

Wednesday, August 08, 2018
Ref. No.: CIFL/BSE/2018-19

To,
The Manager,
Bombay Stock Exchange Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai- 400001

Ref.:- Scrip Code -530879

Sub.: Postal Ballot Notice – Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015

Dear Sir/ Ma'am,

We wish to inform you that pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Postal Ballot Notice together with Postal Ballot Form being sent to the members of the Company is enclosed herewith for your perusal and records.

Requested you to take note of the above information on your record and oblige.

Thanking you,
Yours sincerely,

**For Capital India Finance Limited
(formerly known as Bhilwara Tex-Fin Limited)**



**Rachit Malhotra
Company Secretary & Compliance Officer
Membership No. – A39894**



Enclosed:

- a) Copy of Postal Ballot Notice
- b) Copy of Postal Ballot Form

One BKC, A-Wing, 14th Floor,
Plot C 66, G Block,
Bandra Kurla Complex,
Bandra East, Mumbai 400051

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

P : +91 22 4503 6000

E : info@capitalindia.com

(Capital India Finance Ltd - Formerly known as Bhilwara Tex-Fin Ltd)

P : +91 11 4954 6000

W : www.capitalindia.com



CAPITAL INDIA FINANCE LIMITED

(formerly known as Bhilwara Tex-Fin Limited)

Regd. Office: 2nd Floor, DLF Centre, Sansad Marg, New Delhi – 110001, Ph. No. 011-4954 6000

Corporate office: A-1402, One BKC, 14th Floor, G-Block, Bandra Kurla Complex,
Bandra (East) Mumbai – 400051. Ph. No. 022-4503 6000

Website: www.capitalindia.com, **Email ID:** secretarial@capitalindia.com

Corporate Identity Number (CIN): L74899DL1994PLC128577

Postal Ballot Notice

[Notice pursuant to Section 110 of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014]

Dear Member(s),

Notice (“**Postal Ballot Notice**”) is hereby given to the members of Capital India Finance Limited, (formerly known as *Bhilwara Tex-Fin Limited*), a public limited Company incorporated under Companies Act, 1956 (“**Company**”), pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (“**Act**”), read with the Companies (Management and Administration) Rules, 2014 (“**Rules**”), revised Secretarial Standards-2 (“**SS-2**”) and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”), as amended from time to time and other applicable laws and regulations, that the resolution(s) as set out in this notice, are proposed to be passed by the members of the Company (hereinafter collectively referred to as the “**Members**” and individually as the “**Member**”) through postal ballot / electronic voting (“**e-voting**”).

The explanatory statement pursuant to Section 102 of the Companies Act, 2013 setting out all material facts and reasons for the proposed Special Resolution(s) are appended herein below along with the Postal Ballot Form (“**Form**”) for your consideration. Each of the Special Resolution(s) mentioned herein shall be declared as passed if the number of votes cast in favour of such resolution(s) is not less than three times the number of votes cast against the said resolution(s). Such votes may be cast by physical postal ballot or remote e-voting.

The board of directors of the Company (“**Board**”) have appointed **Mr. Manish Kumar**, (Membership No. A43111 & Certificate of Practice No. 15931), practicing Company Secretary, as the scrutinizer (“**Scrutinizer**”) in accordance with the provisions of the Act & Rules, for conducting the postal ballot / e-voting process in a fair and transparent manner.

As required under Rule 22(3) of the Rules and SS-2, advertisement for dispatch of notice and e-voting will be published in the newspaper(s) and made available on the website of the Company, specifying the relevant details therein.

Members are requested to carefully read the instructions printed on the Form to record their assent (for) or dissent (against) therein by filling necessary details and affixing their signatures at the

designated place in the Form and return the same duly completed in the enclosed postage prepaid self-addressed business reply envelope ("**Business Reply Envelope**"). Form, if sent by courier or by registered post / speed post at the expense of the Member shall also be accepted. The Form may also be deposited personally at the address given on the self-addressed business reply envelope. The duly completed Form should reach the Scrutinizer not later than 5:00 PM (IST) on September 17, 2018 to be eligible for being considered, failing which, it will be treated as if no reply has been received from the Member.

In compliance with Regulation 44 of the Listing Regulations and the provisions of Section 108, 110 of the Act, read with the Rules, the Company is also providing e-voting facility to the Members to enable them to cast their votes electronically instead of depositing/dispatching the Form. Members desiring to opt for e-voting are requested to read the instructions in the notes under the section '*voting through electronic means*'. The Company has engaged the services of National Securities Depository Limited ("**NSDL**") for the purpose of providing e-voting facility to all the Members. Members have the option to vote either through e-voting or through Form.

