

(Amount in Rs. crore)

Particulars	31st March 2019
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-
(vii) bridge loans to companies against expected equity flows / issues;	-
(viii) all exposures to Venture Capital Funds (both registered and unregistered)	-
Total Exposure to Capital Market	-

i. Details of financing of parent company products

Not Applicable

j. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

The Company has not lent/ invested/ lent and invested in Single Borrower / Single Group of Borrowers in excess of limits prescribed by the RBI.

k. Unsecured Advances

Refer Note 11 for unsecured advances. The Company has not given any unsecured advances against the rights, licenses, authorisations etc.

l. Registration obtained from other financial sector regulators

The Company is not registered with any financial sector regulators except with the RBI.

m. Disclosure of Penalties imposed by RBI and other regulators

No penalties were imposed by the RBI and other regulators during current year.

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

(Amount in Rs. crore)

S.No.	Particulars	31st March 2019
(i)	Provision made towards income tax	4.37
(ii)	Provision for standard assets	1.83

CAPITAL INDIA FINANCE LIMITED

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Notes to the financial statements for the year ended 31st March 2019

(All figures are in rupees, except otherwise stated)

o. Draw Down from Reserves

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

p. Concentration of Advances, Exposures and NPAs

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

Particulars	31st March 2019
Total Advances to twenty largest borrowers	484.75
Percentage of Advances to twenty largest borrowers to Total Advances	87.19%

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

Particulars	31st March 2019
Total Exposures to twenty largest borrowers / customers	484.75
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure on borrowers / customers	86.37%

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

Particulars	31st March 2019
Total of Exposures to top four NPA accounts*	-

* there are no account classified as NPA as on 31st March 2019

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

Particulars	31st March 2019
Agriculture & allied activities	-
MSME	-
Corporate borrowers	-
Services	-
Unsecured personal loans	-
Auto loans	-
Other personal loans	-

CAPITAL INDIA FINANCE LIMITED

(formerly known as Bhilwara Tex-Fin Limited)

Notes to the financial statements for the year ended 31st March 2019

(All figures are in rupees, except otherwise stated)

v) Movement of NPAs	(Amount in Rs. crore)
Particulars	31st March 2019
(i) Net NPAs to Net Advances (%)	-
(ii) Movement of NPAs (Gross):	
(a) Opening balance	-
(b) Additions during the year	-
(c) Reductions during the year (loans written-off)	-
(d) Closing balance	-
(iii) Movement of Net NPAs	
(a) Opening balance	-
(b) Additions during the year	-
(c) Reductions during the year	-
(d) Closing balance	-
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)	
(a) Opening balance	-
(b) Provisions made during the year	-
(c) Write-off / write-back of excess provisions	-
(d) Closing balance	-

q. Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

The Company has not invested in overseas assets in the current and previous year. There are no outstanding investments from earlier years.

r. Off-balance Sheet SPVs sponsored by the Company

The Company has no off-balance sheet SPV in the current year.

s. Disclosure of Complaints

The Company has not received any complaints in the current year.

t. Ratings assigned by credit rating agencies and migration of ratings during the year

S.No.	Instruments	Credit Rating Agency	As on 31st March 2019
1	Long Term Instruments	Acuite Ratings & Research Limited	ACUITE A- (Stable)

u. Statement on Asset Liability Management

Maturity pattern of certain items of assets and liabilities as at 31st March 2019 (Amount in Rs. crore)

S.No	Item	Up to 30 / 31 days	Over 1 month to 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
1	Deposits	-	-	-	-	-	-	-	-	-
2	Advances	73.85	2.19	5.61	61.94	111.84	268.05	21.92	10.56	555.96
3	Investments	-	-	-	-	-	-	5.25	40.11	45.36
4	Borrowings	0.03	12.53	0.03	12.58	25.17	81.72	0.24	-	132.30
5	Foreign Currency assets	-	-	-	-	-	-	-	-	-
6	Foreign Currency liabilities	-	-	-	-	-	-	-	-	-

CAPITAL INDIA FINANCE LIMITED

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Notes to the financial statements for the year ended 31st March 2019

(All figures are in rupees, except otherwise stated)

v. Restructured advances

There are no restructured advance as on 31st March 2019, hence disclosure of information as required in terms of Para 24 of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (RBI guidelines) is not required.

w. Fraud Reporting

As required by the Chapter II paragraph 5 for Monitoring of frauds in NBFCs (RBI guidelines), the details of frauds noticed / reported are as below:

Particulars	Year ended 31st March 2019
Amount Involved	-
Amount Recovered	-
Amount written off/provided	-
Balance	-

32 The Company is not required to spend any amount on Corporate Social Responsibility activities as per the provisions of Section 135 of the Companies Act, 2013.

33 Dividend of Re.0.4 per share (31st March 2018: Re.1 per share) amounting to Rs. 3,74,85,121 (31st March 2018: Rs. 42,15,769) including tax thereon Rs. 63,91,417 (31st March 2018: Rs.7,13,069) is proposed on ordinary shares. The recommended dividend will be accounted for when approved by the shareholders in Annual General Meeting.

34 The comparative financial information for the year ended 31st March 2018 have been audited by the predecessor auditor viz. M/s Divyank Khullar & Associates.

35 Previous year comparatives

Figures for previous year have been regrouped/rearranged wherever necessary, to conform to current year's classification.

For and on behalf of the board
Capital India Finance Limited

Sd/-
Keshav Porwal
Managing Director
DIN: 06706341

Sd/-
Neeraj Toshniwal
Chief Financial Officer

Place: Mumbai
Date: 10th May 2019

Sd/-
Amit Sahai Kulshreshtha
Executive Director & CEO
DIN: 07869849

Sd/-
Rachit Malhotra
Company Secretary

Place: Mumbai
Date: 10th May 2019

CAPITAL INDIA FINANCE LIMITED

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Notes to the financial statements for the year ended 31st March 2019

(All figures are in rupees, except otherwise stated)

[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)]

Rupees in Lakhs

LIABILITIES SIDE			
1	Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:	Amount Outstanding	Amount Overdue
a.	Debentures (other than falling within the meaning of public deposits)		
	- Secured	-	-
	- Unsecured	-	-
b.	Deferred Credits	-	-
c.	Term Loans	7,605.10	-
d.	Inter-corporate loans and borrowings	649.72	-
e.	Commercial Paper	-	-
f.	Public Deposits (Refer note 1 below)	-	-
g.	Other Loans	146.36	-
ASSET SIDE			
2	Break up of Loans and Advances including bills receivables [other than those included in(4) below]:	Amount Outstanding	
a.	Secured	53,763.48	
b.	Unsecured	1,832.99	
3	Break up of Leased Assets and stocks on hire and other assets counting towards AFC activities	Amount Outstanding	
i.	Lease Assets including lease rentals under sundry debtors:		
	a. Finance Lease	-	
	b. Operating Lease	-	
ii.	Stocks on hire including hire charges under sundry debtors:		
	a. Assets on hire	-	
	b. Repossessed Assets	-	
iii.	Other Loans counting towards AFC activities:		
	a. Loans where assets have been repossessed	-	
	b. Loans other than (a) above	-	
4	Break up of Investments:	Amount	
	Current Investments		
	<i>1. Quoted</i>		
	i. Shares - Equity	-	
	- Preference	-	
	ii. Debentures and Bonds	-	
	iii. Units of mutual funds	-	
	iv. Government Securities	-	
	v. Others	-	

CAPITAL INDIA FINANCE LIMITED

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Notes to the financial statements for the year ended 31st March 2019

(All figures are in rupees, except otherwise stated)

Rupees in Lakhs

<i>2. Unquoted</i>		
i. Shares - Equity		-
- Preference		-
ii. Debentures and Bonds		-
iii. Units of mutual funds		-
iv. Government Securities		-
v. Others		-
Long Term Investments		
<i>1. Quoted</i>		
i. Shares - Equity		-
- Preference		-
ii. Debentures and Bonds		-
iii. Units of mutual funds		-
iv. Government Securities		-
v. Others		-
<i>2. Unquoted</i>		
i. Shares - Equity	4,011.00	
- Preference		-
ii. Debentures and Bonds	525.00	
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	Amount net of provision		
	Secured	Unsecured	Total
1 Related Parties**			
a. Subsidiaries	-	14.99	14.99
b. Companies in the same group	-	-	-
c. Other related parties	-	-	-
2 Other than related parties	53,763.48	1,832.99	55,596.46
Total	53,763.48	1,847.98	55,611.45

CAPITAL INDIA FINANCE LIMITED

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Notes to the financial statements for the year ended 31st March 2019

(All figures are in rupees, except otherwise stated)

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	<i>Rupees in Lakhs</i>	
	Market Value/ Break up of fair value or NAV	Book Value (Net of Provisions)
1 Related Parties**		
a. Subsidiaries	3,633.93	4,011.00
b. Companies in the same group	-	-
c. Other related parties	-	-
2 Other than related parties	525.00	525.00
Total	4,158.93	4,536.00

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

7 Other information	Amount
i. Gross Non-Performing Assets	
a. Related Parties	-
b. Other than related parties	-
ii. Net Non-Performing Assets	
a. Related Parties	-
b. Other than related parties	-
iii. Assets acquired in satisfaction of debt	-

Notes:

- 1 As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- 2 Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.
- 3 All Accounting Standards and Guidance Notes issued by the Institute of Chartered Accountants of India ('ICAI') are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debts. However, market value in respect of quoted investments and break up/ fair value/ NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in category 4 above.

CAPITAL INDIA FINANCE LIMITED

(formerly known as Bhilwara Tex-Fin Limited)

INDEPENDENT AUDITORS' REPORT

To the Members of Capital India Finance Limited Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Capital India Finance Limited** ("the Holding Company") and its subsidiaries, (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2019, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards"), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2019, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Sr. No.	Key Audit Matter	Auditors' Response
1	<p>Identification of non-performing assets (loans) in accordance with the Reserve Bank of India ("the RBI") guidelines</p> <p>(Refer Note 2.6 and 11 to the consolidated financial statements)</p> <p>The Holding Company has given loans and advances amounting to Rs. 5,55,96,46,487 as at 31st March 2019. Identification of non-performing assets (loans and advances) in accordance with relevant Prudential Regulations issued by the RBI in respect of asset classification pertaining to loans and advances (herein after referred as "Relevant RBI guidelines") is a key audit matter due to the current processes at the Company which requires manual interventions, management estimates and judgment and level of regulatory and other stakeholders focus.</p> <p>Accordingly, our audit was focused on asset classification pertaining to advances due to the materiality of the balances.</p>	<p>Our audit approach included testing the design, operating effectiveness of internal controls and substantive audit procedures in respect of asset classification pertaining to loans and advances. In particular:</p> <ul style="list-style-type: none">• we have evaluated the Holding Company's internal control system in adhering to the Relevant RBI guidelines regarding asset classification pertaining to loans and advances;• we have identified and tested the design and implementation as well as operational effectiveness of key control pertaining to monthly monitoring of overdue positions by business and finance team;• we have test checked loans and advances to examine the validity of the recorded amounts, loan documentations, examined the manual statement of accounts, indicators of impairment and compliance with asset classification pertaining to loans and advances; and• evaluated the management judgment, governance process and review controls over asset classification and discussed the asset classifications with Holding Company's senior management including the Chief Executive Officer, Chief Financial Officer and Head of Credit and Risk.

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(formerly known as Bhilwara Tex-Fin Limited)

Information Other than the Financial Statements and Auditors' Report Thereon

- The Holding Company's Board of Directors is responsible for the preparation of other information. The other information comprises the Directors' Report including annexures to Directors' Report, Management Discussion and Analysis Report and Report on Corporate Governance, but does not include the consolidated financial statements, standalone financial statements and our auditors' report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, is traced from their financial statements audited by the other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting Standards and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditors' Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

CAPITAL INDIA FINANCE LIMITED

(formerly known as Bhilwara Tex-Fin Limited)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matters

- (a) We did not audit the financial statements of 4 subsidiaries, whose financial statements reflect total assets of Rs. 5,60,946 as at 31st March, 2019, total revenues of Rs. Nil and net cash inflows amounting to Rs. 87,951 for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:

CAPITAL INDIA FINANCE LIMITED

(formerly known as Bhilwara Tex-Fin Limited)

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, as applicable.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March 2019 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Holding company and subsidiary companies incorporated in India to whom internal financial controls over financial reporting is applicable. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
- g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i) There were no pending litigations which would impact the consolidated financial position of the Group.
 - ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

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

Sd/-
Rukshad N. Daruvala
(Partner)
(Membership No. 111188)

Place: MUMBAI,
Date: 10th May, 2019

CAPITAL INDIA FINANCE LIMITED

(formerly known as Bhilwara Tex-Fin Limited)

ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT

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

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

In conjunction with our audit of the consolidated financial statements of the **Capital India Finance Limited** (hereinafter referred to as “the Holding Company”) as of and for the year ended 31st March, 2019, we have audited the internal financial controls over financial reporting of the Holding Company and its subsidiary companies, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its subsidiary companies which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors’ judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company and its subsidiary companies which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and

CAPITAL INDIA FINANCE LIMITED

(formerly known as Bhilwara Tex-Fin Limited)

not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Holding Company and its subsidiary companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 4 subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matter.