Reference to postal ballot(s) in this Postal Ballot Notice also includes, votes received electronically and reference to Postal Ballot Notice also includes, the Form along with the Business Reply Envelope.

The Scrutinizer shall submit his report to the chairman or in his absence to the CEO & Whole-Time Director of the Company after the completion of the scrutiny of the postal ballot. The result of postal ballot shall be declared at 05:00 P.M. (IST) on September 18, 2018 at the registered office of the Company situated at 2nd Floor, DLF Centre, Sansad Marg, New Delhi – 110001 and shall be communicated to the Bombay Stock Exchange ("**BSE**") where the shares of the Company are listed. The result shall also be displayed on the Company's website at www.capitalindia.com & on NSDL's website at www.evoting.nsdl.com.

The resolution(s), if passed by requisite majority, shall be deemed to have been passed on the last date for receipt of duly completed Forms or e-voting i.e. September 16, 2018.

Special Business(es):

Item No. 1

TO CONSIDER AND APPROVE THE 'CIFL EMPLOYEE STOCK OPTION PLAN 2018'

To consider and, if thought fit, to give assent or dissent, to the following resolution to be passed as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, the provisions of Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and relevant provisions of Circular No. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015, issued by the Securities and Exchange Board of India (collectively referred to as "**SEBI (SBEB) Regulations**"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, any other rules / regulations / guidelines, if any, prescribed by the Securities and Exchange Board of India, the Reserve Bank of India and other competent authorities, institutions, bodies or any other person as may be applicable (hereinafter collectively referred to as the "**Competent Authorities**"), the relevant provisions of the Memorandum and Articles of Association of the Company, subject further to such other approvals, permissions and sanctions of any Competent Authority as may be necessary

and subject to such other conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, approval of the shareholders of the Company be and is hereby accorded to the 'CIFL Employee Stock Option Plan 2018' ("**ESOP 2018**" / "**Plan**") and to the board of directors of the Company (hereinafter referred to as the "**Board**", which term shall include the Nomination and Remuneration Committee of the Board, as constituted or reconstituted from time to time under section 178 or any other relevant provisions of the Companies Act, 2013 and nominated by the Board to act as the 'Compensation Committee' as prescribed under the SEBI (SBEB) Regulations) for introduction and implementation of the Plan, contemplating to create, and grant from time to time, in one or more tranches, not exceeding 35,00,000 (Thirty Five Lakhs) employee stock options to or for the benefit of such person(s) who are in permanent employment of the Company and its subsidiary(ies) within the meaning of the Plan as may be decided under the Plan, exercisable into not more than 35,00,000 (Thirty Five Lakhs) equity shares of face value of Rs. 10/- (Rupees Ten only) each fully paid-up, where one employee stock option would convert into one equity share upon exercise, on such terms and in such manner as may be prescribed under the Plan.

RESOLVED FURTHER THAT the equity shares so issued and allotted as mentioned hereinbefore shall rank pari passu with the then existing equity shares of the Company.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, if any additional equity shares are issued by the Company to the option grantees for the purpose of making a fair and reasonable adjustment to the employee stock options granted earlier, the ceiling in terms specified above shall be deemed to be increased to the extent of such additional equity shares issued.

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the Plan shall automatically stand reduced or augmented, as the case may be, in the same proportion as the face value per equity share shall bear to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said grantees".

Item No. 2

TO CONSIDER AND APPROVE THE GRANT OF EMPLOYEE STOCK OPTIONS TO THE EMPLOYEES OF SUBSIDIARY(IES) OF THE COMPANY UNDER 'CIFL EMPLOYEE STOCK OPTION PLAN 2018'

To consider and, if thought fit, to give assent or dissent, to the following resolution to be passed as a **Special Resolution:**

"RESOLVED THAT in accordance with the provisions of regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the relevant provisions of the Memorandum and Articles of Association of the Company, approval of the shareholders of the Company be and is hereby accorded to the board of directors of the Company (hereinafter referred to as the "**Board**", which term shall include the Nomination and Remuneration Committee of the Board, as constituted or reconstituted from time to time under section 178 or any other relevant provisions of the Companies Act, 2013 and nominated by the Board to act as the 'Compensation Committee' as prescribed under the SEBI (SBEB) Regulations), to offer, create, and grant from time to time, in one or more tranches, such number of employee stock options under "CIFL Employee Stock Option Plan 2018" ("**ESOP 2018**" / "**Plan**") within the limit prescribed therein to or for the benefit of the permanent employees of any subsidiary(ies) of the Company whether in or outside India as may be decided

under the Plan, exercisable into corresponding number of equity shares of face value of Rs. 10/- (Rupees Ten only) each fully paid-up, where one employee stock option would convert in to one equity share upon exercise, on such terms and in such manner as may be prescribed under the Plan.”