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

Sd/-
Rukshad N. Daruvala
(Partner)
(Membership No. 111188)

Place: MUMBAI,
Date: 10th May, 2019

CAPITAL INDIA FINANCE LIMITED

(formerly known as Bhilwara Tex-Fin Limited)

Consolidated Balance sheet as at 31st March 2019

(All figures are in rupees, except otherwise stated)

Particulars	Notes	As at 31st March 2019	As at 31st March 2018
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	3	77,73,42,600	3,50,27,000
(b) Reserves and surplus	4	4,32,68,61,640	3,23,92,651
		5,10,42,04,240	6,74,19,651
(2) Advance towards share application money			
		-	1,25,00,00,000
(3) Non-current liabilities			
(a) Long-term borrowings	5	81,95,53,842	7,00,00,000
(b) Other long-term liabilities	7	3,59,50,449	98,38,674
(c) Long-term provisions	8	1,62,79,700	5,24,823
		87,17,83,991	8,03,63,497
(4) Current liabilities			
(a) Short-term borrowings	5	50,34,15,149	-
(b) Trade payables	6		
(i) Total outstanding dues of micro enterprises and small enterprises		8,10,242	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,09,54,097	34,16,421
(c) Other current liabilities	7	5,70,02,425	13,69,08,269
(d) Short term provisions	8	4,54,66,586	48,86,408
		61,76,48,499	14,52,11,098
Total		6,59,36,36,730	1,54,29,94,246
II. ASSETS			
(1) Non-current assets			
(a) Property, plant & equipment			
(i) Tangible assets	9	15,28,28,731	8,29,98,797
(ii) Intangible assets	9	4,13,085	2,36,740
(iii) Capital work in progress		2,02,26,395	2,35,21,665
(b) Non-current investments	10	5,25,00,000	-
(c) Deferred tax assets (net)	13	3,08,75,850	33,14,256
(d) Long-term loans and advances	11	3,09,59,18,940	12,95,50,596
(e) Other non-current assets	12	84,40,673	-
		3,36,12,03,674	23,96,22,054
(2) Current assets			
(a) Current investment	10	18,50,52,870	-
(a) Trade receivables	14	-	32,40,000
(b) Cash and bank balances	15	35,29,75,025	31,89,24,858
(c) Short-term loans and advances	11	2,58,86,55,823	96,71,76,425
(d) Other current assets	12	10,57,49,338	1,40,30,909
		3,23,24,33,056	1,30,33,72,192
Total		6,59,36,36,730	1,54,29,94,246

Notes 1 to 35 forms part of the Consolidated Financial Statements

In terms of our report attached

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

For and on behalf of the board
Capital India Finance Limited

Sd/-
Rukshad N. Daruvala
Partner
Membership No.: 111188

Sd/-
Keshav Porwal
Managing Director
DIN: 06706341

Sd/-
Amit Sahai Kulshreshtha
Executive Director & CEO
DIN: 07869849

Sd/-
Neeraj Toshniwal
Chief Financial Officer

Sd/-
Rachit Malhotra
Company Secretary

Place: Mumbai
Date: 10th May 2019

Place: Mumbai
Date: 10th May 2019

Place: Mumbai
Date: 10th May 2019

CAPITAL INDIA FINANCE LIMITED

(formerly known as Bhilwara Tex-Fin Limited)

Consolidated Statement of Profit and Loss for the year ended 31st March 2019

(All figures are in rupees, except otherwise stated)

Particulars	Notes	Year ended 31st March 2019	Year ended 31st March 2018
I. Revenue from operations	16	56,50,96,164	26,04,58,994
II. Other income	17	2,89,56,927	1,119
III. Total revenue		59,40,53,091	26,04,60,113
IV. Expenses			
Employee benefit expenses	18	21,79,96,714	3,53,20,902
Finance costs	19	7,80,81,117	10,36,46,805
Depreciation & amortization expenses	9	3,07,84,501	42,91,639
Other expenses	20	16,59,29,095	7,28,54,220
Total expenses		49,27,91,427	21,61,13,566
V. Profit before tax (III-IV)		10,12,61,664	4,43,46,547
VI. Tax expense			
(1) Current tax		7,00,45,740	1,97,73,430
(2) Deferred tax		(2,75,61,594)	(33,14,256)
(3) Income tax for earlier year		52,145	-
VII. Profit for the year (V-VI)		5,87,25,373	2,78,87,373
Earnings per equity share	21		
[face value Rs. 10 each]			
- Basic		1.39	7.96
- Diluted		1.38	7.96

Notes 1 to 35 forms part of the Consolidated Financial Statements

In terms of our report attached

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

For and on behalf of the board
Capital India Finance Limited

Sd/-
Rukshad N. Daruvala
Partner
Membership No.: 111188

Sd/-
Keshav Porwal
Managing Director
DIN: 06706341

Sd/-
Amit Sahai Kulshreshtha
Executive Director & CEO
DIN: 07869849

Sd/-
Neeraj Toshniwal
Chief Financial Officer

Sd/-
Rachit Malhotra
Company Secretary

Place: Mumbai
Date: 10th May 2019

Place: Mumbai
Date: 10th May 2019

Place: Mumbai
Date: 10th May 2019

CAPITAL INDIA FINANCE LIMITED

(formerly known as Bhilwara Tex-Fin Limited)

Consolidated Cash flow statement for the year ended 31st March 2019

(All figures are in rupees, except otherwise stated)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
A. CASH FROM OPERATING ACTIVITIES:		
Net profit before tax and extraordinary items	10,12,61,664	4,43,46,547
Adjustments for:		
Depreciation and amortisation	3,07,84,501	42,91,639
Expenses on employee stock option plan	2,80,18,945	-
Provision for employee benefits	3,35,67,411	12,53,481
Rent equalisation	(10,59,767)	60,35,092
Profit on sale of property, plant and equipment	(10,750)	-
Provision for standard assets	1,84,11,836	10,41,140
Operating profit before working capital changes	21,09,73,840	5,69,67,899
Adjustments for changes in working capital :		
(Increase) in loans and advances	(4,59,18,10,868)	(20,90,81,058)
Decrease in trade receivables	32,40,000	7,92,000
Increase in trade payables	83,47,918	-
(Decrease)/Increase in other liabilities	(5,28,87,317)	12,77,53,731
(Increase)/ Decrease in other assets	(10,01,59,100)	14,28,994
Cash generated from operations	(4,52,22,95,527)	(2,21,38,434)
Income tax paid	(6,17,78,952)	(2,54,66,065)
Net Cash generated used in operating activities (A)	(4,58,40,74,479)	(4,76,04,499)
B) CASH FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(9,92,70,109)	(11,10,48,841)
Proceeds from sale of property, plant and equipment	17,85,349	-
Purchase of investments	(23,75,52,870)	-
Investment in bank deposits (having original maturity of more than 3 months)	4,17,74,106	(10,00,00,000)
Net Cash generated used in investing activities (B)	(29,32,63,524)	(21,10,48,841)
C) CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from issue of equity shares at premium	4,98,75,25,320	-
Share issue expenses	(3,32,69,280)	-
Payment of dividend and dividend distribution tax thereon	(40,62,755)	-
Proceeds from advance towards share application money	-	1,25,00,00,000
Repayment of advance towards share application money	(1,25,00,00,000)	-
Proceeds from long term borrowings	1,26,95,93,500	-
Proceeds from short term borrowings	1,75,00,00,000	40,01,00,000
Repayment of long term borrowings	(1,66,24,509)	(1,30,68,00,000)
Repayment of short term borrowings	(1,75,00,00,000)	(40,01,00,000)
Net cash generated from/ (used in) financing activities (C)	4,95,31,62,276	(5,68,00,000)
D) Net increase/ (decrease) in cash and cash equivalents (A+B+C)	7,58,24,273	(31,54,53,340)
E) Cash and cash equivalents as at the beginning of the year	21,89,24,858	53,43,78,198
F) Cash and cash equivalents as at the end of the year	29,47,49,131	21,89,24,858

CAPITAL INDIA FINANCE LIMITED

(formerly known as Bhilwara Tex-Fin Limited)

Consolidated Cash flow statement for the year ended 31st March 2019

(All figures are in rupees, except otherwise stated)

Cash and cash equivalents comprises:

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Cash in hand	-	7,601
Cheques in hand	25,12,381	25,00,000
Balances with banks		
- in current accounts*	27,22,36,750	34,17,257
- in deposit accounts	2,00,00,000	21,30,00,000
	29,47,49,131	21,89,24,858

* Includes balance in unclaimed dividend account amounting to Rs. 1,53,014 not available for use by the Company.

Notes 1 to 35 forms part of the Consolidated Financial Statements

In terms of our report attached

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

For and on behalf of the board
Capital India Finance Limited

Sd/-
Rukshad N. Daruvala
Partner
Membership No.: 111188

Sd/-
Keshav Porwal
Managing Director
DIN: 06706341

Sd/-
Amit Sahai Kulshreshtha
Executive Director & CEO
DIN: 07869849

Sd/-
Neeraj Toshniwal
Chief Financial Officer

Sd/-
Rachit Malhotra
Company Secretary

Place: Mumbai
Date: 10th May 2019

Place: Mumbai
Date: 10th May 2019

Place: Mumbai
Date: 10th May 2019

CAPITAL INDIA FINANCE LIMITED

(formerly known as Bhilwara Tex-Fin Limited)

Notes to the Consolidated financial statements for the year ended 31st March 2019

(All figures are in rupees, except otherwise stated)

1 Basis of Consolidation

The consolidated financial statements relates to Capital India Finance Limited (Formerly known as Bhilwara Tex-fin Limited) (the Holding Company / Company) and its subsidiary companies. The Holding Company and its subsidiary companies constitute the group.

Basis of Preparation

The financial statements have been prepared in conformity with generally accepted accounting principles to comply in all material respects with the notified Accounting Standards ('AS') under provisions of the Companies Act, 2013 ('the Act'), the directions issued by the Reserve Bank of India ("RBI") as applicable to a Non Banking Finance Company ('NBFC') ("RBI guidelines") and with the provisions of National Housing Bank Act, 1987, the Housing Finance Companies (NHB) Directions, 2010 and other guidelines/ instructions / circulars issued by the National Housing Bank as applicable ("NHB directions"). The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the group and are consistent with those used in the previous year. The complete financial statements have been prepared along with all disclosures.

Principles of consolidation

- a) The Consolidated Financial Statements are prepared in accordance with AS - 21 on "Consolidated Financial Statements" notified under Section 133 of the Companies Act, 2013 (the 'Act') read with the Companies (Accounting Standards) Rules 2006.

The financial statements of the Holding Company and its subsidiaries have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses.

The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and events in similar circumstances and necessary adjustments required for deviations, if any to the extent possible unless otherwise stated, are made in the Consolidated Financial Statements and are presented in the same manner as the Company's standalone financial statements.

The financial statements of the subsidiary companies are drawn upto the same reporting date as that of the Holding Company i.e 31st March 2019.

- b) The subsidiary companies considered in the presentation of the consolidated financial statements are:

Particulars	Country of incorporation	Proportion of ownership interest as on 31st March 2019	Proportion of ownership interest as on 31st March 2018
Capital India Home Loans Limited	India	100%	100%
Capital India Asset Management Private Limited	India	100%	100%
Capital India Wealth Management Private Limited	India	100%	100%
CIFL Holdings Private Limited	India	100%	100%
CIFL Investment Manager Private Limited	India	100%	100%

2 Significant accounting policies

2.1 Use of Estimates

The preparation of consolidated financial statements is in conformity with the Generally Accepted Accounting Principles ('GAAP') in India requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and disclosure of contingent liabilities on the date of the financial statements. The Management believes that the estimates made in the preparation of consolidated financial statements are prudent and reasonable. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

CAPITAL INDIA FINANCE LIMITED

(formerly known as Bhilwara Tex-Fin Limited)

Notes to the Consolidated financial statements for the year ended 31st March 2019

(All figures are in rupees, except otherwise stated)

2.2 Operating cycle

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.

2.3 Property, plant & equipment, depreciation and amortisation

Tangible assets

- a) Tangible assets are carried at cost of acquisition less accumulated depreciation and / or accumulated impairment loss, if any. The cost of an item of tangible asset comprises its 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. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

Acquired intangible assets

- b) Intangible assets that are acquired by the Group are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

Leasehold improvements

- c) Leasehold improvement includes all expenditure incurred on the leasehold premises that have future economic benefits. Leasehold improvements are amortised over the period of lease.

Depreciation and amortisation

- d) Depreciation / amortisation is provided over the useful life of the assets, pro rata for the period of use, on a straight-line method. The useful life estimates prescribed in Part C of Schedule II to the 2013 Act have been considered as useful life for tangible assets except for vehicles, in whose case the life of the asset has been assessed as per the estimate of the management. Acquired intangible assets are amortised over a period as per management estimates of their useful life. Pursuant to this policy, the useful life estimates in respect of the following assets are as follows:

Tangible fixed assets	Estimated useful life
Computers & Printers	3 Years
Furniture & Fixtures	10 Years
Office Equipments	5 Years
Vehicles	5 Years
Acquired intangible assets	
Computer software	3 Years

Leasehold improvements are amortised over the primary life of the lease.

- e) Depreciation / amortisation 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.

Gains / losses on disposal of assets

- f) Losses arising from retirement or gains or losses arising from disposal of tangible and intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss.

2.4 Impairment of assets

The Group assesses at each Balance Sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Group estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit which the asset belongs to, is less than its carrying amount, the carrying amount is reduced to its recoverable amount.

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Notes to the Consolidated financial statements for the year ended 31st March 2019

(All figures are in rupees, except otherwise stated)

The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

2.5 Leases

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Amount due under the operating leases are charged to the Statement of Profit and Loss, on a straight - line basis over the lease term in accordance with AS-19 'Leases' as prescribed by Companies (Accounting Standards) Rules, 2006. Initial direct costs incurred specifically for operating leases are recognised as expense in the year in which they are incurred.

2.6 Loans and advances

Loans and advances are stated at the amount advanced, as reduced by the amounts received up to the Balance Sheet date. Loans are classified as performing and non performing advances (NPAs) based on RBI guidelines/ NHB directions. NPAs are classified into sub-standard, doubtful and loss assets, as required by the RBI guidelines / NHB directions. Interest on NPAs is not recognised in the Statement of Profit and Loss until recovered.

2.7 Provisioning/ Write-off on assets

Provisioning/ Write-off on overdue assets

The provisioning / write-off on overdue assets is as per the management estimates, subject to the minimum provision required as per Master Direction-Non Banking Financial Company-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 / NHB directions, as applicable.

Provision on standard assets

Provision on standard assets has been made in accordance with RBI guidelines / NHB directions, as applicable.

2.8 Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as non current investments.

Current investments are accounted for and valued as per Accounting Standard (AS) 13 - 'Accounting for Investments' and in accordance with the RBI guidelines / NHB directions, are stated at the lower of cost and fair value, by category of investments. Unquoted current investments in units of Mutual Funds are valued as per Net Asset Value of the Plan as per RBI guidelines / NHB directions.

Non-current investments are accounted for and valued as per Accounting Standard (AS) 13 - 'Accounting for Investments' are stated at cost except where there is a diminution other than temporary, for which provision is made.

Profit or loss on sale of investments is determined on a first in first out basis. Any reduction in the carrying amount and any reversals of such reductions are charged or credited to Statement of Profit and Loss.

2.9 Revenue recognition

Revenue is recognised on accrual basis, when no significant uncertainty as to determination or realization exists.

Interest income from loan is recognised on accrual basis. In case of non performing assets, interest income is recognised on receipt basis as per RBI guidelines / NHB directions. Penal interest is recognised on receipt basis.

Advisory fees is recognised as income on an accrual basis on completion of services as per the terms of the contract.

Processing fees on loan disbursed is amortised over the tenure of loan.

Documentation charges collected from clients are recognised as income upfront on due basis.

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Notes to the Consolidated financial statements for the year ended 31st March 2019

(All figures are in rupees, except otherwise stated)

Dividend income is recognised when the company's right to receive payment is established. Dividend from the units of mutual funds is recognised on receipt basis in accordance with the RBI guidelines / NHB directions.

Gain/Loss on sale of units of mutual funds is recognised on trade date basis.

Interest income on fixed deposit is recognised on time proportionate basis.

2.10 Retirement and other employee benefits

Employee benefits include provident fund, gratuity fund and compensated absences.

Defined contribution plans

The Group contribution to provident fund is considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined Benefit Plans

a) The Group accounts for its defined benefit obligations for non-funded gratuity benefits on the basis of an independent actuarial valuation based on the projected unit credit method carried out as at the year end.

b) The employees of the Group are entitled to compensated absences and leave encashment as per the policy of the Group, the liability in respect of which is provided, on the basis of an independent actuarial valuation based on the projected unit credit method carried out as at the year end.

In respect of the Group defined benefit plan, actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised in the Statement of Profit and Loss as income or expense in the period in which they are occurred. Past service cost is recognised immediately to the extent the benefits are already vested and otherwise is amortised on straight line basis over the average period until the benefits become vested.

2.11 Finance costs

Finance costs consists of interest and other borrowing cost that an entity incurs in connection over the tenure of the underlying loan with borrowing of funds. These are amortised on straight line basis.

2.12 Share issue expenses

Share issue expenses related to issuance of equity shares are debited against securities premium account in accordance with the provisions of Section 52 of the Companies Act, 2013.

2.13 Foreign currency transactions

Foreign exchange transactions are recorded at the spot rate on the date of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the Statement of Profit and Loss for the period.

Monetary assets and liabilities denominated in foreign currencies as at the Balance Sheet date are translated at the closing exchange rates on that date; the resultant exchange differences are recognised in the Statement of Profit and Loss.

Non monetary assets and liabilities are carried at historical cost using exchange rates as on the date of the respective transactions.

2.14 Taxation

Income tax expense comprises current tax including minimum alternate tax ("MAT") (i.e. amount of tax for the period determined in accordance with the Income Tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised to the extent there is virtual certainty of realization of such assets. Deferred tax assets are reviewed as at each Balance Sheet date and written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

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Notes to the Consolidated financial statements for the year ended 31st March 2019

(All figures are in rupees, except otherwise stated)

MAT paid in accordance to the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax in future years and is recognised as tax credit in Statement of Profit and Loss.

2.15 Provisions and contingencies

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the consolidated financial statements.

2.16 Employee share based payment

The Group has formulated Employee Stock Option Schemes ('ESOS') in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ('SEBI Guidelines') and Guidance Note on Employee Share Based Payments issued by the Institute of Chartered Accountants of India. The Schemes provide for grant of options to employees of the Company and its subsidiaries to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period. In accordance with the SEBI Guidelines; the excess, if any, of the closing market price on the day prior to the grant of the options under ESOS over the exercise price is amortised on a straight-line basis over the vesting period.

2.17 Earnings per share

The basic earnings per share is computed by dividing the net profit / loss after tax attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. For the purpose of calculating diluted earnings per share, the net profit for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.18 Cash and cash equivalents (for the purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.19 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

2.20 Segment reporting

The Group identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive management in deciding how to allocate resources and in assessing performance.

2.21 Goods & services tax

Goods & services tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

CAPITAL INDIA FINANCE LIMITED

(formerly known as Bhilwara Tex-Fin Limited)

Notes to the Consolidated financial statements for the year ended 31st March 2019

(All figures are in rupees, except otherwise stated)

3. Share capital

	As at 31st March 2019		As at 31st March 2018	
	Number	Amount	Number	Amount
Authorised share capital				
Equity shares of Rs. 10 each	20,40,00,000	2,04,00,00,000	20,40,00,000	2,04,00,00,000
Preference shares of Rs. 10 each	1,00,00,000	10,00,00,000	1,00,00,000	10,00,00,000
	21,40,00,000	2,14,00,00,000	21,40,00,000	2,14,00,00,000
Issued, subscribed and fully paid up				
Equity shares of Rs. 10 each	7,77,34,260	77,73,42,600	35,02,700	3,50,27,000
Total issued, subscribed and fully paid up share capital	7,77,34,260	77,73,42,600	35,02,700	3,50,27,000

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

	As at 31st March 2019		As at 31st March 2018	
	Number	Amount	Number	Amount
At the beginning of the year	35,02,700	3,50,27,000	35,02,700	3,50,27,000
Add : Allotment during the year*	7,42,31,560	74,23,15,600	-	-
Outstanding at the end of the year	7,77,34,260	77,73,42,600	35,02,700	3,50,27,000

*The Company has allotted 3,96,83,000 no. of equity shares of the face value of Rs.10 each on preferential basis through private placement, at a price of Rs. 63 each (including a premium of Rs. 53 each) aggregating to Rs. 2,50,00,29,000.

The Company has allotted 3,45,48,560 equity shares of Rs. 10 each, at a price of Rs. 72 each, (including a premium of Rs. 62 each), on rights basis aggregating to Rs.2,48,74,96,320.

The proceeds has been utilised by the Company for the objects of the issue, other than temporary deployment.

b. Terms and rights attached to fully paid up equity shares:

The Company has only one type of equity shares having par value of Rs. 10 each. All shares rank pari passu with respect to dividend, voting rights and other terms. Each shareholder is entitled to one vote per share. The dividend proposed, if any, by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. The repayment of equity share capital in the event of liquidation and buy back of shares are possible subject to prevalent regulations. In the event of liquidation, normally the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their holdings.

c. Shares in the Company held by each shareholder holding more than 5% shares

	As at 31st March 2019		As at 31st March 2018	
	Number	%	Number	%
Equity shares of Rs. 10 each				
Capital India Corp LLP	5,67,75,720	73.04%	22,32,300	63.73%
DS Chewing Products LLP	56,16,800	7.23%	-	0.00%
Dharampal Satyapal Limited	48,97,800	6.30%	3,97,800	11.36%
Total	6,72,90,320	86.57%	26,30,100	75.09%

CAPITAL INDIA FINANCE LIMITED

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Notes to the Consolidated financial statements for the year ended 31st March 2019

(All figures are in rupees, except otherwise stated)

d. Advance towards share application money:

During current year, the Company has refunded back an amount of Rs. 1,25,00,00,000 received from Capital India Corp LLP as advance against share application money towards its entitlement under the Rights issue of the Company.

4 Reserves and surplus

	As at 31st March 2019	As at 31st March 2018
a) General reserve		
Opening Balance	1,76,099	1,76,099
Add : Transfer during the year	-	-
Total	1,76,099	1,76,099
b) Statutory Reserve under Section 45-IC of the RBI Act, 1934		
Opening Balance	75,80,010	16,82,691
Add: Transfer during the year	2,03,90,854	58,97,319
Total	2,79,70,864	75,80,010
c) Securities premium account		
Opening Balance	-	-
Add : Proceeds from issue of equity shares	4,24,52,09,720	-
Less: Share issue expenses	3,32,69,280	-
Total	4,21,19,40,440	-
d) Employee stock option outstanding account		
Opening Balance	-	-
Add: Amount recorded on grants	2,80,18,945	-
Total	2,80,18,945	-
e) Surplus in the statement of profit and loss		
Opening Balance	2,46,36,542	26,46,488
Add: Profit for the year	5,87,25,373	2,78,87,373
	8,33,61,915	3,05,33,861
Less: Transfer to Statutory Reserve under Section 45-IC of the RBI Act, 1934	2,03,90,854	58,97,319
Less: Dividend on equity shares	35,02,700	-
Less: Dividend tax thereon	7,13,069	-
Net Surplus in the statement of profit and loss	5,87,55,292	2,46,36,542
Total reserves and surplus	4,32,68,61,640	3,23,92,651

In terms of Section 29C of the National Housing Bank (“NHB”) Act, 1987, the Subsidiary Company is required to transfer at least 20% of its Profit after tax to a Reserve Fund before any dividend is declared. Transfer to a Reserve Fund in terms of section 36(1)(viii) of the Income Tax Act, 1961 is also considered as an eligible transfer as transfer to Special Reserve under Section 29C of the National Housing Bank (“NHB”) Act, 1987. However, during the current and previous year, the Subsidiary Company has not made any profits and hence no amount was transferred to Special Reserve as per section 29C of the NHB Act, 1987.

CAPITAL INDIA FINANCE LIMITED

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Notes to the Consolidated financial statements for the year ended 31st March 2019

(All figures are in rupees, except otherwise stated)

5. Borrowings

	As at 31st March 2019		As at 31st March 2018	
	Non-current	Current	Non-current	Current
Secured				
Term loan from banks	75,00,00,000	50,00,00,000	-	-
Vehicle loan	1,45,53,842	34,15,149	-	-
Unsecured				
Inter corporate deposits	5,50,00,000	-	7,00,00,000	-
	81,95,53,842	50,34,15,149	7,00,00,000	-

Additional information:

Details of Secured borrowings:

Security details

- Term loan from banks is secured against pari passu charge on standard asset portfolio of book debts and receivables.
- Vehicle loans is secured by way of hypothecation on vehicles.

Terms of repayment:

Particulars	Rate of interest	Repayment details
Term loan from banks	9.90%	10 Equated quarterly repayments starting at the end of 6 months from the disbursement date
Vehicle loans	8.5% - 8.71%	60 Equated Monthly Instalments

Details of Unsecured borrowings:

- Inter corporate deposits of Rs. 5,50,00,000 (31st March 2018: Rs. 7,00,00,000) is raised at an interest rate of 8% and repayable on 16th February 2022.

6. Trade payables

	As at 31st March 2019		As at 31st March 2018	
	Non-current	Current	Non-current	Current
(i) total outstanding dues of micro enterprises and small enterprises*	-	8,10,242	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	1,09,54,097	-	34,16,421
	-	1,17,64,339	-	34,16,421

* 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.