Item No. 3

TO CONSIDER AND APPROVE THE GRANT OF OPTIONS EQUAL TO OR EXCEEDING 1% OF ISSUED CAPITAL TO IDENTIFIED EMPLOYEE

To consider and, if thought fit, to give assent or dissent, to the following resolution to be passed as a **Special Resolution:**

“**RESOLVED THAT** in accordance with the provisions of regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the relevant provisions of the Memorandum and Articles of Association of the Company, the approval of the shareholders of the Company be and is hereby accorded to the board of directors of the Company (hereinafter referred to as the “**Board**”, which term shall include the Nomination and Remuneration Committee of the Board, as constituted or reconstituted from time to time under Section 178 or any other relevant provisions of the Companies Act, 2013 and nominated by the Board to act as the ‘Compensation Committee’ as prescribed under the SEBI (SBEB) Regulations), to offer, create, and grant from time to time, in one or more tranches, during any one year, such number of employee stock options under “CIFL Employee Stock Option Plan 2018” (“**ESOP 2018**”/ “**Plan**”) to each of the following identified employees, which may be equal to or exceed 1% (One Percent) of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant of option.”

S. No.	Name of the Employee	Designation
1.	Mr. Keshav Porwal	Managing Director
2.	Mr. Amit Sahai Kulshreshtha	Chief Executive Officer & Director

Item No. 4

TO MAKE INVESTMENT(S), GIVE LOANS, GUARANTEES AND PROVIDE SECURITIES BEYOND THE LIMITS SPECIFIED UNDER SECTION 186 OF THE COMPANIES ACT, 2013

To consider and, if thought fit, to give assent or dissent, to the following resolution to be passed as a **Special Resolution:**

“RESOLVED THAT pursuant to provisions of Section 186 and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, and the provisions of the Articles of Association of the Company, subject to other statutory approvals, consents, sanctions and permissions, as may be necessary, approval of the shareholders of the Company be and is hereby accorded to the board of directors of the Company (hereinafter referred to as “the **Board**” which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers, including the powers conferred by this resolution) be and is hereby authorized to give any loan(s) and to give any guarantee(s) or provide any security in connection with any loan(s) and/ or to make further investment / acquisition by way of subscription, purchase or otherwise, the securities of any other body corporate, from time to time and in one or more tranches, for such amount(s) as the Board may in its absolute discretion determine provided that the aggregate outstanding amount of such loan(s)/ guarantee(s)/ security/ investment(s) shall not any time exceed Rs. 2,000,00,00,000/- (Rupees Two Thousand Crore only), which is over and above 60 % (Sixty Percent) of the Company’s paid up share capital, security premium account and free reserves or 100 % (One Hundred Percent) of the Company’s free reserves and security premium amount, whichever is more.

FURTHER RESOLVED THAT the Board is severally authorized to take from time to time all decisions and steps necessary, expedient or proper, in respect of the proposed transactions including the timing, determining the actual sums to be involved and other terms and conditions of such transactions and also to take all other decisions including varying any of them, through transfer, sale recall, renewal, disinvestment or otherwise, either in part or in full, as it may, in its absolute discretion, deem appropriate, subject to the specified limits, take such actions and steps, including delegation of authority, as may be necessary and to settle all matters arising out of and thereto, and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.”

By the order of the board
Capital India Finance Limited
(formerly known as Bhilwara Tex-Fin Limited)

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

Place: New Delhi
Date: August 07, 2018

Notes:

1. The explanatory statement(s) pursuant to Section 102 of the Act stating all material facts and the reasons for the proposed resolution are annexed to this Postal Ballot Notice.
2. This Postal Ballot Notice is being sent to the Members whose names appear on the Register of Members / List of Beneficial Owners as received from the NSDL and Central Depository Services (India) Limited (“CDSL”) as on the cut-off date i.e. on August 10, 2018. A person who is not a Member as on cut-off date shall treat this Postal Ballot Notice for information purpose only. The Postal Ballot Notice is being sent to the Members in electronic form on the e-mail addresses registered with their Depository Participants (in case of electronic shareholding) / the Company’s Registrar and Share Transfer Agents (in case of physical shareholding). For the Members whose e-mail IDs are not registered, physical copies of this Postal Ballot Notice are being sent by permitted mode along with the Business Reply Envelope.
3. Members whose names appear on the Register of Members / List of Beneficial Owners as on August 10, 2018 will be considered for the purpose of voting (including e-voting/postal ballot).
4. Resolutions passed by the Members through postal ballot are deemed to have been duly passed as if they have been passed at a general meeting of the Members.
5. The Members can opt for only one mode of voting, i.e., either by physical ballot or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through physical Forms will be treated as invalid.
6. In case a Member is desirous of obtaining a printed Form or a duplicate, he or she may send an e-mail to secretarial@capitalindia.com. The Registrar and Share Transfer Agent / Company shall forward the same along with the Business Reply Envelope to the Member.
7. Corporate / institutional Members (i.e. other than individuals, Hindu undivided families, non-resident Indians, etc.) opting for postal ballot instead of e-voting are also required to send certified true copy of the board resolution / power of attorney/ authority letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer along with the Form.
8. A Member cannot exercise his vote by proxy on Form.
9. Material documents referred to in the explanatory statement, if any, shall be available for inspection at the Company’s Corporate Office at A-1402, One BKC, 14th Floor, G-Block, Bandra Kurla Complex, Bandra (East) Mumbai - 400051 & Registered office at 2nd Floor, DLF Centre, Sansad Marg, New Delhi - 110001, during office hours on all working days from the date of dispatch of the notice till September 23, 2018.

The procedure to login to e-Voting website consists of two steps as detailed hereunder:

Step 1: Log-in to NSDL e-Voting system

1. Visit the e-voting website of NSDL. Open the web browser by typing the following URL: <https://www.evoting.nsdl.com/>.
2. Once the home page of e-voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can login at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you login to NSDL e-services after using your login credentials, click on e-voting and you can proceed to Step 2 i.e., cast your vote electronically.
4. Your User ID details will be as per details given below:
 - a) For Members who hold shares in demat account with NSDL: 8 Character DP ID followed by 8

Digit Client ID (For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****).

- b) For Members who hold shares in demat account with CDSL: 16 Digit Beneficiary ID (For example if your Beneficiary ID is 12***** then your user ID is 12*****).
 - c) For Members holding shares in physical form: EVEN Number followed by Folio Number registered with the Company (For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***).
5. Your password details are given below:
- a. If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
 - b. If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.
 - c. How to retrieve your 'initial password'?
 - i. If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - ii. If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- a. Click on "[Forgot User Details/Password?](#)"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b. "[Physical User Reset Password?](#)" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-voting will open.

Step 2 : Cast your vote electronically on NSDL e-voting system.

1. After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of the Company.
4. Now you are ready for e-voting as the voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the

confirmation page.

8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders:

1. Institutional shareholders (i.e. other than individuals, Hindu undivided families, non-resident Indians etc.) are required to send scanned copy (PDF/JPG Format) of the relevant board resolution, power of attorney or authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail manish@jurisprofessionals.in to with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on www.evoting.nsdl.com to reset the password.

In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads sections of <https://www.evoting.nsdl.com> or contact NSDL by email at evoting@nsdl.co.in or call on: 1800 222 990.

Explanatory Statement to the accompanying notice dated August 07, 2018
[Pursuant to Section 102(1) of the Companies Act, 2013 (“Act”)]

Item No. 1, 2 & 3

Equity based compensation is considered to be an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives. Equity based compensation plans are an effective tool to reward the talents associated with the Company and its subsidiary(ies).

It was suggested to implement stock option plan with a view to motivate the key employees of the Company and its subsidiary(ies) seeking their contribution to the business growth, to create an employee ownership culture, to attract new talent, and to retain talent for ensuring sustained growth.

The Members are informed that the implementation of the Plan requires prior approval of the Members under the provisions of Regulation 6 of the SEBI (SBEB) Regulations read with Section 62(1)(b) of the Act.

The Members are further informed that the Plan seeks to cover the employees of the subsidiary(ies) of the Company, along with the employees of the Company as eligible employees for the grant of the employee stock options, which requires a separate approval of the Members under the provisions of Regulation 6 of the SEBI (SBEB) Regulations.