CAPITAL INDIA FINANCE LIMITED

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Notes to the Consolidated financial statements for the year ended 31st March 2019

(All figures are in rupees, except otherwise stated)

7. Other liabilities

	As at 31st March 2019		As at 31st March 2018	
	Non-current	Current	Non-current	Current
Interest accrued but not due on borrowings	99,72,293	1,05,92,204	55,27,033	-
Interest received in advance	-	87,590	-	-
Unamortised processing fee	2,21,53,038	2,44,26,942	-	-
Rent equalisation	38,25,118	11,50,207	43,11,641	17,23,451
Book overdraft	-	-	-	11,05,32,356
Sundry deposits received from customers	-	83,40,014	-	-
Unclaimed dividends	-	1,53,014	-	-
Statutory dues payable	-	1,08,45,763	-	2,23,60,993
Payables for capital expenditure	-	14,06,691	-	22,91,469
	3,59,50,449	5,70,02,425	98,38,674	13,69,08,269

8. Provisions

Provision for employee benefits	39,30,842	3,08,90,050	1,35,934	11,17,547
Provision for standard assets	1,23,48,858	1,02,20,728	3,88,889	37,68,861
Provision for tax (net of advance tax of Rs. 6,56,89,932)	-	43,55,808	-	-
	1,62,79,700	4,54,66,586	5,24,823	48,86,408

CAPITAL INDIA FINANCE LIMITED

(formerly known as Bhilwara Tex-Fin Limited)

Notes to the Consolidated financial statements for the year ended 31st March 2019

(All figures are in rupees, except otherwise stated)

9: Property, plant and equipment

Particulars	Gross block (at Cost)				Gross block (at Cost)			Net block	
	As at 1st April 2018	Additions during the year	Deletions during the year	As at 31st March 2019	As at 1st April 2018	Depreciation/ Amortisation for the year	Adjustments during the year	As at 31st March 2019	As at 31st March 2018
Tangible assets									
Computer	41,31,745	46,46,045	56,000	87,21,790	3,21,989	23,83,992	15,750	26,90,231	60,31,559
Office equipment	85,82,138	67,27,153	-	1,53,09,291	3,64,805	28,41,199	-	32,06,004	1,21,03,287
Furniture & fixtures	4,40,49,041	2,02,09,171	18,10,549	6,24,47,663	14,62,866	60,38,184	76,200	74,24,850	5,50,22,813
Leasehold improvements	3,05,04,265	3,81,67,739	-	6,86,72,004	21,18,732	1,49,67,003	-	1,70,85,735	5,15,86,269
Vehicles	-	3,24,75,147	-	3,24,75,147	-	43,90,344	-	43,90,344	2,80,84,803
Total tangible assets	8,72,67,189	10,22,25,255	18,66,549	18,76,25,895	42,68,392	3,06,20,722	91,950	3,47,97,164	15,28,28,731
Intangible assets									
Computer software	2,59,987	3,40,124	-	6,00,111	23,247	1,63,779	-	1,87,026	4,13,085
Total intangible assets	2,59,987	3,40,124	-	6,00,111	23,247	1,63,779	-	1,87,026	4,13,085
Grand total	8,75,27,176	10,25,65,379	18,66,549	18,82,26,006	42,91,639	3,07,84,501	91,950	3,49,84,190	15,32,41,816

Particulars	Gross block (at Cost)				Gross block (at Cost)			Net block	
	As at 1st April 2017	Additions during the year	Deletions during the year	As at 31st March 2018	As at 1st April 2017	Depreciation/ Amortisation for the year	Adjustments during the year	As at 31st March 2018	As at 31st March 2017
Tangible assets									
Computer & printers	-	41,31,745	-	41,31,745	-	3,21,989	-	3,21,989	38,09,756
Office equipment	-	85,82,138	-	85,82,138	-	3,64,805	-	3,64,805	82,17,333
Furniture & fixtures	-	4,40,49,041	-	4,40,49,041	-	14,62,866	-	14,62,866	4,25,86,175
Leasehold improvements	-	3,05,04,265	-	3,05,04,265	-	21,18,732	-	21,18,732	2,83,85,533
Total tangible assets	-	8,72,67,189	-	8,72,67,189	-	42,68,392	-	42,68,392	8,29,98,797
Intangible assets									
Computer software	-	2,59,987	-	2,59,987	-	23,247	-	23,247	2,36,740
Total intangible assets	-	2,59,987	-	2,59,987	-	23,247	-	23,247	2,36,740
Grand total	-	8,75,27,176	-	8,75,27,176	-	42,91,639	-	42,91,639	8,32,35,537

CAPITAL INDIA FINANCE LIMITED

(formerly known as Bhilwara Tex-Fin Limited)

Notes to the Consolidated financial statements for the year ended 31st March 2019

(All figures are in rupees, except otherwise stated)

	As at 31st March 2019		As at 31st March 2018	
	Non-current	Current	Non-current	Current
10. Investments				
<i>(at cost, unless otherwise stated)</i>				
Investment in debentures (unquoted):				
525 Zero coupon optionally convertible debentures issued by Rapipay Fintech Holding Private Limited @ Rs. 1 lakh each	5,25,00,000	-	-	-
Investment in Mutual Fund units (At Net Assets Value)				
269,403 units of Aditya Birla Sun Life Liquid Fund - Growth Direct Plan @ Rs.300.44 per unit	-	8,09,38,420	-	-
365,745 units of ICICI Pru Mutual Fund - Liquid Fund- Direct Plan Growth @ Rs.276.42 per unit	-	10,10,97,856	-	-
11,595 units of ICICI Pru Money Market Fund- Direct Growth @ Rs.260.16 per unit	-	30,16,594	-	-
	5,25,00,000	18,50,52,870	-	-
11. Loans and advances				
<i>(Secured, considered good)</i>				
Loans and advances relating to financing activity	3,03,76,35,256	2,38,21,95,302	9,72,22,223	83,22,15,257
<i>(Unsecured, considered good)</i>				
Loans and advances relating to financing activity	1,09,11,817	17,33,23,937	-	11,00,00,000
Other loans and advances				
- Security deposits	3,61,39,670	1,26,02,482	1,84,25,210	-
- Advance taxes (net of provision for tax of Rs.2,15,99,961)	86,71,398	-	1,26,34,523	-
- Capital advances	7,31,373	-	-	-
- Loans and advances to employees	8,64,265	8,83,007	12,68,640	6,48,000
- Prepaid expenses	9,65,161	52,05,167	-	78,96,511
- Advances to related parties (Refer note 28)	-	-	-	20,08,998
- Advances to suppliers	-	12,52,972	-	1,37,58,863
- Balances with statutory authorities for GST	-	1,31,92,956	-	6,48,796
	3,09,59,18,940	2,58,86,55,823	12,95,50,596	96,71,76,425
12. Other assets				
Unamortised borrowing cost	84,40,673	61,60,327	-	-
Interest accrued and due	-	1,76,65,500	-	1,21,49,021
Interest accrued but not due	-	8,19,23,511	-	18,81,888
	84,40,673	10,57,49,338	-	1,40,30,909

CAPITAL INDIA FINANCE LIMITED

(formerly known as Bhilwara Tex-Fin Limited)

Notes to the Consolidated financial statements for the year ended 31st March 2019

(All figures are in rupees, except otherwise stated)

	As at 31st March 2019	As at 31st March 2018
13 Deferred tax assets (net)		
Deferred tax asset comprises of:		
Provision for standard assets	65,68,530	11,45,564
Provision for employee benefits	1,15,09,750	3,45,365
Rent equalisation	14,44,410	16,62,819
Preliminary expenses	2,31,300	3,05,392
Accumulated losses	-	2,04,860
Unamortised processing fee	1,35,49,540	-
Depreciation on fixed assets	24,45,530	-
Deferred tax liability comprises of:		
Depreciation on fixed assets	(50,900)	(3,49,744)
Unamortised borrowing cost	(42,51,810)	-
Timing differences in recognition of income	(5,70,500)	-
Deferred tax assets (Net)	3,08,75,850	33,14,256
14 Trade receivables		
<i>(Unsecured, considered good)</i>		
Outstanding for a period exceeding six months from the date they are due for payment	-	-
Other receivables	-	32,40,000
	-	32,40,000
15 Cash and bank balances		
Cash and cash equivalents		
Cash on hand	-	7,601
Balances with banks		
- in current accounts	27,20,83,736	34,17,257
- in fixed deposits with original maturity less than 3 months	2,00,00,000	21,30,00,000
- in unclaimed dividend account	1,53,014	-
Cheques in hand	25,12,381	25,00,000
	29,47,49,131	21,89,24,858
Other bank balances (Other bank deposits with maturity less than 12 months)		
- in fixed deposits with banks	4,57,25,894	10,00,00,000
- in earmarked fixed deposits with banks (balances held as security against bank guarantee)	1,25,00,000	-
	35,29,75,025	31,89,24,858

CAPITAL INDIA FINANCE LIMITED

(formerly known as Bhilwara Tex-Fin Limited)

Notes to the Consolidated financial statements for the year ended 31st March 2019

(All figures are in rupees, except otherwise stated)

	Year ended 31st March 2019	Year ended 31st March 2018
16 Revenue from operations		
Interest income		
- On loans	44,67,48,589	14,05,13,028
- On bank fixed deposits	1,45,26,443	11,81,036
- On inter corporate deposits	-	27,64,930
Fee income	10,38,21,132	11,60,00,000
	56,50,96,164	26,04,58,994
17 Other income		
Income from mutual fund units	2,84,91,557	-
Interest on income tax refund	4,54,520	-
Misc. income	10,850	1,119
	2,89,56,927	1,119
18 Employee benefit expense		
Salaries, bonus and allowances	20,80,14,766	3,36,12,381
Contribution to provident and other funds	82,08,923	11,53,298
Staff welfare expenses	17,73,025	5,55,223
	21,79,96,714	3,53,20,902
19 Finance costs		
Interest expenses	7,36,21,977	10,36,02,230
Other borrowing cost	44,36,085	-
Bank charges	23,055	44,575
	7,80,81,117	10,36,46,805
20 Other expenses		
Rent	5,47,42,591	1,45,13,555
Rates & taxes	1,65,96,398	3,41,06,658
Repairs & maintenance	82,02,536	21,02,684
Office expenses	58,44,804	31,65,709
Electricity charges	18,63,478	4,95,003
Communication expenses	23,73,164	4,72,956
Printing & stationery	16,89,197	7,75,423
Insurance	11,43,697	-
Membership & subscription	30,21,374	10,69,700
Travelling & conveyance	1,18,72,250	60,95,331
Advertisement, marketing & business promotion expenses	55,07,167	14,76,265
Commission & brokerage	10,92,590	-
Auditor's remuneration (Refer note 22)	26,04,000	2,89,800
Legal & professional charges	2,16,40,625	45,19,253
Rating fee	19,07,500	-
Listing fee	2,82,310	2,97,220
Directors sitting fees	31,39,500	9,00,000
Provisions for standard assets	1,84,11,836	10,41,140
Donation	2,00,000	-
Miscellaneous expenses	37,94,078	15,33,523
	16,59,29,095	7,28,54,220

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(formerly known as Bhilwara Tex-Fin Limited)

Notes to the Consolidated financial statements for the year ended 31st March 2019

(All figures are in rupees, except otherwise stated)

	Year ended 31st March 2019	Year ended 31st March 2018
21 Earnings per share		
Net profit attributable to equity shareholders (Rs.)	5,87,25,373	2,78,87,373
Weighted average number of equity shares outstanding during the year	4,21,34,493	35,02,700
Nominal value of an equity share (Rs.)	10	10
Basic earnings per share (in Rs.)	1.39	7.96
Weighted average number of equity shares under options	3,49,713	-
Total number of equity shares for diluted earnings per share	4,24,84,206	35,02,700
Diluted earnings per share (in Rs.)	1.38	7.96
	Year ended 31st March 2019	Year ended 31st March 2018
22 Auditor's remuneration (net of GST credit availed) *		
Audit fees	17,68,000	1,40,000
Certification	5,86,000	20,000
Other services	2,50,000	1,29,800
	26,04,000	289,800

* Excludes fees of Rs. 59,95,000 in respect of funds raised through rights issue, adjusted against securities premium.

23 Contingent liabilities

The Group has provided bank guarantee amounting to Rs. 1,24,37,482 as on 31st March 2019 to BSE Limited for rights issue of its shares. The Group has pledged fixed deposit with bank aggregating of Rs. 1,25,00,000 for obtaining the above bank guarantees. (31st March 2018: Nil)

There were no pending litigations which would impact the financial position of the Group.

There are no long-term contracts including derivative contracts for which there were any material foreseeable losses.

24 Capital & other commitments

- Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for as at 31st March 2019 is Rs.1,48,63,923. (31st March 2018: Rs. 2,28,08,925)

- Other commitments pertaining to undrawn committed credits as on 31st March 2019 is Rs. 2,11,00,342. (31st March 2018: Nil)

	Year ended 31st March 2019	Year ended 31st March 2018
25 Expenditure in foreign currency (on accrual basis)		
Legal & professional charges	9,42,300	-
	9,42,300	-

Amount incurred in foreign currency towards payment of capital advances as on 31st March 2019 - Nil (31st March 2018: Rs. 20,44,853)

Expenses incurred on foreign travel is billed by travel agent to the Group in Indian Rupees and hence not required to be disclosed.

There are no reportable earnings in foreign currency during the year ended 31st March 2019. (31st March 2018: Nil)

The Group do not have any exposures in foreign currency as at the Balance Sheet date.

CAPITAL INDIA FINANCE LIMITED

(formerly known as Bhilwara Tex-Fin Limited)

Notes to the Consolidated financial statements for the year ended 31st March 2019

(All figures are in rupees, except otherwise stated)

26 Segment information

The Group operates in a single segment and is in the business of providing credit and related financial advisory services in India. Hence there are no separate reportable segments as per the Accounting Standard (AS) - 17 'Segment Reporting' specified under section 133 of the Companies Act 2013.

27 Leases (Operating Lease)

The Group has taken various offices operating lease. There are no subleases. Lease payments during the year are charged to Statement of Profit and Loss.

	31st March 2019	31st March 2018
Description		
Operating lease payments recognised during the year	5,03,88,366	1,45,13,555
Minimum Lease Obligations		
Not later than one year	5,34,53,279	4,60,85,279
Later than one year but not later than five years	5,13,05,929	6,55,78,333
Later than five years	37,99,125	-

28 Related party disclosures

Disclosures as required by the Accounting Standard 18 (AS – 18) "Related Party Disclosures" are given below :

(i) Names of related parties

Name of the related party	Nature of relationship
Capital India Corp LLP	Enterprise having significant influence or control
Sahyog Homes Limited	Enterprise where key management personnel exercise significant influence
Mr. Keshav Porwal	Managing Director
Mr. Amit Sahai Kulshreshtha	Executive Director & CEO
Mr. Vineet Saxena	Executive Director & CEO of a Subsidiary

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 follows:

Nature of the Transaction	Enterprise having significant influence or control				Key Managerial Personnel					
	Capital India Corp LLP		Sahyog Homes Limited		Mr. Keshav Porwal		Mr. Amit Sahai Kulshreshtha		Mr. Vineet Kumar Saxena	
	31st March 2019	31st March 2018	31st March 2019	31st March 2018	31st March 2019	31st March 2018	31st March 2019	31st March 2018	31st March 2019	31st March 2018
Transactions during the year										
Interest income	-	-	-	1,25,21,181	-	-	-	-	-	-
Interest expense	-	52,79,454	-	-	-	-	-	-	-	-
Reimbursement of expenses	-	-	15,03,383	20,08,998	-	-	-	-	-	-
Remuneration paid	-	-	-	-	1,10,00,000	37,90,960	1,09,99,400	36,34,891	1,24,68,171	34,64,801
Share application money	-	1,25,00,00,000	-	-	-	-	-	-	-	-
Repayment of Advance towards share application money	1,25,00,00,000	-	-	-	-	-	-	-	-	-
Inter Corporate deposits taken#	-	15,00,00,000	-	-	-	-	-	-	-	-
Inter Corporate deposits repaid	-	15,00,00,000	-	-	-	-	-	-	-	-
Loan taken	-	-	-	-	-	50,000	-	-	-	-
Loan repaid	-	-	-	-	-	50,000	-	-	-	-
Inter Corporate deposits given#	-	-	-	30,30,00,000	-	-	-	-	-	-
Inter Corporate deposits received back	-	-	-	30,30,00,000	-	-	-	-	-	-
Closing balances										
Share application money	-	1,25,00,00,000	-	-	-	-	-	-	-	-
Receivable/ (payable)	-	-	-	20,08,998	-	-	-	-	-	-

#Maximum loan given / taken at any time during the year

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(All figures are in rupees, except otherwise stated)

29 Gratuity and other post-employment benefit plans

a) Defined Contribution Plan

The Group has recognised Rs. 56,36,949 for the year ended 31st March 2019 in the Statement of Profit and Loss under Group's Contribution to Provident Fund. (31st March 2018: Rs. 10,17,364)

b) Defined Benefit Plan

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 following tables summarize the components of net benefit expense recognised in the Statement of Profit and Loss and amounts recognised in the Balance Sheet for the gratuity plan.

	31st March 2019	31st March 2018
Statement of Profit and Loss		
Net employee benefit expense recognised in the employee cost		
Current service cost	17,18,671	1,35,934
Interest cost on benefit obligation	-	-
Expected return on plan assets	-	-
Net actuarial (gain) / loss recognised in the year	7,16,997	-
Amount not recognised as asset	-	-
Transfer In	1,35,934	
Gratuity expense	25,71,602	1,35,934
Actual return on plan assets	-	-
Balance Sheet		
Benefit asset/ liability		
Present value of defined benefit obligation	27,07,536	1,35,934
Fair value of plan assets	-	-
Less: Amount not recognize as asset	-	-
Plan (asset) / liability	27,07,536	1,35,934
Changes in the present value of defined benefit obligation are as follows		
Opening defined benefit obligation	1,35,934	-
Current service cost	17,18,671	1,35,934
Interest cost	-	-
Past service cost	-	-
Benefits paid	-	-
Actuarial (gains)/ losses on obligation	7,16,997	-
Transfer In	1,35,934	
Closing defined benefit obligation	27,07,536	1,35,934
The principal assumptions used in determining gratuity liability for the company is shown below:		
Discount rate	7.76% - 7.79%	7.58%
Expected rate of return on assets	NA	NA
Employee turnover	5.00%	5.00%
Mortality Rate	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.	10.00%	5.00%

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Notes to the Consolidated financial statements for the year ended 31st March 2019

(All figures are in rupees, except otherwise stated)

Amounts for the Current and previous four years are as follows:

	31st March 2019	31st March 2018	31st March 2017	31st March 2016	31st March 2015
Defined benefit obligation	27,07,536	1,35,934	-	-	-
Plan Assets	-	-	-	-	-
Surplus / (deficit)	-	-	-	-	-
Experience adjustments on plan liabilities	3,21,799	-	-	-	-
Experience adjustments on plan assets	-	-	-	-	-

Notes:

Since the gratuity plan of the Group is not funded, the disclosure regarding change in fair value of plan assets and categories of plan assets are not required.

- c) The Group has recognised Rs. 24,95,809 (31st March 2018: Rs. 11,17,547) for compensated absences in Statement of Profit and Loss for current year. The defined benefit obligation with respect to provision for compensated absences is Rs. 36,13,356 as at 31st March 2019 (31st March 2018: Rs. 11,17,547).

30 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 Board 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.

The difference between the fair price of the share underlying the options granted on the date of grant of option and the exercise price of the option (being the intrinsic value of the option) representing Stock compensation expense is expensed over the vesting period.

Employee stock options details as on the Balance Sheet date are as follows:

Particulars	During the year ended 31st March 2019	
	Options (Numbers)	Weighted average exercise price per option (Rs.)
Option outstanding at the beginning of the year:	-	-
Granted during the year:	16,35,000	72
Vested during the year:	-	-
Exercised during the year:	-	-
Lapsed during the year:	-	-
Options outstanding at the end of the year:	16,35,000	72
Options available for grant:	18,65,000	72
Range of exercise price for options outstanding at the end of the year	72	

Weighted average remaining contractual life for options outstanding as at 31st March 2019 is 2 years and 1 month.

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Notes to the Consolidated financial statements for the year ended 31st March 2019

(All figures are in rupees, except otherwise stated)

CIHL EMPLOYEE STOCK OPTION PLAN 2018

In the extraordinary general meeting held on 8th August 2018, the shareholders of the Subsidiary Company approved the issue of 1,25,00,000 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 Subsidiary 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 which shall not be less than the face value of the Shares of the Subsidiary 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.

The difference between the fair price of the share underlying the options granted on the date of grant of option and the exercise price of the option (being the intrinsic value of the option) representing Stock compensation expense is expensed over the vesting period.

Employee stock options details as on the Balance Sheet date are as follows:

Particulars	During the year ended 31 March 2019	
	Options (Numbers)	Weighted average exercise price per option (Rs.)
Option outstanding at the beginning of the year:	-	-
Granted during the year:	82,75,000	10
Vested during the year:	-	-
Exercised during the year:	-	-
Lapsed during the year:	-	-
Options outstanding at the end of the year:	82,75,000	10
Options available for grant:	42,25,000	10
Range of exercise price for options outstanding at the end of the year	10	

Weighted average remaining contractual life for options outstanding as at 31st March 2019 1 year and 4 months.

The impact on Earnings per Share if the 'fair value' of the options (on the date of the grant) were considered instead of the 'intrinsic value' is as under:

Particulars	For the year ended 31st March 2019
Profit as reported	5,87,25,373
Add / (Less): stock based employee compensation (intrinsic value)	2,80,18,945
Add / (Less): stock based compensation expenses determined under fair value method for the grants issued (See Note below)	(46,14,158)
Net Profit / (Loss) (proforma)	8,21,30,160
Basic earnings per share (as reported)	1.39
Basic earnings per share (proforma)	1.95
Diluted earnings per share (as reported)	1.38
Diluted earnings per share (proforma)	1.93

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Notes to the Consolidated financial statements for the year ended 31st March 2019

(All figures are in rupees, except otherwise stated)

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
Risk free interest rate	6.62% - 7.10%	6.6% - 7.2%
Expected life	1 year to 4 years	1 year to 4 years
Expected annual volatility of shares	18%	13% - 16.7%
Expected dividend yield	0.00%	0.00%

- 31 As required by para 2 of the General instructions for preparation of consolidated financial statements to schedule III to the Companies Act 2013

Sr. No.	Name of subsidiary companies	(Amount in rupees)			
		Net Assets (i.e. Total Assets Less Total Liabilities)		Share in Profit & Loss	
		As a % of Consolidated Assets	Amount	As a % of Profit or Loss	Amount
Parent					
	Capital India Finance Limited	93.53%	5,14,90,32,359	173.61%	10,19,54,269
Subsidiaries					
<i>Indian:</i>					
1	Capital India Home Loans Limited	6.46%	35,57,50,935	-72.84%	(4,27,77,757)
2	Capital India Wealth Management Private Limited	0.00%	64,015	-0.18%	(1,04,000)
3	Capital India Asset Management Private Limited	0.01%	3,28,851	-0.24%	(1,39,139)
4	CIFL Holdings Private Limited	0.00%	64,040	-0.18%	(1,04,000)
5	CIFL Investment Manager Private Limited	0.00%	64,040	-0.18%	(1,04,000)
<i>Foreign:</i>					
None					
	Minority interest in all subsidiaries	NA	-	NA	-
	Associates (Investments as per the Equity method)	NA	-	NA	-
	Joint Ventures (as per proportionate consolidation / investment as per the Equity method)	NA	-	NA	-

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Notes to the Consolidated financial statements for the year ended 31st March 2019

(All figures are in rupees, except otherwise stated)

- 32 The Group is not required to spend any amount on Corporate Social Responsibility activities as per the provisions of Section 135 of the Companies Act, 2013.
- 33 Dividend of Re.0.4 per share (31st March 2018: Re.1 per share) amounting to Rs. 3,74,85,121 (31st March 2018: Rs. 42,15,769) including tax thereon Rs. 63,91,417 (31st March 2018: Rs.7,13,069) is proposed on ordinary shares. The recommended dividend will be accounted for when approved by the shareholders of the Holding Company in Annual General Meeting.
- 34 The comparative financial information for the year ended 31st March 2018 have been audited by the predecessor auditor viz. M/s Divyank Khullar & Associates.
- 35 Figures for previous year have been regrouped/rearranged wherever necessary, to conform to current year's classification.

For and on behalf of the board
Capital India Finance Limited

Sd/-
Keshav Porwal
Managing Director
DIN: 06706341

Sd/-
Neeraj Toshniwal
Chief Financial Officer

Place: Mumbai
Date: 10th May 2019

Sd/-
Amit Sahai Kulshreshtha
Executive Director & CEO
DIN: 07869849

Sd/-
Rachit Malhotra
Company Secretary

Place: Mumbai
Date: 10th May 2019

CAPITAL INDIA FINANCE LIMITED

(formerly known as Bhilwara Tex-Fin Limited)

NOTICE

Notice is hereby given that the **25th (Twenty Fifth) Annual General Meeting** of the members of Capital India Finance Limited (formerly known as Bhilwara Tex-Fin Limited) (“**the Company**”) for the financial year ended on March 31, 2019, will be held on **Friday, September 27, 2019 at 09:00 A.M.** at the “Magnolia” Habitat World, at India Habitat Centre, Lodhi Road, New Delhi-110003, to transact the following business(es):

ORDINARY BUSINESS:

1. To consider and adopt:
 - a) the audited standalone financial statements of the Company for the financial year ended on March 31, 2019, including the audited Balance Sheet as at March 31, 2019, the Statement of Profit and Loss and Cash Flow Statement for the financial year ended on that date and the reports of the Board of the Directors and the Auditors thereon and in this regard, may 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, 2019, and the reports of the Board of Directors and Auditors’ thereon laid before this meeting, be and is hereby considered and adopted.”
 - b) the audited consolidated financial statements of the Company for the financial year ended on March 31, 2019, including the audited Balance Sheet as at March 31, 2019, the Statement of Profit and Loss and Cash Flow Statement for the financial year ended on that date and the report of the Auditors thereon and in this regard, may 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, 2019, and the report of the Auditors thereon laid before this meeting, be and is hereby considered and adopted.”
2. To declare dividend on equity shares of the Company for the financial year ended on March 31, 2019 and in this regard, may pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** a dividend of Rs. 0.40 (Forty Paise) per equity share of Rs. 10 (Rupees Ten only) each fully paid-up, of the Company be and is hereby declared for the financial year ended on March 31, 2019 and the same be paid as recommended by the Board of Directors, out of the accumulated profits of the Company.”
3. To re-appoint Mr. Amit Sahai Kulshreshtha (DIN:07869849), who retires by rotation, and being eligible, offers himself for re-appointment as a Director and in this regard, pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to Section 152 of the Companies Act, 2013, Mr. Amit Sahai Kulshreshtha (DIN:07869849), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