The Members are also informed that the Company proposes to grant options to the identified employees, during any one year, equal to or exceeding 1% (One Percent) of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant of option which also requires a separate approval of the Members under the provisions of Regulation 6 of the SEBI (SBEB) Regulations.

Accordingly, the Board seeks the approval of the Members by way of a special resolution.

The main features of the Plan are as under:

1. **Brief description of the Plan:** This proposed Plan called the CIFL – Employees Stock Option Plan 2018 is intended to reward the eligible employees of the Company and its subsidiaries, as more specifically detailed out in the Plan (“**Employees**”), for their performance and to motivate them to contribute to the growth and profitability of the Company and its group. The Company also intends to use this Plan to retain talent in the organization, as it views options as instruments that would enable the Employee(s) to share the value they create for the Company and its group, and align individual objectives of Employee(s) with objectives of the Company and its group in years to come. The Company in terms of the said regulations contemplates to enable the implementation of the Plan by dealing in/ acquiring equity shares directly from the Company.
2. **Total number of options to be granted:** Such number of options would be available for grant to the eligible Employee(s) under the Plan, in one or more tranches exercisable into not exceeding more than 35,00,000 (Thirty Five Lakhs) Equity Shares of the Company of face value of Rs. 10/- (Rupees Ten only) each fully paid-up.

Vested options lapsed due to non-exercise and/or unvested options that get cancelled due to resignation/ termination of the Employees or otherwise, would be available for being re-granted at a future date. The Board is authorized to re-grant such lapsed / cancelled options as per the provisions of the Plan, within overall ceiling.

The SEBI (SBEB) Regulations require that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division, and others, a fair and reasonable adjustment needs to be made to the options granted. Accordingly, if any additional equity shares are required to be issued pursuant to any corporate action, the above ceiling of equity shares shall be deemed to increase in proportion of such additional equity shares issued subject to compliance of the SEBI (SBEB) Regulations.

3. **Identification of classes of employee(s) entitled to participate in the Plan:**

Following classes of Employee(s) are entitled to participate in ESOP 2018:

- a) a permanent employee of the Company and / or its subsidiaries, working in India or out of India; or
- b) a Director of the Company and / or its subsidiaries, whether whole time or not;

Following persons are not eligible:

- a) an employee who is a promoter or belongs to the promoter group;
- b) A director who either by himself or through his relatives or through anybody corporate, directly or indirectly, holds more than 10% (Ten Percent) of the outstanding equity shares of the Company; and
- c) a director being an independent director.

4. **Requirements of vesting and period of vesting:** The options granted shall vest so long as an Employee continues to be an Employee. The Board may, at its discretion, lay down certain performance metrics on the achievement of which such options would vest, the detailed terms and conditions relating to such vesting, and the proportion in which options granted would vest

subject to the minimum vesting period of 1 (One) year. The vesting dates in respect of the options granted under the Plan may vary from Employee to Employee or any class thereof and/or in respect of the number or percentage of options granted to an Employee. Options shall vest essentially based on continuation of employment and apart from that the Board may prescribe achievement of any performance condition(s) for vesting. Vesting/lock-in period and the vesting may occur in tranches or otherwise.

5. **Maximum period within which the options shall be vested:** Option granted under ESOP 2018 shall 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. Board at its discretion may grant options specifying vesting period ranging from minimum and maximum period as afore-stated.

Provided that in case where options are granted by the Company under this Plan in lieu of options held by a person under a similar plan in another company, which has merged or amalgamated with the Company, the period during which the options granted by the transferor company were held by him may be adjusted against the minimum vesting period required in terms of the Plan.

6. **Exercise price or pricing formula:** The Board will determine the exercise price in case of each grant subject to the same not being less than the face value of the equity shares of the Company.

7. **Exercise period and the process of Exercise:**

a. Exercise while in employment:

The exercise period in respect of vested options shall be the period as specified in the grant letter, subject to a maximum period of **5 (Five) years** from the date of vesting of options.

b. Exercise in case of separation from employment:

Subject to maximum exercise period stated above, the vested options can be exercised as under:

S. No.	Events of separation	Vested Options	Unvested Options
1	Resignation / termination (other than due to Misconduct or due to breach of Company policies/ terms of employment)	All vested options as on the date of submission of resignation/ date of termination shall be exercisable by the option grantee within 30 (Thirty) days from the date of resignation.	All unvested options as on date of submission of resignation/ date of termination shall stand cancelled with effect from date of such resignation/ termination.
2	Termination due to Misconduct or due to breach of Company Policies /Terms of Employment	All vested options at the time of such termination shall stand cancelled with effect from the date of such termination.	All unvested options at the time of such termination shall stand cancelled with effect from the date of such termination.
3	Retirement	All vested options as on the date of retirement can be	All unvested options on the date of retirement shall stand

		exercisable by the Option Grantee within 180 (One Hundred and Eighty) days from the date of retirement.	cancelled with effect from date of Retirement.
4	Death	All vested options may be exercised by the option grantee's nominee or legal heir immediately after, but in no event later than 12 (Twelve) months from the date of death of the option grantee.	All unvested options as on date of death shall vest immediately in the option grantee's nominee or legal heir and can be exercised immediately after, but in no event later than 12 (Twelve) months from the date of death of the option grantee.
5	Permanent Incapacity	All vested options may be exercised by the option grantee, immediately after, but in no event later than 180 (One Hundred and Eighty) days from the date of such incapacity.	All unvested options as on date of incurring of such incapacity shall vest immediately in the option grantee and can be exercised immediately after, but in no event later than 180 (One Hundred and Eighty) days from the date of such incapacity.
6	Abandonment of employment	All vested options shall stand cancelled with effect from such date as determined by the Board.	All unvested options shall stand cancelled with effect from such date as determined by the Board.
7	Termination due to reasons apart from those mentioned above	The Board shall decide whether the vested options as on that date can be exercised by the option grantee or not, and such decision shall be final.	All unvested options on the date of such termination shall stand cancelled unless otherwise required by the applicable laws.

8. **Appraisal process for determining the eligibility of employee(s) under the Plan:** Appraisal process for determining the eligibility of the Employees will be based on designation, period of service, performance linked parameters, such as work performance and such other criteria as specified in terms of the Plan.
9. **Maximum number of options to be issued per employee and in aggregate:** The number of Options to be granted to an Eligible Employee under the Plan can be decided by the Board. However, the maximum number of options that can be granted to each Employee under the Plan, in any financial year, shall not be more than the following:

S. No.	Name of the Employee	Designation	Maximum grant (% of total issued capital, at the time of grant of option)
1	Mr. Keshav Porwal	Managing Director	2.5%
2	Mr. Amit Sahai Kulshreshtha	Chief Executive Officer & Director	2.5%
3	All other Eligible Employees	As applicable	0.5%

	(on an individual basis)		
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10. **Maximum quantum of benefits to be provided per employee under the Plan:** The Maximum quantum of benefit(s) underlying the options issued to an eligible Employee shall depend upon the market price of the shares as on the date of sale of shares arising out of exercise of options.
11. **Whether the Plan is to be implemented and administered directly by the Company or through a trust:** The Plan will be implemented by the Company directly in a manner as permissible under the SEBI (SBEB) Regulations and subject to applicable compliances, as specified in the Plan.
12. **Whether the Plan involves new issue of shares by the Company or secondary acquisition by the trust or both:** The Plan contemplates new issue of shares by the Company.
13. **The amount of loan provided for implementation of the Plan by the Company to the trust, its tenure, utilization, repayment terms etc.:** Nil.
14. **Maximum percentage of secondary acquisition (subject to limits specified under the Regulations) that can be made by the trust for the purchase under the Plan:** Nil.
15. **Accounting and Disclosure Policies:** The Company shall follow the laws / regulations applicable to accounting and disclosure related to the employee stock options, including but not limited to, the Indian Accounting Standards/ Guidance Note on Accounting for Employee Share-based Payments and/ or any relevant accounting standards as may be prescribed by the Institute of Chartered Accountants of India or any other appropriate authority, from time to time, including the disclosure requirements prescribed therein.
Where any existing accounting guidelines do not prescribe accounting treatment and/or disclosure requirements for ESOP 2018, then the Company shall comply with the relevant accounting standards as may be prescribed in this behalf under SEBI (SBEB) Regulations or any other applicable law, from time to time.
16. **Method of valuation:** The Company shall use the fair value method as more specifically detailed in the Plan.

The approval of the Members being sought by way of special resolution(s) pursuant to Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and as per Regulation 6 of the SEBI (SBEB) Regulations.

A draft copy of the Plan is available for inspection at the Company's registered office on all working days (excluding Saturday, Sunday and Holidays) till the date of the conclusion of Postal Ballot process.