SPECIAL BUSINESS:

4. To consider and approve the appointment of Mr. Yogendra Pal Singh as an Independent Director of the Company and in this regard, pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 149, 152, 160, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the rules, directives, circulars and guidelines issued by the Reserve Bank of India, subject to the provisions of the Articles of Association of the Company, and basis the recommendation of Nomination & Remuneration Committee and the Board of Directors, Mr. Yogendra Pal Singh (DIN: 08347484) who was appointed as an Additional Director (Independent) pursuant to Section 161 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company for a period of 5 (five) consecutive years, with effect from February 13, 2019, not liable to retire by rotation.”
5. To consider and approve the revision in the remuneration of Mr. Keshav Porwal, Managing Director of the Company and in this regard pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 196,197,198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification or re-enactment(s) thereof, for the time being in force), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other applicable rules, directives,

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regulations or circulars issued by the Securities and Exchange Board of India and /or the Reserve Bank of India, from time to time and pursuant to the recommendations of the Nomination & Remuneration Committee and the Board of Directors of the Company, the consent of the members of the Company be and is hereby accorded to make revision, with effect from April 1, 2019, in the remuneration of Mr. Keshav Porwal, Managing Director of the Company, as per below:

No.	Particulars	Revised Remuneration per annum (Rs.)
A	Remuneration	
	Basic Salary	80,00,000
	Special Allowance	1,00,33,333
	Other allowances (fixed)	5,00,000
	Sub-Total	1,85,33,333
B	Perquisites	
	Free use of Company's cars with Driver for official and private purposes	Actuals
	Leave Travel Allowance	6,66,667
	Car Running Expenses Reimbursement	8,00,000
	Gratuity	As per Company's Policy
	Other benefits, if any	
	Medical	Actuals
	Medical Insurance	As per Company's Policy
	Life Insurance/Personal Accident Insurance	As per Company's Policy
	Club Membership	2 Clubs (social/business)
C	Leave	
	Casual Leave	24 Days

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

RESOLVED FURTHER THAT Mr. Keshav Porwal, Managing Director of the Company, shall also be entitled to an annual performance bonus as may be determined by the Board, from time to time.

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

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

RESOLVED FURTHER THAT the other terms and conditions of the appointment of Mr. Keshav Porwal, Managing Director of the Company shall remain unchanged.

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.”

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6. To consider and approve the revision in the remuneration of Mr. Amit Sahai Kulshreshtha, Executive Director & Chief Executive Officer of the Company and in this regard pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 196,197,198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification or re-enactment(s) thereof, for the time being in force), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other applicable rules, directives, regulations or circulars issued by the Securities and Exchange Board of India and /or the Reserve Bank of India, from time to time and pursuant to the recommendations of the Nomination & Remuneration Committee and the Board of Directors of the Company, the consent of the members of the Company be and is hereby accorded to make revision, in the remuneration of Mr. Amit Sahai Kulshreshtha, Executive Director & Chief Executive Officer of the Company with effect from April 1, 2019, as per below:

No.	Particulars	Revised Remuneration per annum (Rs.)
A	Remuneration	
	Basic Salary	80,00,000
	Special Allowance	90,73,333
	Other allowances (fixed)	5,00,000
	Sub-Total	1,75,73,333
B	Perquisites	
	Free use of Company's cars with Driver for official and private purposes	Actuals
	Leave Travel Allowance	6,66,667
	Provident Fund	9,60,000
	Car Running Expenses Reimbursement	8,00,000
	Gratuity	As per Company's Policy
	Other benefits, if any	
	Medical	Actuals
	Medical Insurance	As per Company's Policy
	Life Insurance/ Personal Accident Insurance	As per Company's Policy
	Club Membership	2 Clubs (social/business)
C	Leave	
	Casual Leave	24 Days

RESOLVED FURTHER THAT the Board (which term shall include the Nomination & Remuneration Committee of the Board) be and is hereby authorised to revise the remuneration of Mr. Amit Sahai Kulshreshtha, Executive Director & Chief Executive Officer of the Company, by way of an annual increment of up to 25% (Twenty Five percent) over the remuneration of preceding year during the currency of his term.

RESOLVED FURTHER THAT Mr. Amit Sahai Kulshreshtha, Executive Director & Chief Executive Officer of the Company, shall also be entitled to an annual performance bonus as may be determined by the Board, from time to time.

RESOLVED FURTHER THAT the Board be and is hereby authorised to alter and vary the terms and conditions of the appointment of Mr. Amit Sahai Kulshreshtha, Executive Director & Chief Executive Officer of the Company (including authority, from time to time, the type and amount of perquisites, bonus and other benefits payable to him, in such manner as may be agreed to between him and the Company), within the limits and to the extent, the Board may consider appropriate, from time to time.

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

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RESOLVED FURTHER THAT the other terms and conditions of the appointment of Mr. Amit Sahai Kulshreshtha, Executive Director & Chief Executive Officer of the Company shall remain unchanged.

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 the issue of non-convertible debentures and other debt securities for an amount not exceeding Rs. 10,00,00,00,000/- (Rupees One Thousand Crores only) and in this regard pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 42, 71 179 and other applicable provisions, if any, of the Companies Act, 2013 (“**the Act**”), the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, the Foreign Exchange Management Act, 1999 (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof for the time being in force), subject to the provisions of the Articles of Association of the Company, any other applicable rules / regulations/ guidelines, prescribed by the Securities and Exchange Board of India, the Reserve Bank of India and any other regulatory and/or statutory authorities, institutions or bodies (hereinafter collectively referred to as the “**Competent Authorities**”) and subject to the required approvals, consents, permissions and/or sanctions of the Competent Authorities and subject to such other conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, consents, permissions and/or sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “**Board**”, which term shall deem to include any committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the power conferred on the Board), consent of the members of the Company be and is hereby accorded to offer, issue and allot, secured and unsecured, non-convertible debentures / bonds, medium term notes and other debt securities (hereinafter collectively referred to as the “**Debt Securities**”), denominated in Indian Rupees and/ or foreign currency, in domestic and /or overseas market, on private placement basis or otherwise, in one or more tranches, up to an amount not exceeding Rs. 10,00,00,00,000/- (Rupees One Thousand Crores only), (“**the Issue**”) on such terms and conditions and at such times, and at such price, as may be decided by the Board, from time to time, to the eligible investors, including body corporates, statutory corporations, commercial banks, lending agencies, financial institutions, insurance companies, mutual funds, pension / provident funds, individuals, etc., as the Board may determine and consider beneficial in the interest of Company.

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

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

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

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8. To consider and approve issuance of securities for an aggregate amount not exceeding Rs.500,00,00,000/- (Rupees Five Hundred Crore Only) or its equivalent thereof and in this regard may pass the following resolution as a **Special Resolution**:

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

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advisors or other intermediaries for an aggregate amount not exceeding Rs. 500,00,00,000/- (Rupees Five Hundred Crore only) or its equivalent thereof, in one or more currencies, if any, inclusive of such premium as may be fixed on the Securities by offering the Securities, at such price or prices, at a permissible discount (including but not limited to any discount as may be permitted under Chapter VI of SEBI ICDR Regulations) or premium to market price or prices permitted under the applicable laws in such manner and on such terms and conditions including security, rate of interest, etc., as may be deemed appropriate by the Company at its absolute discretion, including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of other categories of Investors at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with the merchant bankers, underwriters, advisors or other intermediaries appointed and / or to be appointed by the Company (the "Issue").

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

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

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

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

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

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

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

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

By order and on behalf of the Board
Capital India Finance Limited
(formerly known as Bhilwara Tex-Fin Limited)

Sd/-
Rachit Malhotra
Company Secretary & Compliance Officer
Membership No.: A39894
Date: August 14, 2019

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

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Notes:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, with respect to the items of Special Businesses as set out in Item No. 4-8 is annexed hereto. The relevant details as required under Regulation 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Schedule V of the Companies Act 2013 and Secretarial Standard-2, of persons seeking appointment / re-appointment as Directors under Item No. 3 to 4 of the Notice are also annexed herewith.
2. Deloitte Haskins & Sells LLP, Chartered Accountants, were appointed as Statutory Auditors of the Company at the 24th (Twenty Fourth) Annual General Meeting held on June 02, 2018 to hold office for a period of 5 (five) years from the conclusion of the 24th (Twenty Fourth) Annual General Meeting until the conclusion of the 29th (Twenty Ninth) Annual General Meeting of the Company, subject to ratification of their appointment by the members at the 25th (Twenty Fifth) Annual General Meeting, as may be applicable.

Subsequent to the Notification issued by the Ministry of Corporate Affairs on May 07, 2018 amending Section 139 of the Companies Act, 2013 and rules made thereunder, the mandatory requirement to place the matter relating to appointment of Auditors for ratification by members at every annual general meeting has been omitted. Accordingly, no resolution is being proposed for ratification of appointment of the Statutory Auditors at the 25th (Twenty Fifth) Annual General Meeting.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
4. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's registered office, duly completed and signed, not less than 48 hours before the meeting.
5. A person can act as proxy on behalf of members not exceeding 50 (Fifty) and holding in aggregate not more than 10% (Ten Percent) of the total share capital of the Company. Provided that a member holding more than 10% (Ten Percent) of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other member.
6. If a person is appointed as a proxy for more than 50 members, he shall choose any 50 members and confirm the same to the Company 24 hours before the commencement of the meeting. In case, the proxy fails to do so, the Company shall consider only the first 50 proxies received in respect of such person as valid.
7. The proxy holder shall prove his / her identity at the time of attending the meeting. A proxy form which does not state the name of the proxy shall be considered invalid.
8. When a member appoints a proxy and both the member and the proxy attend the meeting, the proxy automatically stands revoked.
9. Requisition for inspection of proxies shall be received by the Company in writing from a member entitled to vote on any resolution at least three days before the commencement of the meeting.
10. Proxies shall be made available for inspection during the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting.
11. Corporate member(s) intending to attend the meeting are required to send to the Company a certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorising their representative to attend and vote at the meeting.
12. A person authorised by Board Resolution under point 11 above, shall be entitled to exercise the same rights and powers, including the right to vote by proxy and by postal ballot, on behalf of the corporate member(s).
13. Members/ proxies should bring the attendance slip sent herewith, duly filled in, for attending the Annual General Meeting.
14. Members who hold shares in dematerialised form are requested to furnish their Client ID and DP ID Nos. for easy identification of attendance at the meeting.
15. The Register of Contracts maintained under Section 189 of the Companies Act, 2013, the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, read with rules made thereunder are open for inspection by the members at the Registered Office of the Company on all days, except Saturdays and Sundays, between 11:00 A.M. and 1:00 P.M. and also at the Annual General

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- Meeting. Further, the Notice for this 25th (Twenty Fifth) Annual General Meeting along with the requisite documents and the Annual Report for the Financial Year ended 2018- 19 shall also be available on the Company's website, www.capitalindia.com under the "Investor" tab.
16. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company on all days, except Saturdays and Sundays between 11:00 A.M. and 1:00 P.M. up to the date of the 25th (Twenty Fifth) Annual General Meeting.
 17. The Register of Members and Share Transfer Book of the Company will be closed from **September 21, 2019, to September 27, 2019 (both days inclusive)** for the purpose of holding the 25th (Twenty Fifth) Annual General Meeting.
 18. The dividend on equity shares, as recommended by the Board, if approved at the Annual General Meeting, will be payable within 30 days, not being later than Saturday, October 26, 2019, to those members: (a) whose names appear as members in the Register of Members of the Company, as on **September 20, 2019, (Record Date)**, after giving effect to the valid share transfers lodged with the Company / the Company's Registrar and Share Transfer Agent; and (b) whose names appear as Beneficial Owners in the list of Beneficial Owners as on September 20, 2019, furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.
 19. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrar and Share Transfer Agent – Karvy Fintech Private Limited (formerly KCPL Advisory Services Private Limited) having their office at Karvy Selenium, Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 ("Karvy"), to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Karvy.
 20. The Securities and Exchange Board of India ("SEBI") had vide Notification Nos. SEBI/ LAD-NRO/GN/2018/24 dated 8th June, 2018 and SEBI/LADNRO/GN/2018/49 dated 30th November, 2018 read with the Circular No. LIST/COMP/15/2018- 19 dated 5th July, 2018 issue by the Bombay Stock Exchange, directed that the transfer of securities would be carried out in dematerialised form only with effect from 1st April, 2019, except in case of transmission or transposition of physical shares. However, the transfer deed(s) lodged prior to the 1st April, 2019 deadline and returned due to deficiency in the document, may be re-lodged for transfer even after the deadline of 1st April, 2019 with Karvy or the Company.
 21. In view of the above and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holding to dematerialised form. Members can contact the Company or Karvy for assistance in this regard.
 22. SEBI and the Ministry of Corporate Affairs encourage paperless communication as a contribution to greener environment. Members holding shares in physical mode are requested to register their e-mail IDs with Karvy and the members holding shares in dematerialised form are requested to register their e-mail IDs with their respective Depository Participants (DPs) in case the same is still not registered. If there is any change in the e-mail ID already registered with the Company, the members are requested to immediately notify such change to Karvy in respect of shares held in physical form and to the DPs in respect of shares held in electronic form.
 23. In terms of Sections 101 and 136 of the Companies Act, 2013, read together with the rules made thereunder, the copy of the Annual Report including *inter alia* the Financial Statements, Board's Report, and this Notice are being sent by electronic mode, to those members who have registered their email IDs with their respective depository participants or with Karvy, unless any member has requested for a physical copy of the same. In case you wish to get a physical copy of the Annual Report, you may send your request to secretarial@capitalindia.com mentioning your Folio/DP ID & Client ID.
 24. Pursuant to Section 72 of the Companies Act, 2013, the members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 with the Company's Registrar and Share Transfer Agent. In respect of shares held in electronic/ dematerialised form, the members may please contact their respective depository participant.
 25. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Karvy, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such members after making requisite changes thereon.

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26. In case of joint holders attending the meeting, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
27. The SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their DP with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or Karvy.
28. In compliance with the provisions of Section 108 of the Companies Act, 2013, and the Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members of the Company with the facility to cast their vote electronically, through the e-voting services provided by Karvy, on all resolutions set forth in this Notice.
29. In terms of requirements of Secretarial Standard – 2 on “General Meetings” issued by the Institute of Company Secretaries of India and approved and notified by Central Government of India, a route MAP for the location of the aforesaid General meeting is annexed herewith.
30. The instructions for e-voting are as under:
 - A. **In case a member receives an e-mail from Karvy (for members whose e-mail addresses are registered with the Company / Depositories):**
 - i. Open the internet browser and type the following URL: <https://evoting.karvy.com>
 - ii. Enter the login credentials (i.e., User ID and password as mentioned in email). Your Folio No./ DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your 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 “EVENT” i.e., Capital India Finance Limited-AGM
 - vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut Off Date i.e., Friday, September 20, 2019 under “FOR/AGAINST” or alternatively, you may partially enter any number in “FOR” and partially in “AGAINST” but the total number in “FOR/AGAINST” taken together should not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the shareholder 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. Shareholders holding multiple folios/demat accounts shall choose the voting process separately for each folios/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 confirm, you will not be allowed to modify or change the votes cast. During the voting period, Members can login any number of times till they have voted on all 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. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at Email

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Id:aruncs.gupta@gmail.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Capital India Finance Limited, 25th Annual General Meeting. The documents should reach the scrutinizer and such other person on or before Thursday, September 26, 2019 at 5.00 p.m.

B. In case of Members receiving physical copy of the Notice of AGM by Post [for Members whose email IDs are not registered with the Company/Depository Participant(s)]:

- i. User ID and initial Password as provided along with Notice of AGM.
- ii. Please follow all steps from Sr. No. (i) to (xii) as mentioned in (A) above, to cast your vote.

C. Other Instructions:

- i. The e-voting period commences on **September 24, 2019 (9.00 A.M.) and ends on September 26, 2019, (5.00 P.M.)**. During this period, the members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. September 20, 2019, may cast their vote electronically. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. Further, the Member(s) who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote at the AGM.
- ii. The voting rights of members shall be in proportion to their shares in the paid-up equity share capital of the Company as on September 20, 2019.
- iii. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. September 20, 2019, may obtain the login ID and password by writing to Karvy on the email Id: evoting@karvy.com or to Mrs. C Shobha Anand, Contact No. 040-67162222 at Karvy Fintech Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial district, Nanakramguda, Hyderabad - 500 032 requesting for the User ID and Password. After receipt of the above credentials, please follow all the steps from Sr. No. (i) to (xii) as mentioned in (A) above, to cast the vote.
- iv. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the Annual General Meeting through polling paper. A person may participate in the Annual General Meeting even after exercising his/her vote through remote e-voting but shall not be allowed to vote again at the Annual General Meeting.
- v. In case of any query pertaining to remote e-voting, please visit Help & FAQ's section of <https://evoting.karvy.com> (Karvy website) or contact Mrs. C Shobha Anand, Contact No. 040-67162222, at Karvy Fintech Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial district, Nanakramguda, Hyderabad - 500 032.
- vi. Mr. Arun Kumar Gupta (COP: 8003) of M/s Arun Gupta & Associates, Company Secretaries, has been appointed as the Scrutinizer to scrutinize the e-voting process (including the polling paper received from the members who do not have access to the e-voting process) in a fair and transparent manner.
- vii. The Facility for voting through polling paper will also be made available at the Annual General Meeting, and members attending the Annual General Meeting who have not already cast their vote by remote e-voting will be able to exercise their right at the Annual General Meeting. Members who have not cast their vote electronically, by remote e-voting may only cast their vote at the Annual General Meeting through polling paper. Any member, who has already exercised his votes through Remote e-voting, may attend the Meeting but is prohibited to vote at the Meeting and his vote, if any, cast at the Meeting shall be treated as invalid.
- viii. The Chairman shall, at the Annual General Meeting, at the end of discussions on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of "Polling Paper" for all those members who are present at the Annual General Meeting but have not cast their votes by availing the remote e-voting facility.
- ix. The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, count the votes cast at the Annual General Meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutinizer's

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Report of the total votes cast in favour or against, if any, not later than three days after the conclusion of the Annual General Meeting shall be submitted to the Chairman of the Company. The Chairman, or any other person authorized by the Chairman, shall declare the results of the voting forthwith.

- x. A member can opt for only one mode of voting i.e. either through e-voting or by polling paper. If a member casts votes by both modes, then voting done through e-voting shall prevail and Polling shall be treated as invalid.
- xi. The Notice of the Annual General Meeting shall be placed on the website of the Company and can be access through <https://www.capitalindia.com/investor-corporate-announcement> and on the website of Karvy till the date of Annual General Meeting.
- xii. The results declared, along with the Scrutinizer's Report shall be placed on the Company's website <https://www.capitalindia.com> and on the website of Karvy immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchange where the shares of the Company are listed. Further, the results shall be displayed on the notice board of the Company at its Registered Office as well as its Corporate Office.
- xiii. Members may send their concerns / queries to the Company Secretary & Compliance Officer of the Company at secretarial@capitalindia.com. Telephone: +91-11-49546000. Website: www.capitalindia.com and/or at the Registered Office of the Company.

By order and on behalf of the Board
Capital India Finance Limited
(formerly known as Bhilwara Tex-Fin Limited)

Sd/-
Rachit Malhotra
Company Secretary & Compliance Officer
Membership No.: A39894
Date: August 14, 2019

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

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

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

Item No. 4

Mr. Yogendra Pal Singh (DIN: 08347484), who was appointed as an Additional Director (Independent) of the Company w.e.f. February 13, 2019 pursuant to Section 161 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (the "Act"), holds office up to the date of this Annual General Meeting of the Company or the last date on which the Annual General Meeting should have been held, whichever is earlier and is eligible for appointment.

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

Mr. Yogendra Pal Singh, joined IPS in 1981. He has served various positions as stated below:

- the International Cricket Council, Dubai in the capacity of General Manager and Head of Anti-Corruption from June 2011 to March 2017;
- 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; and
- several positions in the police in the State of Uttar Pradesh in executive policing, vigilance, police trainings and armed police."

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

Other details required to be disclosed in terms of the provisions of Secretarial Standard on General Meetings and Listing Regulations form part of this Notice.

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

Your Directors, therefore, recommend the appointment of Mr. Yogendra Pal Singh (DIN: 08347484) as an Independent Director of the Company, for a period of 5 (Five) years, not liable to retire by rotation, as set forth in Item No. 4 of this Notice.

Item No. 5 & 6

The Board has, based on the performance evaluation and upon recommendation of the Nomination & Remuneration Committee of the Board, approved revision in the remuneration of Mr. Keshav Porwal, Managing Director and Mr. Amit Sahai Kulshreshtha, Executive Director & Chief Executive Officer, subject to the approval of the members of the Company.

In terms of Section 196 and 197 read with Schedule V to the Companies Act, 2013, approval of the members by way of Special resolution is required for revision in remuneration of Managing Director and Whole-time Director of the Company.

Other details as required under Schedule V to the Companies Act, 2013 is appended herewith.

None of the Directors of the Company and/or their relatives, except Mr. Keshav Porwal, Mr. Amit Sahai Kulshreshtha and their relatives, are deemed to be concerned or interested, financially or otherwise in the resolutions proposed to be passed in item No. 5 and Item No. 6, respectively, except to the extent of their shareholding, if any, in the Company or any of their interest as Director or members or otherwise mentioned herein above, in the Company.

Your Board recommend passing of the above Resolution at Item no. 5 & 6 as Special Resolutions.

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

Brief Profile of Director being appointed / re-appointed:

I.	
Name	Mr. Amit Sahai Kulshreshtha
DIN	07869849
Age	44 years
Brief Resume	He holds a Bachelors of Technology degree in Metallurgical Engineering from Banaras Hindu University, a post-graduate diploma in Management from IIM Kozhikode and bachelor's degree in Law from University of Mumbai. Having been previously associated with Reliance Energy Management Services Private Limited, YES Securities (India) Limited, CRISIL Limited, Tata Infotech and the International Bank for Reconstruction and Development in the past, he has past experience in business development, investment banking and power/ energy sectors.
Date of first appointment on the Board	November 27, 2017
Qualification(s)	B. Tech from IIT (BHU) Varanasi, PGDM from IIM Kozhikode and LLB from Mumbai University.
Terms and conditions of appointment	As may be approved by the Board subject to the maximum ceiling limits of remuneration prescribed under the Companies Act, 2013.
Experience, background and expertise in specific functional areas	Mergers & acquisitions, structured finance, equity fund raising, financial structuring, project finance, project development and management consulting.
Recognition or awards	Nil
Job Profile and suitability	Based on his experience and background he is suitable for the position of Executive Director & Chief Executive Officer.
Remuneration sought to be paid	Rs. 2,00,00,000/- P. A.
Remuneration last drawn by such person, if applicable	Rs. 1,09,99,400/- P.A.
Directorships (other than alternate directorships) held in other companies (excluding foreign companies and section 8 companies)	Capital India Home Loans Limited; CIFL Holdings Private Limited; CIFL Investment Manager Private Limited; Capital India Asset Management Private Limited; and Capital India Wealth Management Private Limited.
Memberships/ Chairmanships of committees of other Public companies (includes only Audit Committee and Stakeholders' Relationship Committee.)	Nil
Shareholding in the Company	Nil
Relationship with the Company, any Director(s), Manager and other Key Managerial Personnel of the Company	Nil
Number of meetings of Board attended during the year	7

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II.	
Name	Mr. Yogendra Pal Singh
DIN	08347484
Age	64 years
Brief resume	He is a former IPS Officer, and has more than 36 years of experience working at various administrative positions. He joined IPS in 1981 and has served various positions including but not limited to as the General Manager and Head of Anti-Corruption from June, 2011 to March, 2017 at the International Cricket Council, Dubai, as the DIG (Special Crime) and Joint Director (Mumbai and Delhi Anti-Corruption zone) respectively for Central Bureau of Investigation in the fields of Special Crime and Anti-Corruption, for nine years and several positions in the police in the State of Uttar Pradesh in executive policing, vigilance, police trainings and arm police.
Date of first appointment on the Board	February 13, 2019
Qualification	B.A. (Hons.) English Literature, LLB
Terms and Conditions of Appointment	As per the Appointment Letter.
Experience, background and expertise in specific functional areas	Former IPS Officer, and more than 36 years of experience working at various administrative positions.
Remuneration sought to be paid	Nil (except sitting fee)
Remuneration last drawn by such person, if applicable	Nil (except sitting fee)
Directorships held in other companies (excluding foreign companies and section 8 companies)	Nil
Memberships/ Chairmanships of committees of other Public companies (includes only Audit Committee and Stakeholders' Relationship Committee.)	Nil
Shareholding in the Company	Nil
Relationship with any Director(s), Manager and other Key Managerial Personnel of the Company	Nil
Number of meetings of Board attended during the year	Nil
Justification for choosing the appointee for appointment as Independent Director	<p>Mr. Singh joined IPS in 1981. He has served at various positions as stated below:</p> <p>International Cricket Council, Dubai in the capacity of General Manager and Head of Anti-Corruption from June, 2011 to March, 2017;</p> <p>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; and</p> <p>several positions in the police in the State of Uttar Pradesh in executive policing, vigilance, police trainings and arm police.</p>

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III.	
Name	Mr. Keshav Porwal
DIN	06706341
Age	43 years
Brief Resume	He holds a Bachelor's degree in Science from Kanpur University and is a qualified Chartered Accountant registered with the ICAI. He has more than 19 years of experience in real estate and financial services sectors. He was, in the past, also associated with India Infoline Limited, Societe Generale, ABN AMRO and ICICI Bank.
Date of first appointment on the Board	November 27, 2017
Qualification(s)	Bachelor's degree in Science from Kanpur University and a qualified Chartered Accountant registered with the ICAI.
Terms and conditions of appointment	As may be approved by the Board subject to the maximum ceiling limits of remuneration prescribed under the Companies Act, 2013.
Experience, background and expertise in specific functional areas	He has more than 19 years of experience in real estate and financial services sectors. He was, in the past, also associated with India Infoline Limited, Societe Generale, ABN AMRO and ICICI Bank.
Recognition or awards	Nil
Job Profile and suitability	Based on his experience and background he is suitable for the position of Managing Director.
Remuneration sought to be paid	Rs. 2,00,00,000/- P. A.
Remuneration last drawn by such person, if applicable	Rs. 1,10,00,000 /- P.A.
Directorships (other than alternate directorships) held in other companies (excluding foreign companies and section 8 companies)	Capital India Home Loans Limited; CIFL Holdings Private Limited; CIFL Investment Manager Private Limited; Capital India Asset Management Private Limited; Capital India Wealth Management Private Limited; Citimake Builders Private Limited; Sahyog Ozone Venture Private Limited; and SBKP Consultancy Private Limited.
Memberships/ Chairmanships of committees of other Public companies (includes only Audit Committee and Stakeholders' Relationship Committee.)	Nil
Shareholding in the Company	Nil
Relationship with the Company, any Director(s), Manager and other Key Managerial Personnel of the Company	Nil
Number of meetings of Board attended during the year	7