Directors / Key Managerial Personnel of the Company who may be granted Options under ESOS 2017 may be deemed to be concerned or interested in the Special Resolution(s) at Item no. 1, 2 and 3 of this Postal Ballot Notice. Save as aforesaid, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the said Special Resolutions.

Your Directors recommend the passing of the above Special Resolution(s) at Item no. 1, 2 and 3.

Item No. 4

As per the provisions of Section 186 of the Act, no company shall, directly or indirectly, give any loan to

any person or other body corporate, give any guarantee or provide security in connection with a loan to any other body corporate or person; and acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding 60% (Sixty Percent) of its paid-up share capital, free reserves and securities premium account or 100% (One Hundred Percent) of its free reserves and securities premium account, whichever is more, unless it is previously authorized by a special resolution.

The Company proposes to expand its business and give loans or make investments which may result in breach of the limits specified in Section 186 of the Act. Therefore, it is proposed to recommend the shareholders of the Company to pass a special resolution to authorize the Board to make investments, give loans, guarantees and provide securities beyond the limits specified under Section 186 of the Companies Act, 2013, however, subject to an overall limit of Rs. 2000,00,00,000/- (Rupees Two Thousand Crores only) at any point of time for the smooth functioning of day to day business of the Company.

None of the Directors and/or key managerial personnel of the Company and/or their relatives are deemed to be concerned or interested, financial or otherwise in the said resolution(s) except to the extent of their shareholding, if any, in the Company or any of their interest as Director or shareholder or otherwise mentioned herein above, in the Company.

Your Directors recommend passing of the above Special Resolution at Item no. 4.

By the order of the board
Capital India Finance Limited
(formerly known as Bhilwara Tex-Fin Limited)

sd/-
Rachit Malhotra
Company Secretary & Compliance Officer
Membership No. A39894

Place: New Delhi
Date: August 07, 2018



CAPITAL INDIA

CAPITAL INDIA FINANCE LIMITED

(Formerly known as Bhilwara Tex-Fin Limited)

Regd. Office: 2nd Floor, DLF Centre, Sansad Marg, New Delhi – 110001, Ph. No. 011-4954 6000

Corporate office: A-1402, One BKC, 14th Floor, G-Block, Bandra Kurla Complex,
Bandra (East) Mumbai – 400051. Ph. No. 022-4503 6000

Website: www.capitalindia.com, **Email ID:** secretarial@capitalindia.com

Corporate Identity Number (CIN): L74899DL1994PLC128577

POSTAL BALLOT FORM

(To be returned to Scrutinizer appointed by the Company)

Particular(s) Required	Details
1. Name(s) & Registered Address of the Sole/First Named Member (in block letters)	
2. Name(s) of the Joint Member(s), if any: (in block letters)	
3. Registered Folio No. / DP ID No.*/& Client ID No.*: (*Applicable to members holding shares in dematerialized form)	
4. Number of share(s) held	

I/ We hereby exercise my/ our vote in respect of the following resolution(s) to be passed through postal ballot for the business(es) stated in the Postal Ballot Notice dated August 7, 2018 by sending my/our assent (FOR) or dissent (AGAINST), to the said resolution(s) by placing the tick (✓) mark at the appropriate box below:

Item No.	Description	No. of Shares	I/ We assent to the resolution (FOR)	I/ We dissent to the resolution (AGAINST)
1.	Special Resolution for approval of 'CIFL Employee Stock Option Plan 2018'.			
2.	Special Resolution for 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.	Special Resolution for approval of grant of options equal to or exceeding 1% of issued capital to identified employees.			
4.	Special Resolution for approval to make investment(s), give loans, guarantees and provide securities beyond the limits specified under Section 186 of the Companies Act, 2013.			

Place:

Date:

Signature of the Shareholder/Authorized Representative

(Strike out whichever is not applicable)

Particulars for voting through Electronic means

For those opting to vote through electronic means, instead of voting by the above postal ballot, facility is available at the web link: www.evoting.nsdl.com. Particulars for electronic voting are as under:

EVEN	USER ID	PASSWORD/PIN

Note: Please read the instructions printed overleaf and the Postal Ballot Notice dated August 7, 2018 (“Notice”), before exercising your vote.

GENERAL INSTRUCTIONS

1. This Postal Ballot Form (“**Form**”) is provided for the benefit of the member(s) of the Company (“**Member**”) who do not have access to e-voting facility.
2. A Member can opt for only one mode of voting i.e. either through e-voting or by postal ballot. If a member casts vote by both modes, then voting done through e-voting shall prevail and ballot shall be treated as invalid.
3. For detailed instructions on e-voting, please refer to the notes appended to the Notice.
4. The scrutinizer will collate the votes downloaded from the e-voting system and votes received through post or hand delivered, to declare the final result for each of the resolution(s) forming part of the Notice.