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Information pursuant to Schedule V to the Companies Act, 2013

I	General Information
Nature of industry	The Company is a Non-Banking Financial Company engaged in the business of loans and investments. The industry is largely affected by the various macro and micro economic factors which are beyond the control of the Company. The current trend of the industry shows an upward trajectory in the financial markets backed by the government's move of infusing more funds in the economy to resolve the major issue of distressed assets in the economy. The Company is also prone to financial risks as the core nature of the industry, as stated above, depends on various uncontrollable aspects.
Date of commencement of commercial production	The Company was incorporated in the year 1994 and is actively doing business since then.
Financial performance	The Audited Financial Statements of the Company show the financial position of the Company
Foreign investments or collaborations	No foreign investments were made by the Company during the period under review.
II.	Other Information
Reasons for loss or inadequacy of profits	The Company is operating in a risk prone environment and is liable to be affected by the macro and micro factors. Therefore, the performance of the Company is subject to the external factors and management anticipates that inadequacy or loss might trigger at the year end.
Steps taken or proposed to be taken for improvement	The Company is currently in profits and will ensure deploying all possible efforts for keeping the Company on a healthy and profitable track.
Expected increase in productivity and profits in measurable terms	NA

Item No. 7

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

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

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

Your Directors recommend passing of the above Resolution at Item no. 7 as Special Resolution.

Item No. 8

The Special Resolution proposed is an enabling resolution to facilitate and meet the Business expenditure requirements and to utilise the issue proceeds for general corporate purposes including but not limited to pursuing new business opportunities, meeting the issue expenses etc. The resolution contained in the attached Notice pertains to a proposal by

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the Company to offer, issue and allot equity shares, american depository receipts and other securities, as stated therein, in one or more tranches (referred to as “**Securities**”). The intention is to raise additional capital to meet the funding requirements and business objectives of the Company. For this purpose, the Company seeks your approval as per the resolution stated in the Notice.

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

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

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

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

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

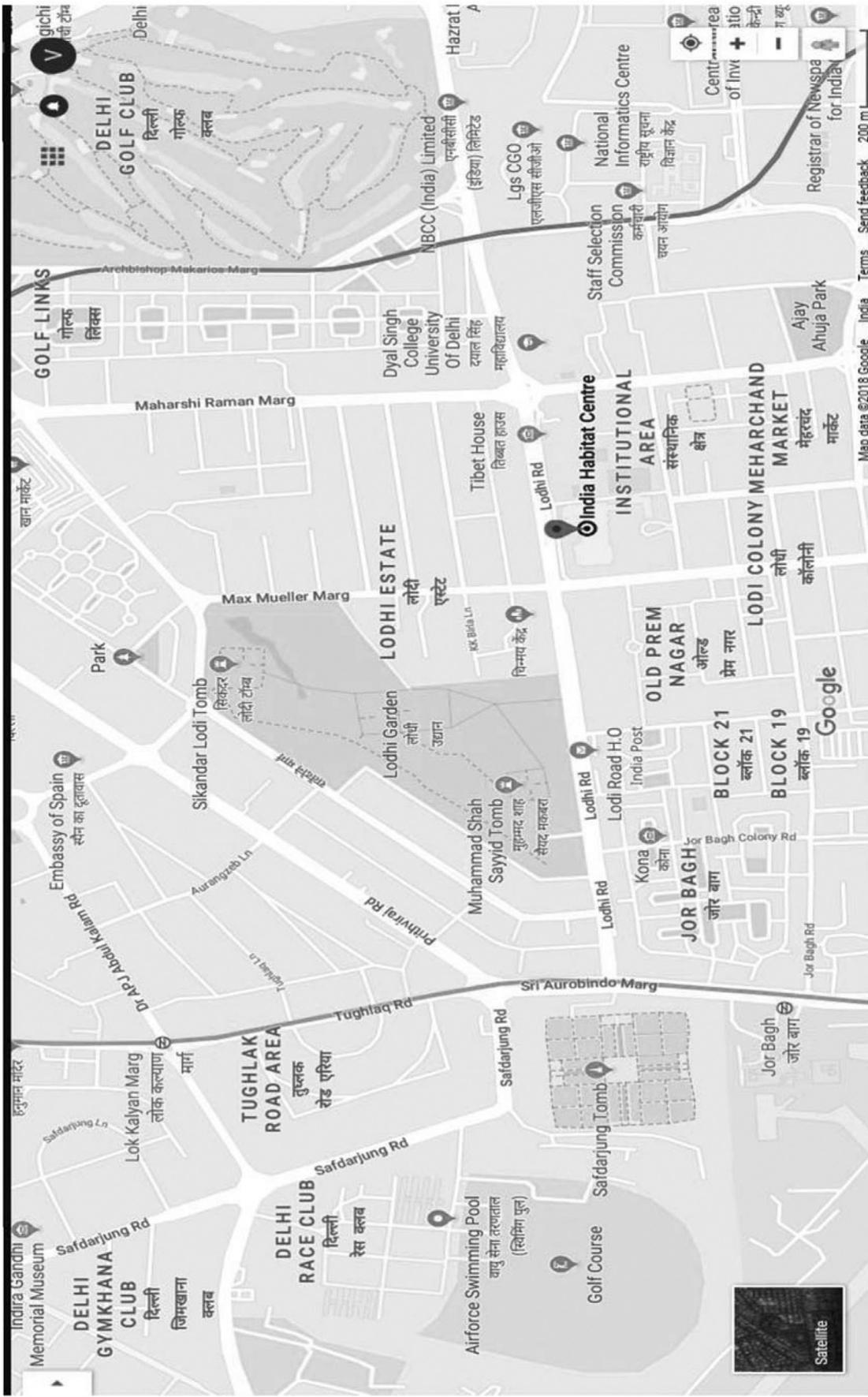
Your Directors recommend passing of the above Resolution at Item no. 8 as Special Resolution.

By order and on behalf of the Board
Capital India Finance Limited
(formerly known as Bhilwara Tex-Fin Limited)

Sd/-
Rachit Malhotra
Company Secretary & Compliance Officer
Membership No.: A39894
Date: August 14, 2019

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

ROUTE MAP OF THE VENUE OF AGM



CAPITAL INDIA FINANCE LIMITED

(formerly known as Bhilwara Tex-Fin Limited)

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

CIN: L74899DL1994PLC128577

PROXY FORM

Form No.MGT-11

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN	L74899DL1994PLC128577
Name of the Company	Capital India Finance Limited (formerly known as Bhilwara Tex-Fin Limited)
Registered Office	2 nd Floor, DLF Centre, Sansad Marg, New Delhi-110001

Name of the Member(s)	
Registered Address	
E-mail ID	
Folio No. / Client ID	
DP ID	

I/We, being the member(s) of shares of the above-named company, hereby appoint

1. Name: _____

Address: _____

E-mail ID: _____

Signature: _____, or failing him

1. Name: _____

Address: _____

E-mail ID: _____

Signature: _____, or failing him

1. Name: _____

Address: _____

E-mail ID: _____

Signature: _____,

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th (Twenty Fifth) Annual General Meeting of the Company, to be held on Friday, September 27, 2019 at 9.00 A.M. at the "Magnolia" Habitat World, at India Habitat Centre, Lodhi Road, New Delhi-110003 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions
Ordinary Business	
1.	To consider and adopt: a) the audited standalone financial statements of the Company for the financial year ended on March 31, 2019, including the audited Balance Sheet as at March 31, 2019, the Statement of Profit and Loss and Cash Flow Statement for the financial year ended on that date and the reports of the Board of the Directors and the Auditors thereon; b) the audited consolidated financial statements of the Company for the financial year ended on March 31, 2019, including the audited Balance Sheet as at March 31, 2019, the Statement of Profit and Loss and Cash Flow Statement for the financial year ended on that date and the report of the Auditors thereon.
2.	To declare dividend on equity shares of the Company for the financial year ended on March 31, 2019.
3.	To re-appoint Mr. Amit Sahai Kulshreshtha (DIN:07869849), who retires by rotation, and being eligible, offers himself for re-appointment as a Director.
Special Business	
4.	To consider and approve the appointment of Mr. Yogendra Pal Singh as an Independent Director of the Company.
5.	To consider and approve the revision in the remuneration of Mr. Keshav Porwal, Managing Director of the Company.
6.	To consider and approve the revision in the remuneration of Mr. Amit Sahai Kulshreshtha, Executive Director & Chief Executive Officer of the Company.
7.	To consider and approve the issue of non-convertible debentures and other debt securities for an amount not exceeding Rs.10,00,00,00,000/- (Rupees One Thousand Crores only).
8.	To consider and approve issuance of securities for an aggregate amount not exceeding Rs.500,00,00,000/- (Rupees Five Hundred Crore Only) or its equivalent thereof.

Signed this.....day of.....2018

Affix Revenue Stamp

.....
Signature of Shareholder(s)

.....
Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed, stamped, dated and signed and deposited at the Registered Office of the Company at 2nd Floor, DLF Centre, Sansad Marg, New Delhi-110001, not less than 48 hours before the commencement of the Annual General Meeting.

CAPITAL INDIA FINANCE LIMITED

(formerly known as Bhilwara Tex-Fin Limited)

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

CIN: L74899DL1994PLC128577

FORM NO. MGT-12

Polling Paper

[Pursuant to Section 109(5) of the Companies Act, 2013 and Rule 21(1) (c) of the Companies (Management and Administration) Rules, 2014]

Name of the Company	Capital India Finance Limited (formerly known as Bhilwara Tex-Fin Limited)
Registered Office	2 nd Floor, DLF Centre, Sansad Marg, New Delhi-110001

BALLOT PAPER

Sr. No.	Particulars	Details
1.	Name of the First Named Shareholder (In block letters)	
2.	Postal address	
3.	Registered folio No. / Client ID No.	
4.	Class of Shares	

I hereby exercise my vote in respect of Ordinary/Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

Item No.	Resolution	No. of Shares held by me	I assent to the resolution	I dissent from the resolution
1.	To consider and adopt: a) the audited standalone financial statements of the Company for the financial year ended on March 31, 2019, including the audited Balance Sheet as at March 31, 2019, the Statement of Profit and Loss and Cash Flow Statement for the financial year ended on that date and the reports of the Board of the Directors and the Auditors thereon; b) the audited consolidated financial statements of the Company for the financial year ended on March 31, 2019, including the audited Balance Sheet as at March 31, 2019, the Statement of Profit and Loss and Cash Flow Statement for the financial year ended on that date and the report of the Auditors thereon.			
2.	To declare dividend on equity shares of the Company for the financial year ended on March 31, 2019.			
3.	To re-appoint Mr. Amit Sahai Kulshreshtha (DIN:07869849), who retires by rotation, and being eligible, offers himself for re-appointment as a Director.			
4.	To consider and approve the appointment of Mr. Yogendra Pal Singh as an Independent Director of the Company.			
5.	To consider and approve the revision in the remuneration of Mr. Keshav Porwal, Managing Director of the Company.			
6.	To consider and approve the revision in the remuneration of Mr. Amit Sahai Kulshreshtha, Executive Director & Chief Executive Officer of the Company.			
7.	To consider and approve the issue of non-convertible debentures and other debt securities for an amount not exceeding Rs.10,00,00,00,000/- (Rupees One Thousand Crores only).			
8.	To consider and approve issuance of securities for an aggregate amount not exceeding Rs.500,00,00,000/- (Rupees Five Hundred Crore Only) or its equivalent thereof.			

Place:

Date:

(Signature of the shareholder)

CAPITAL INDIA FINANCE LIMITED

(formerly known as Bhilwara Tex-Fin Limited)

CIN: L74899DL1994PLC128577

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

ATTENDANCE SLIP

(25th (Twenty Fifth) Annual General Meeting on Friday, September 27, 2019 at 9.00 A.M.)

1. Name(s) of Member(s) : Including joint holders, if any
2. Registered address of the Sole/ : First named Member
3. DP ID & Client ID/ Folio No. :
4. No. of Shares held :
5. Name of Proxy : (in case of Proxy only)

I hereby record my presence at the **25th Annual General Meeting** of the Company being held at:

“Magnolia” Habitat World, at India Habitat Centre, Lodhi Road, New Delhi-110003,
on Friday, the September 27, 2019 at 9 AM

.....
Signature of the Shareholder/Proxy/Authorized Representative present

Notes:

1. Shareholder/Proxy/ Authorized representative wishing to attend the meeting must bring the Attendance Slip and handover the same duly signed at the entrance of the meeting hall.
2. **PLEASE CUT HERE AND BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING**