Process and manner for Member(s) opting to vote by Postal Ballot

1. A Member desiring to exercise vote by postal ballot may complete this Form and send it to **MR. MANISH KUMAR** (the “**Scrutinizer**”) in the enclosed self-addressed postage pre-paid business reply envelope (if posted from India). However, any envelope containing Form if deposited in person or sent by courier / any other mode at the expense of the Member shall also be accepted. It is however clarified that the Member desirous to exercise their vote from outside of India will have to arrange for postage from the country where the ballot papers are dispatched to Scrutinizer.
2. The Form should be signed by the Member as per the specimen signature registered with the Company/Depositories. In case of joint holding, the Form should be completed and signed by the first named Member and in his/her absence, by the next named joint holder. Exercise of vote by postal ballot is not permitted through proxy.
3. In case the shares are held by companies, Trusts, Societies, institutional member etc. the duly completed Form should be accompanied by a certified true copy of the relevant board resolution / authorization.
4. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Member as at the cut-off date i.e., August 10, 2018.
5. Consent must be accorded by placing the tick mark (✓) in the column ‘I/ WE assent to the resolution (FOR)’ or dissent must be accorded by placing the tick mark (✓) in the column ‘I/ WE dissent to the resolution (AGAINST)’ at the appropriate box. A Member need not cast all the votes in the same way. The assent / dissent received in any other form or a photocopy of the Form shall be considered invalid.

6. Members are requested to fill in the Form with indelible ink and not in any erasable writing mode.
7. There will be one Form for every Folio / DP ID and Client ID, irrespective of the number of joint holders.
8. Duly completed Form should reach the Scrutinizer not later than September 23, 2018 (5:00 p.m. IST). Form received after September 23, 2018 (5:00 p.m. IST) will be strictly treated as if the reply from the Member has not been received.
9. Members are requested not to send any other paper along with the Form. Any extraneous paper attached with this Form would be destroyed by the Scrutinizer.
10. The Members who have received the Notice by e-mail and wish to vote through the Form can download the Form from the weblink – www.evoting.nsdl.com or the website of the Company i.e., www.capitalindia.com and take a print thereof. Members seeking duplicate Form may request to the Company's Registrar and Share Transfer Agent or may send an email to secretarial@capitalindia.com by mentioning their folio/DP Id No. Such Form should be duly completed, signed and sent to **MR. MANISH KUMAR, SCRUTINIZER C/o CAPITAL INDIA FINANCE LIMITED (formerly known as Bhilwara Tex-Fin Limited), 2ND FLOOR, DLF CENTRE, SANSAD MARG, NEW DELHI – 110001**. However, duly filled in and signed duplicate Form should reach the Scrutinizer not later than the date and time specified in serial no. 8 above.
11. Form received by fax will be rejected as if reply from Member has not been received unless the original Form is received within prescribed time period.
12. The Form shall be considered invalid on any of the following grounds:
 - a) A Form other than one issued by the Company has been used;
 - b) It has not been signed by or on behalf of the Member;
 - c) Signature on the Form doesn't match the specimen signatures with the Company/the Depositories;
 - d) Neither assent nor dissent is mentioned;
 - e) It is not possible to determine without any doubt the assent or dissent of the Member;
 - f) Any competent authority has given direction(s) in writing to the Company to freeze the voting rights of the Member;
 - g) The envelope containing the Form is received after the last date prescribed;
 - h) The Form, signed in a representative capacity, is not accompanied by a certified copy of the relevant authority document;
 - i) It is received from a Member who is in arrears of payment of calls, if any;
 - j) It is defaced or mutilated in such a way that its identity as a genuine Form cannot be established;
 - k) Member has made any amendment to the resolution or imposed any condition while exercising his vote.

The assent or dissent received after the last day specified for receipt of duly completed Form will be treated as if reply from the Member has not been received.

13. The decision of the Scrutinizer on the validity of the Form and any other related matter shall be final.
14. The results declared along with Scrutinizer's report, shall be placed on the Company's website (www.capitalindia.com) and on the website of the National Securities Depository Limited (NSDL) and communicated to the Bombay Stock Exchange Limited, where the shares of the Company are listed.